



# Retford & Worksop (Chesterfield Canal)

## Boat Club Limited

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**11 July 2008**

Dear Robin

Thank you for giving me the opportunity to attend the meeting at the Elms Retford on Wednesday. I congratulate you for the way you explained things in an open and honest way. Clearly you have to run BW like a business and it is evident that the "business" has made great strides lately to become more "business like". You also recognise this is a unique "business" by consulting those of us who have an emotional invested in the canals. I recognise that you are trying to do the right things right and this can be difficult given the complexity and different vested interests you have to deal with.

### **With regard to the mooring tender trial.**

You must have recognised that this has not been well received indicated by the volume of spontaneous comments. It favours the rich, it's unfair, and it will drive low income people away from the waterways. However articulate you are and however much spin you put on it the fact remains it favours the rich, it's unfair, and it will drive low income people from the waterways.

Most of the people you will drive off the waterways are the people who have spent many years boating. Many of them have been involved in restoration. Most of them are passionate about the waterways. These low income people are typically retired and there lives will become impoverished when they have to give up boating because the cost has become too much.

I understand your dilemma so let my try to be a factual as I can and offer a solution that may be more acceptable.

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**Directors**

**Chairman Pam Bygrave**

**Secretary Graham Newton**

**Treasurer Lisle Hobson**

The consultation document states that 15% of online moorings are BW, 7% end of garden and half of online moorings are provided by commercial operators under lease agreements so how many moorings are online? 15% plus 7% = 22% of which 50% are BW. Can you clarify this because it is clear to me that if 50% are commercially operated then you have a template for establishing the commercial rate by reference to the commercial operators.

The document states that the number of boats on the waterways now stands at 31,000 and it states that the supply of moorings has not kept pace with demand. But how many moorings are there on the network? How can judgements be made when the total number of available moorings is not known or not divulged? Can you please tell me the total number of moorings of all kinds on the network?

The document refers to pressure from the BMF. Under commercial anti competitive law competing business are forbidden from having conversations regarding pricing. By simply talking to the federation about pricing I believe you could both be accused of price fixing. The consultation document states that questions could be asked by the competition authority if BW set pricing below the market rate. Questions could also be asked about price fixing between BW and the BMF. I would welcome your comments on this.

The BMF are benefiting from the increased mooring fees in the demand led market and should be re investing the increased revenue to increase capacity. The BMF could be accused of exploiting boaters because clearly established marinas do not have the same high cost base as new developments. Where is all this extra revenue going? Who is benefiting? Perhaps you have a perspective on this.

The document refers to the 2,300 new berths since 2006 and a further 1,000 under construction. Reference is also made to the 5,800 net increase in boats since 2000 so how many new berths since 2000? If you want to quantify demand you need to compare apples with apples. If you take the 5,800 new boats less the 3,300 new berths you have a shortfall of 2,500 berths. During the "missing years" 2000 to 2006 it would have required just 416 new berths per year to meet demand. Some of this demand could have been met from vacant berths and increased capacity within existing marinas.

With regards to Appendix 3. Clearly you did not like the spontaneous comments from the self-selecting group so you commissioned Andrew Irvine to get comments from your self-selecting group, neat move - congratulations.

With regards to the telephone survey appendix 3B. Clearly this is inconclusive. The key learning is that half the pole no longer wanted a mooring, 68% understood the system but 60% did not register, 51% did not agree in principal and 31% had got a mooring elsewhere or did not need a mooring.

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With regard to appendix 4. A lot of the data is inconclusive and a little confusing however the average index of guide price of 117% is interesting. If this is for three years and lets say the average increase on the current system was say 5% per year then over three years the compound increase would be 116% therefore the extra revenue would be 1% and I guess this would not pay the cost of running the system. I am mystified by the comment "it appears that the trial is reaching a much wider audience than existing BW boaters". Why do none boaters need a mooring??????? Fascinating??

#### General comments

New market entrants usually get a marina mooring. New build new market entrants would tend to be better able to afford marina moorings and would probably prefer a marina to protect the significant investment. Off line is not as attractive to new market entrants as marinas therefore it is not as big an issue as is claimed. Boats sold through brokers will usually come with a marina mooring. If the boats for sale in a marina it's got a mooring.

Using waiting lists as a guide to demand is not reliable because the list may not be up to date and a single boater will be on a number of lists therefore inflating true demand. By 30% to 50%.

#### Scoring Waiting list

**Transparency** is scored at 2 by BW however Fixed price lottery scores 6. Waiting list and lottery use the similar formula for fixing local pricing therefore I conclude that Waiting list should be scored 6

**Customer acceptance** is scored 7 versus lottery 8 however BW has no experience of lottery while waiting list is acceptable because it is the preferred system therefore I would score 9 on this

**Operating costs** I agree 9 on this clearly BW know what it costs and is low risk cost wise.

**Measure of market price** to score 1 here is a farce. Clearly local judgement and local commercial benchmarks would give a clear indication of the market price therefore I would score 5 for this and Auction

Assuming the other 5 options score remains the same and I would down score customer acceptance and all but waiting list then **Waiting list scores 29**

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## **Waiting list is the preferred option.**

I am suggesting a modified waiting list as follows lets call it **Vacancy allocation**  
To distinguish it from the 5 current options.

The moorings on the site would be valued against local competition, recent past pricing, demand, and inflation etc. The data used to calculate this would be published therefore it would be 100% transparent and new and existing customers could see how BW justified the price.

Boats on linear moorings should be prepared to move up or down to accommodate other boats and take up any slack.

One months notice should be given before a mooring is vacated so it can be reallocated without voids.

The waiting list should be by boat by area and a boat can only be on one waiting list so a true assessment of demand by area can be established and no duplication will be present.

Lets say the area is Doncaster this would include say Bramwith, Long Sandall, Doncaster Keadby, Pollington, Whitley Lock etc. As a mooring becomes vacant it would be offered to the boat at the top of the waiting list if it is declined the next boat would be offered it and so on. Clearly account would have to be taken of boat size and full utilisation of available space. A boat would be allowed three declines before being moved to the bottom of the list. The only difference would be that mooring would be offered in an area and not a specific site if someone wants a specific site they can decline and wait till that site comes up.

A registration charge could be made to cover the cost of managing the system and to discourage speculative registration. Registration should have a time limit say a couple of years. The top half dozen or so on the list should be canvassed say every six months to establish that they still want a mooring so that when one comes up it can be allocated quickly.

An entry fee say 5% or 10% of the first years fee could be made for the first year to increase revenue and discourage boaters from flitting from mooring to mooring.

The current waiting list system has not been properly exploited and with a bit more commitment and a little investment it could be made to work even better and at a minimal cost.

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From my perspective BW appear to have already decided to go the Auction/Tender route and I believe this would be a big mistake. I am not convinced by the consultation document - it is well presented but I believe spun in favour of Tendering.

The majority of boaters do not want tendering/Auctions for the reasons already stated. It's a bad idea that will lead to negative customer re action. It is and is perceived to be a way of increasing prices and driving less well off boaters out of the market. BW and the BMF appear to be acting contrary to competitive law by colluding to fix pricing.

One of the speakers on Wednesday commented that this tendering leaves a bad taste in the mouth and I agree, in fact I would add that I believe it stinks.

Thank you once again for the opportunity to contribute to the debate I do hope my contribution has been useful

Yours sincerely

Graham Newton

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