

HAYLE MARINA STUDY

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on behalf of ING Real Estate Development UK (ING)

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1. INTRODUCTION

1.1 PROJECT BACKGROUND

ING Real Estate Development UK (ING) have acquired Hayle Harbour and the Harbour Operating Company and are currently preparing to submit details proposals for planning and Harbour revision consent for a significant mixed use regeneration development in the Spring 2005. ING have established a well respected project team to bring the project to fruition including:

- | | |
|-------------------------------------|--------------------------|
| ▪ Masterplanning Architects | FSP |
| ▪ Engineers | Buro Hapold |
| ▪ Cost Consultants | Deacon & Jones |
| ▪ Environmental Consultants | The Environment Practice |
| ▪ Socioeconomic Consultants | Roger Tym Partners |
| ▪ Grant & Public Sector Consultants | Additional 2 |

1.2 PRODUCT

Key components within the scheme include the following elements:

- Regenerating the harbour area itself by repairing the historic harbour structures and developing a revolutionary half tide barrier and lock, which will impound a large body of water to be used for the marina. A new bespoke harbour area for the fishing fleet will be constructed outside the tidal barrier.
- 700 residential units will be constructed to the north Hayle centre and in a new 'village' on the old north quay.
- 500,000 square feet of commercial, community and cultural space.

1.3 PURPOSE & SCOPE

ING require RGA to resolve the following issues:

- Is there sufficient demand from the sailing community to establish a commercially viable marina at Hayle?
- Are the sailing waters and seaward approaches suitable to support this demand?
- Is it technically possible to use quayside mooring as part of the marina operation?
- How many berths can be accommodated (both on the pontoons and on the quayside) and what revenues could be generated?

- Identification of potential marina operators, and a indication of their minimum criteria in terms of scale, supporting facilities, configuration and revenues. Gauge their reaction and interest in managing the marina.
- If the marina is considered unlikely to attract external operators, provide an indication of the financial implications of operating the marina through the vehicle of its own Harbour Company.

1.4 METHODOLOGY

RGA have undertaken the following tasks in the preparation of this study:

- Visited the site and interviewed the current Harbour Master;
- Reviewed relevant sailing and marina market research, including the British Marine Federation ‘Marinas and Mooring Audit 2003/2004 – Coastal Sectors’;
- Undertaken a desk top review of competitive marina performance;
- Visited competitive marinas and tourism destinations within the ‘market area’;
- Consulted key regeneration and tourism personnel within Cornwall;
- Met with FSP to be briefed on the masterplan;
- Consulted the key marina operators in England to gauge key management criteria ‘triggers’ and interest in Hayle;
- Provided an indication of potential marina performance, throughputs, revenues and staff costs with assumptions;
- Produced a recommendation of the number of berths and required supporting facility mix and
- Formulated a technical assessment of the approaches and tidal windows.

2. EXECUTIVE SUMMARY

2.1 KEY FINDINGS

Key findings include;

- The Cornish economy performs poorly, unemployment is high (especially within the Penwith District) and the percentage of population above working age is a significant drain on the economy. There are however, a number of significant inward investment schemes currently underway within the Hayle and Penwith area.
- The SWRDA are very keen to develop the 'Wave Hub' initiative and Hayle will have a central role within this.
- The majority of commercial and community harbours within Cornwall are located on the south coast where sailing conditions and the range of destinations for weekend/day sailors is significantly better than the north coast.
- The marinas at Mylor and Falmouth are the clear market leaders and should be viewed as the best practice models for the Hayle development.
- The British Marine Federation (BMF) and the MDS/DTZ surveys have identified a requirement based on current and future demand, for additional mooring berths in zones from Chepstow to Land's End and from the Isles of Scilly to Looe. The BMF survey shows good demand for additional mooring facilities on both the north and south Cornwall coasts. RGA believe that if suitable access is engineered and high quality facilities are developed at Hayle, then given the lack of available moorings a proportion of demand from these zones could be secured.
- Reports from knowledgeable local individuals suggest that, although not the first choice for yacht owners, there is demand for additional marina facilities in Cornwall. Despite issues surrounding access and the range of sailing destination in north Cornwall, it is broadly felt that there would be demand for quality marina facilities at Hayle.
- Stable year profit is forecast to be;
 - Phase One 130 Berths £181,805
 - Phase Two 180 Berths £307,925
 - Phase Three 230 Berths £467,091

2.2 ISSUES

Key issues include;

- MDL are currently in the early stages of developing a 200 berth marina as part of the wider Penzance regeneration scheme.
- The 2001 MDS/DTZ report suggested there was demand for up to three new medium sized marinas within the Cornwall zone which was presented with a ‘saturation’ caveat. RGA feel that there is sufficient demand for a new Marina at Hayle, given the proposed quality/positioning of facilities and improved access, in addition to the proposed 200 berth MDL marina development.
- The creation and development of Hayle as a tourist destination, as outlined in the scheme master plan, is integral to the potential success of the marina operation.

2.3 RECOMMENDATIONS

At this stage RGA recommend:

- Key potential operators will be sceptical about a new facility at Hayle and will need to be approached during the later stages of the scheme. We recommend that ING develop and manage the Marina during the first 3 years, and then approach the market with an established, successful marina that shows potential for growth. ING could consider the option, given the Bo’ness marina development, of establishing a dedicated marina operating company and explore the feasibility of maintaining control of the asset.
- RGA recommends further investigation into the development of a 230 berth marina at Hayle.

3. MARKET BACKGROUND

3.1 INTRODUCTION

Hayle is located within Penwith District Council unitary area of Cornwall, the most westerly part of mainland Britain. This compact area (30,356 hectares, 117 square miles) has a unique atmosphere and diverse character. It offers a variety of landscapes from European 'Blue Flag' beaches to moor land, quaint villages and picturesque harbour villages. The District has a population of 63,000 (Census 2001), of which 28% are over 60 years of age. The town of Penzance is the largest population centre in the District and features the only promenade in Cornwall. It is also reputed to be the sunniest place in Britain. St. Ives, like Penzance a mature tourism destination and home to a branch of the Tate Gallery, boasts cobbled streets and granite cottages huddled around the harbour and beaches. Hayle has over three miles of dunes and beaches with an estuary much visited by bird watchers. Penzance, St. Ives and Hayle account for 40% of the resident population of Penwith.

Industry in the District was once dominated by agriculture, fishing and mining, but the decline of these industries was a factor in Objective 1 area status being granted to Cornwall. The top three employment industries today are; wholesale and retail (18%); health and social work (12%) and hotels and catering (11%). Tourism now plays a major part in the economy of the District with many small and medium sized businesses catering for tourists and associated support services.

3.2 TRANSPORT AND COMMUNICATION

Hayle benefits from good transport communications being only 2 miles from the key road artery in Cornwall, the A30, and having direct rail access to the major population centres of Plymouth, Exeter, Bristol and London on the mainline Penzance to London rail link operated by First Great Western. National Express provide frequent coach services from main UK cities to Falmouth, St Ives and Penzance. Newquay Cornwall Airport has expanded significantly over the last three years with the arrival of low cost airlines Ryanair and Flybe to compliment the other two key operators – Air South West and Air Wales. Air South West has recently announced a significant expansion of routes and services.

Poor transport infrastructure is often highlighted as a key development barrier in Cornwall. The recent announcement that planning permission has been granted to upgrade the single lane section of the A30 at Gosmore, a notorious bottle neck during the peak summer months, to dual carriageway will go some way to addressing this.

3.3 THE LOCAL ECONOMY

The following points can be made about the Cornish economy;

- Cornwall and the Isles of Scilly have the longest coastline of any county in England (697 km).
- Cornwall and the Isles of Scilly have a unique distinct culture and a high quality environment.
- Cornwall's infrastructure is seen by many as being the main constraint on future economic development.
- Traditional industries are experiencing decline and are entering a period of restructure and diversification.
- Gross Domestic Product is 65% of UK average in comparison to 91% for the South West (1998).
- Cornwall and the Isles of Scilly population was 501,267 in 2001 and is projected to increase to 540,100 by 2021.
- In January 2003, unemployment was 3.1% in Cornwall. There is, however, great variation across the County and unemployment for over 16 year olds in Penwith District is closer to 10%.
- 37% of Cornwall's population is economically inactive.
- Average weekly earnings within Cornwall are 28% below the UK average. £277 in comparison to £387 respectively.
- Cornwall has 18,414 businesses, 70% of which employ less than 5 persons. 0.4% of Cornwall's businesses employ more than 200 people.
- 38% of employees are employed in businesses employing 15-199 persons.
- Between 1994 and 2001 Cornwall has experienced a loss of 1,665 VAT registered businesses (-8.8%) which accounts for more than half the South West total. The UK grew by 2.9% in the same period.
- 35% of businesses have a turnover of less than £500,000

Table 1 presents an overview of key industries of employment in Cornwall amongst the economically active population.

Table 1: The Industry in which Employed People 16-74 Work 2001

	Number	Percent
Total Population 16-74 in Employment	214,260	
Agriculture and forestry	9,000	4.20%
Fishing	750	0.35%
Mining and quarrying	2,805	1.31%
Manufacturing	23,785	11.10%
Electricity, gas, water	1,155	0.54%
Construction	17,355	8.10%
Retailing, car repair	38,915	18.16%
Hotels and catering	18,710	8.73%
Transport and communication	11,165	5.21%
Financial Services	4,010	1.87%
Estate agents, business	18,730	8.74%
Public administration, defence	15,340	7.16%
Education	15,940	7.44%
Health and social care	25,350	11.83%
Other sectors	11,250	5.25%

Source: ONS

3.3.1 Key Regeneration Activity

A number of regeneration initiatives are currently occurring within Penwith District, these include:

- An ambitious 10 year £150 million investment programme for Camborne, Pool and Redruth was announced in 2002. The regeneration will include up to 150 hectares of land with the aim of creating more than 4,000 jobs and increasing wages in the area by 15%. Some 72 potential regeneration projects have been identified and work has already started on a new £4.5 million Higher Education building and a £5.25 million centre of excellence for Constructive, Automotive and Engineering Studies for Camborne Pool Redruth College.

- A study by the SWRDA has been examining the potential to develop a sustainable energy 'Wave Hub' 10 miles out to sea which could generate sufficient energy to support 14,000 homes, creating 700 jobs and contributing £27 million to the local economy. Studies have identified Hayle, with its connection to the National Grid, as the preferred choice for the station.
- Hayle Foundry Phase II & Streetscape - To promote regeneration in Hayle by rebuilding Foundry Farm, stabilising the Granary Barn and empowering the Foundry Trust in developing the Heritage Centre and to incorporate the enhancement of the historic environment through streetscaping.
- Barbican Media Centre - To establish high quality office space for Media business at the Barbican, Penzance in conjunction with the Private Sector.
- Penzance THI - To promote regeneration in Penzance by securing funding and progress the development of Streetscape.
- Penzance & Isles of Scilly Route Partnership - To establish a viable scheme for Penzance Harbour to improve its attractiveness for Leisure and Tourism purposes and accommodate improvements to cargo and passenger facility to the Isles of Scilly.
- Newlyn Regeneration - To support the Newlyn Fish Industry Forum to secure funding for Projects to benefit and sustain the future of the local economy and promote the wider generation of Newlyn.
- Seafood Park - To work with the South West Regional Development Agency to establish a Seafood Park near to Newlyn to provide fish processing facilities.
- Princess May - To assist in the development of a Skate Park and continue to support the development of the Princess May Recreation Ground.
- Newlyn Trinity - To assist the Steering Group to secure funding for the development and extension of a community centre for Newlyn.

3.4 TOURISM

In 2001, some 26m tourists stayed overnight in the South West from both the UK and overseas. Together these visitors stayed for 105m nights and spent a total of £4.5bn during their visit. In terms of domestic tourism the SW is the most visited government region (RDA) of the UK. If overseas visits are taken into account, then it is exceeded only by London and the South East. The region attracts significantly more visitors than Scotland and twice as many visitors as Wales.

Some key facts are set out below although it needs to be borne in mind that there is significant variation in the incidence and type of tourism across the region.

- The South West accounts for 15% of UK domestic tourism trips and domestic tourism spending. In terms of overseas tourism the region accounts for 8% of UK visits and 6% of overseas spending.
- Most visitors are from the UK with only 7% coming from overseas. Overseas visitors however account for 14% of tourism spending because they tend to stay longer.
- Average spend per night is similar for UK visitors (£43) and overseas visitors (£42) but overseas visitors tend to stay much longer, 7.9 nights on average as opposed to 3.7 nights.
- The majority of visitors are on holiday, accounting for 71% of domestic and 40% of overseas trips. Visits to friends and relatives account for 19% of domestic visits and nearly one third (31%) of overseas visits. Business visits account for 10% of domestic trips.
- Devon is the most visited county accounting for 30% of the region's domestic trips and 20% of overseas visits. This is followed by Cornwall and Dorset. Note that Devon and Cornwall together account for half of all trips and tourism spend in the region.

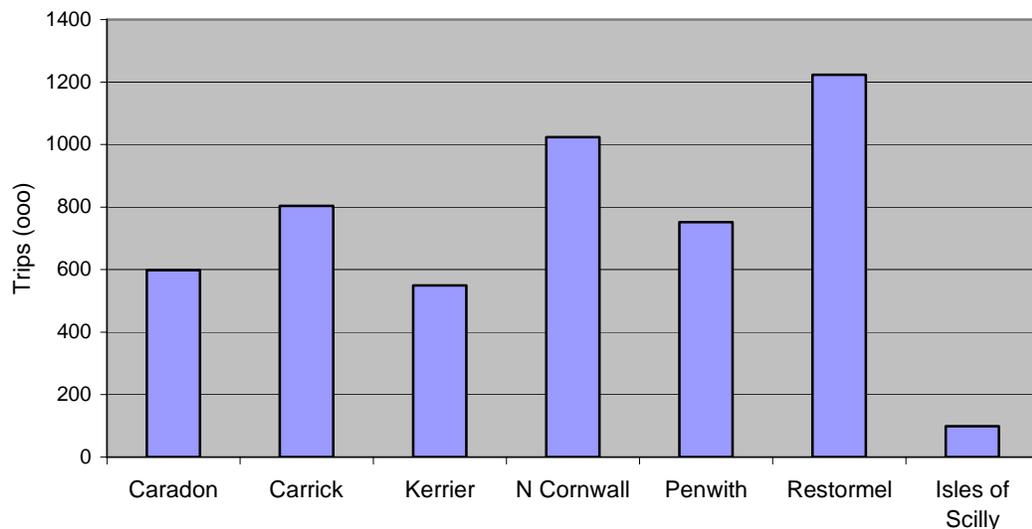
Compared to the regional average Cornwall has low levels of business and overseas tourism but a very high dependence on holiday visitors, especially long holidays. Long holidays are hugely important to Cornwall accounting for 2/3 of domestic nights and spending. The short holiday sector is relatively small, reflecting the long distance of the county from centres of population. Average trip duration and spend per trip is relatively high reflecting the dominance of the long holiday sector. Spend per night, however, is at the regional average as is demonstrated in Table 2.

Table 2: Cornwall Tourism Profile

	Cornwall			SW Region
	Trips	nights	Spend	Trips
Domestic	4.8	22.7	980	24.0
Short hols	25%	11%	18%	37%
Long hols	48%	70%	66%	34%
VFR	21%	12%	9%	19%
Business	4%	7%	7%	10%
Overseas	0.20	1.5	55	1.9
Total	5.0	24.2	1035	25.9
Average stay		4.8 nights		4.1
Spend per trip		£206		£173
Spend per night		£43		£43

Source: State Of Tourism In The South West 2003

Figure 1 presents an overview of the geographical distribution of visitors within Cornwall.

Figure 1: Cornwall -Staying visits by District

In terms of the distribution within the county, the districts with the largest concentrations of staying tourism are Restormel and North Cornwall. Together these districts account for 44% of Cornwall's tourism. Table 3 provides an overview of projected increase in the volume and value of tourism in Cornwall until 2011. Tourism within the region is a vital factor in the economic success of the south west and projections are favourable.

Table 3: Projected Increase In Key Cornwall Tourism Data 2001-2011

	UK tourists	Overseas tourists	Total
Trips			
2001	4,800,000	200,000	5,000,000
2006	5,512,000	215,000	5,727,000
2011	6,425,000	253,000	6,498,000
Nights			
2001	22,743,000	1,475,000	24,218,000
2006	23,863,000	1,474,000	25,337,000
2011	25,324,000	1,609,000	26,933,000
Spend			
2001	£980,000,000	£55,000,000	£1,035,000
2006	£1,034,000,000	£54,000,000	£1,088,000
2011	£1,104,000,000	£59,000,000	£1,163,000

Source: State Of Tourism In The South West 2003

3.5 COMPETITOR MARINAS

The key commercial and community ports within Cornwall vary significantly in size and scope from small fishing harbours such as Mullion with boats on the beach to large functioning ports such as Newlyn with significant fishing fleets. Tables 4 and 5 present a brief overview of the competitor facilities which are displayed on Map 1. Only 23% of commercial ports and 24% of community harbours are located on the north coast of Cornwall.

Table 4: Overview of Competitor Marinas

Port	Map Reference	Leisure Moorings	Average Number of Visiting Yachts*	Quay Length (M)	Number of Fishing Boats	Leisure Craft Facilities
Charlestown	1	30	100	200	4	Electricity & Water
Falmouth	2	650	6,000**	150	6	Full Facilities
Fowey	3	1,600	7,500	135	12	Water & Waste
Hayle	Red Flag	30	40	1,400	30	-
Looe	5	76	Na	620	43	Toilets, Showers, Electricity & Water
Newlyn	6	None Specifically	500**	700	100	Toilets & Showers
Padstow	7	180	4,200**	1,500	35	Full Facilities
Penryn, Mylor, Flushing, Mawes, Restronguet	8	4,500	Na	150	42	Full Facilities at Mylor
Penzance	9	240	580	830	1	Full Facilities
St Marys	10	210	2,800	90	20	Full Facilities

Source: DTZ Strategic Development of Ports & Harbours

* Yacht nights rather than yacht visits

** 1999 data

Table 5: Summary Of Community Harbour Facilities & Infrastructure

Harbour	Map Reference	State of Harbour Infrastructure (1= Danger of Collapse; 5=Excellent)	Average Number of Visiting Yachts*	Quality of Road Access**	Quality of Tourist Facilities**	Dependenc y of Local Businesses on Harbour
Boscastle	11	Submerged	9	3	Submerged	Submerged
Bude	12	3	10	4	1	1
Cadgwith	13	Na	20	3	3	3
Coverack	14	5	6	4	2	2
Helford River	15	Na	3,000	3	3	3
Mevagissey	16	3	1,100	3	3	2
Mullion	17	3	-	4	2	3
Newquay	18	4	20	2	2	1
Polperro	19	2	700	3	3	3
Port Isaac	20	3	-	3	3	3
Porthleven	A	2	21	2	3	3
Porthoustock	B	Na	4	4	1	1
Portreath	C	4	3	5	3	2
Sennen Cove	D	4	3	3	2	2
St Agnes	E	3 (slipway)	-	3	2	3
St Ives	F	2	20	3	4	4
St Mawes	G	5	150	4	3	3
St Michael's Mount	H	3	20	none	2	4

Source: DTZ Strategic Development of Ports & Harbours

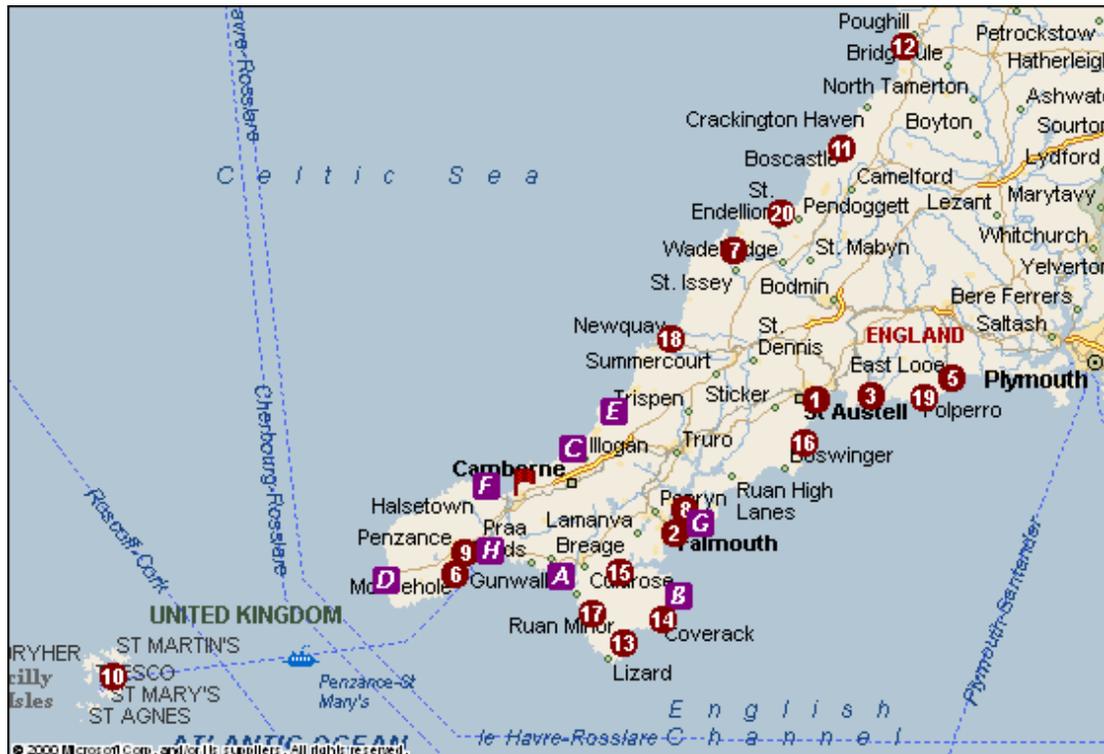
* Three year average

** 1= very poor 5= excellent

*** Number of shops, restaurants, pubs and toilets within proximity of the harbour, 1= very poor 5= excellent.

With respect to best practice and pricing RGA feel the marinas at Falmouth and Mylor are the clear market leaders.

Map 1: Competitor Marinas & Harbours



Source: RGA

3.6 MARINA DEVELOPMENTS

Penwith District Council have managed to secure over £600,000 funding (including European Objective One investment) for technical investigations in Mounts Bay to support work on the harbour developments at Newlyn and Penzance.

These investigations will enable a clearer picture of the technical viability of the proposals to be established and will help unlock the major regeneration projects. The technical investigations include hydrographical, geotechnical and environmental surveys to establish existing conditions for use in the next stage in the design of the facilities.

Proposals for Penzance, Newlyn and Penlee include:

- Developments at Penzance harbour to improve the facilities for the vital life-line link to the Isles of Scilly and creating space in the highly congested harbour area whilst improving the working environment for the existing businesses that are placed around the dock.
- Proposals for Newlyn focus on providing new purpose-built facilities for fishing and supporting industries to regenerate the port, the industry and the local community.

- The study will also encompass proposed sea defence work along the Penzance Promenade and explore the implications of MDL Development's proposed breakwaters to a new channel which will help turn Penlee Quarry into a site for a 200 berth marina and mixed development.

3.7 CONCLUSIONS

The following key points have been raised in this section:

- The Cornish economy performs poorly, unemployment is high (especially within the Penwith District) and the percentage of population above working age is a significant drain on the economy. That said, there are a number of significant inward investment schemes currently underway within the Hayle and Penwith area.
- The SWRDA are very keen to develop the 'Wave Hub' initiative and Hayle will have a central role within this.
- The majority of commercial and community harbours within Cornwall are located on the south coast where sailing conditions and the range of destinations for weekend/day sailors is significantly better than the north coast.
- The marinas at Mylor and Falmouth are the clear market leaders and should be viewed as the best practice models for the Hayle development.
- MDL are currently in the early stages of developing a 200 berth marina as part of the wider Penzance regeneration scheme.

4. MARINA DEMAND

4.1 INTRODUCTION

In order to gain a feel for marina demand for the proposed facilities at Hayle, RGA have undertaken a range of tasks including:

- Reviewed current market research including the British Marine Federation ‘Marinas and Moorings Audit 2003-2004 Coastal Sectors’ report and the ‘Strategic Development of Ports and Harbours In Cornwall & The Isles of Scilly’ 2001 report by MDS Transmodal and DTZ Pieda Consulting.
- Consulted key local sector experts.
- Visited competitor best practice marinas and other key north Cornwall stock.

4.1.1 RGA Demand Opinion

Hayle is in a unique position and the master plan indicates a scale of mixed use development that is rare in Cornwall. All the nearby marinas are full and there is an added value for the proposed marina through the integral components in the overall development and the creation of a ‘destination’.

Other nearby popular tourist and marine attractions have problems with either landward access or parking. Hayle is close to the main road network and has the chance to provide a large amount of parking that would virtually guarantee success during the long and busy tourist season. It is worth bearing in mind that with the high prices and shortage of holiday homes in Cornwall, a boat provides a relatively cheap and mobile alternative form of self-catering accommodation.

Marketing activity will have to proactively address issues surrounding tricky winter sailing waters which are not ideal for cruising and emphasise the quality of facilities and unique ‘life-style’ elements of the wider development which will be available at Hayle.

There is much evidence at the harbours of Padstow, Newquay, St Ives, Penzance and many other small harbours that boating is popular in the area. The size of the summer and resident boats are however, relatively small. The extreme tides, distances between natural destinations and the drying harbours/ entrances all make for difficult cruising and therefore generally day sailing, water skiing, fishing and jet biking are the more popular pastimes. Water sports of all types, especially surfing, enjoy a high profile throughout Cornwall. Falmouth and Gweek in the south show that there is high demand for boating in general.

If Hayle is developed sympathetically and the half-tide basin is constructed successfully, then we believe Hayle would find many boats owners would be keen to base themselves there. The channel would have to be kept clear and a reliable window established allowing access for vessels of 1.5m draft for 3 hours either side of high water, to make navigation easier for the leisure sailors.

Generally in the boating industry there are more boats than berths and as marinas are developed they fill. Clear indicators of regeneration must be evident at Hayle before boat owners will commit to keeping their boats in the marina. It is likely that the boats in Hayle would be used primarily for day/ weekend sailing and as substitute country cottages. The larger vessels would cruise to Wales, south Cornwall, the Scillies, southern Ireland, the south Coast and even France for their annual cruises.

4.2 MARINA DEMAND

4.2.1 British Marine Federation Research

The British Marine Federation (BMF) undertook a benchmarking audit of Coastal Sectors in 2003 which provides a regional analysis of mooring provision by numbers, type and ownership. Leisure boating has increased in popularity during the last three decades and fuelled by recent UK Olympics success and high profile achievements by Dame Ellen Macarthur, this trend is forecast to continue in the future. The research methodology adopted in the audit reflects the views of members of the BMF and an element of bias may creep into the data. As such, caution should be utilised when interpreting the numbers. Key findings from the survey will be considered before specific data for the Cornwall area is examined.

- In 2003 there were in the region of 150,000 moorings around the UK coast. The number is far greater than shown in any previous surveys although comparison is difficult because of variation in survey methodology.
- The survey demonstrates that the demand for moorings exceeds supply both for current and mid term (5 year) requirements, this is based upon three key pieces of information;
 - The winter shore storage waiting list was 1,703 moorings;
 - The 2003 waiting list for moorings was 10,118 (44% were for sail boat moorings, 35% for power boat moorings and 21% unassigned);
 - The five year waiting list for moorings totalled 12,212 moorings (48% were for sail boats, 34% for power moorings and 18% unassigned).
- The survey results indicate no mooring vacancies were recorded in 11 of the 31 coastal sectors. Generally there were few vacancies in the southwest, and south central England (between Eastbourne and Greater London), west Wales and from Boston to Berwick Upon Tweed.
- Pontoon moorings were by far the most abundant type of moorings and were increasing both in number and in relative terms compared to other mooring types. Pontoon moorings accounted for 41.3% of all moorings in 2003 compared to 38.3% in 1991. Swing, fore and aft moorings accounted for 38.4% of all mooring types in 2003 compared with 43.3% in 1991.

- Six general constraints on mooring provision were identified;
 - Lack of space;
 - Planning system;
 - Broad environmental issues;
 - Environmental designations (SSSI's, SAC's etc.);
 - Dredging problems and
 - Finance.

Table 6 provides an overview of supply and demand for UK moorings in 2003. The report authors have accurate survey data on 86,164 moorings and have scaled up the 'non responses' to get the total of 150,000 moorings in the UK.

Table 6: Supply & Demand For UK Moorings 2003

Location	No. of Moorings	Vacant Moorings	% Vacant	Current Waiting List			Winter Waiting List
				Sail	Power	Not Specified	
Coastal	89,164	2,470	2.8%	4,443	3,515	2,160	1,703

Source: BMF

The total UK waiting list in 2003 was 10,118 showing clear unfulfilled demand. This is forecast to increase to 12,212 over a 5 year medium term period. Table 7 presents an overview of the number of berths in the three key 'Cornish' zones by ownership type.

Table 7: Surveyed Coastal Berths & Ownership By Sector 2003

Sector	Total Number	Vacancy	Commercial	Non Com.	Harbour Authority	Local Au.	River Au.	Other
Isles of Scilly, Lands End to Looe	7,600	28	2,407	359	4,258	0	576	0
Looe to Plymouth	1,599	5	890	709	0	0	0	0
Chepstow to Land's End	1,789	0	489	647	653	0	0	0

Source: BMF

Based upon the data in Table 7 it is clear that these sectors are close to saturation point – there is little vacant mooring. Respondents of the survey were asked if they had waiting lists for winter shore storage, berths/moorings and to forecast their demand over the next 5 years.

Table 8: Winter Shore Storage Mooring Demand 2003

Sector	Number of Responses	% With Waiting Lists	Winter Waiting List Numbers
Isles of Scilly, Lands End to Looe	19	32%	194
Looe to Plymouth	6	17%	50
Chepstow to Land's End	14	0%	0

Source: BMF

There is no reported demand for additional winter shore storage on the Chepstow to Land's End zone, however, there is demand for facilities on the south Cornish coast. RGA feel that this is due to the lack of quality known facilities opposed to a lack of demand for such facilities. RGA contacted all commercial and community harbours on the north coast of Cornwall and found that 25% currently have a waiting list for winter moorings. Table 9-10 presents an overview of the current waiting lists for berths and moorings and forecast demand over the next 5 years.

Table 9: Berths Mooring Demand 2003

Sector	Number of Responses	% With Waiting Lists	Waiting List Numbers
Isles of Scilly, Lands End to Looe	22	91%	1,751
Looe to Plymouth	6	83%	202
Chepstow to Land's End	13	38%	80

Source: BMF

Table 10: 5 Year Forecast Mooring Demand 2003

Sector	Number of Responses	% With Waiting Lists	Forecast Waiting List Numbers
Isles of Scilly, Lands End to Looe	18	67%	830
Looe to Plymouth	4	100%	920
Chepstow to Land's End	8	63%	460

Source: BMF

Currently there is significant unmet demand for 2,033 moorings within the area, the majority of which is located on the south Cornish coast. There is known demand for some 80 moorings on the Chepstow to Land's End stretch of coastline and a staggering 1,751 on the Isles of Scilly to Looe stretch. RGA believe that, if suitable access and quality of facilities are developed at Hayle, a proportion of demand from this zone, given the proximity to Hayle and lack of available moorings here, could be secured.

The trends for all three areas over a five year period are extremely positive for the development with respondents suggesting a doubling of demand for moorings with an additional 2,210 moorings required. 460 of these have been identified for the Chepstow to Land's End zone and 830 in the Isles of Scilly to Looe stretch.

If we consider the current and future anticipated demand the survey has identified a requirement, for current and future demand, of 540 additional mooring berths for the Chepstow to Land's End zone and 2,581 along the Isles of Scilly to Looe zone. The BMF survey shows good demand for additional mooring facilities on both the north and south Cornwall coasts.

Currently 75% of community and commercial ports on the north coast of Cornwall have waiting lists for permanent moorings. Almost all medium to large ports and harbours on the south coast of Cornwall have waiting lists for permanent moorings.

4.2.2 MDS & DTZ 2001 Strategic Survey

The conclusion from the 2001 Strategic Development report, with respect to the potential for further marina developments, states;

'As a tourist destination Cornwall has an unrivalled cultural and environmental distinctiveness and its ports and harbours are of crucial importance to the Cornish 'brand'. Cornwall's southern coast provides sheltered harbours and an attractive coastline for sailing and boating, while the more exposed and rugged northern coast provides a niche market for surfing. There may be potential for three medium sized marina developments, although there is a risk that this may lead to saturation of the market.'

Although slightly more sceptical than the BMF research, possibly a reflection of the time lapse between the two pieces of research and the continued expansion of the boating sector, both pieces of research suggest there is currently good demand for additional marina facilities in the region.

4.3 CONSULTATION WITH SECTOR EXPERTS

RGA have conducted a series of interviews with ‘knowledgeable’ experts within the Cornwall area, these include;

- Tracy Timms at Cornwall Tourist Board;
- Michael Brougham at the Cornwall Marine Network;
- Caroline Sargent at Penwith District Council;
- Peter Kendel at the Royal Cornwall Yacht Club;
- Bosons Locker Chandlery;
- Falmouth Chandlers;
- Rigmarine;
- Mylor Chandlery and
- Seaware Chandlery.

All were asked about the development from a marina feasibility epistemology and the following key points were made;

- There is recognised demand in the market for modern, correctly positioned facilities for the new breed of sailor. The ‘cash rich/time poor’ customer will pay a premium rate to moor their yachts in the ‘right type’ of marina.
- Sailing conditions on the north coast are not as well known or as well favoured as the south coast, which is borne out in the current spatial distribution of moorings within Cornwall.
- That said summer conditions are good and the area is attractive for motor cruisers.
- There are fewer destinations for the modern weekend/day trip sailor to access on the north coast of Cornwall.
- There are currently no really decent marinas on the north Cornish coast which may be a factor in the perception that the north coast has little to offer the modern sailor.
- The marina should pick up sailors coming south from Wales and Ireland who would be attracted to the modern facilities.
- The marina will be attractive to residents of north Cornwall who currently moor their yachts in marinas on the south coast due to the lack of comparable quality facilities locally.
- Problems of access are a real concern to modern sailors. The tidal regime, sand bar at entrance to the harbour at Hayle, limited access window and fact that boats will have to come in through the surf are all considered barriers to success.
- The overall impression is that, although not ideal, the marina, given the size and increased access measures proposed by ING/FSP, should fill easily. It will be viewed as a ‘second choice’ but demand in the area is such that it will achieve full capacity.

4.4 CONCLUSIONS

A number of interesting points have been raised during the demand stage of the research;

- If we consider the current and future anticipated demand, the BMF survey has identified a requirement, for current and future demand, of 540 additional mooring berths for the Chepstow to Land's End zone and 2,581 along the Isles of Scilly to Looe zone. The BMF survey shows good demand for additional mooring facilities on both the north and south Cornwall coasts. RGA believe that, if suitable access and quality of facilities are developed at Hayle, a proportion of demand from this zone, given the proximity to Hayle and lack of available moorings here, could be secured.
- Reports from knowledgeable local individuals suggest that, although not the first choice for yacht owners, there is demand for additional marina facilities. Despite issues surrounding access and the range of sailing destination in north Cornwall it is broadly felt that there would be demand for quality marina facilities at Hayle.
- The 2001 MDS/DTZ report suggested there was demand for up to three new medium sized marinas within the Cornwall zone which was presented with a 'saturation' caveat. RGA feel that there is sufficient demand for a new Marina at Hayle, given the proposed quality/positioning of facilities and improved access, in addition to the proposed 200 berth MDL marina development.

5. THE MARINA

5.1 INTRODUCTION

Hayle Harbour was constructed between 1819/ 1834 and shows the signs of having been an extremely busy seaport. The whole harbour, although now in sad decline, shows how innovative and inventive the early industrialists were. The harbour is formed around an unusual tidal sluicing system that relies on filling two tidal basins and uses sluices to flush out deposited sand to maintain the navigable channels. The tidal range, which averages 6.6m (max nearly 8m), dominates the marine activities on the north Cornwall coast and means that most harbours have difficult channels and require berthing that copes with the harbour drying out. Hayle is no exception, but the novel sluicing system meant that Hayle enjoyed better access and a longer tidal window than most. With industrial decline, the engineering structures decayed leaving Hayle in the present day with a heavily silted Harbour and a channel that is dominated by the tidal influences to an even greater degree. The harbour currently dries out and the channel is only accessible to smaller fishing and leisure boats. Boats of 1m draft can navigate at Spring tides for 3 hours either side of high water. This is extremely limiting. Modern 10m shallow draft yachts tend to draw in excess of 1.4m and most similar sized motorboats draw 1m. If there are any big waves at the entrance, access to the harbour is very difficult for the less experienced leisure boat user.

The town of Hayle is rather run down and the waterfront is dilapidated. Such buildings as there are (with the exception of the Harbour Office) are scruffy, there is soil reclamation plant on the eastern side and the semi-derelict power station buildings add further to the rather sad state of the harbour. The buildings on the centre seawall and the derelict land to the west are in a similar state. There is evidence of a thriving community of local small boat owners and we are aware that Personal Watercraft, Ribs and Speed Boats are very popular in the summer.

As a result of ING's recent public meeting and consultation there is, however, an air of optimism among most of the residents of Hayle and projects like the restoration of the Foundry and Farm area shows what can be done to improve the area. Although the residents "have heard it all before", there is a feeling that this time the regeneration of Hayle may actually come about. With regard to the marina, there is much scepticism over its viability, but equally there is much support for such a feature. Both locals and visitors would welcome this facility. Despite being rather run down, Hayle is very busy in the summer months with tourists and it seems a very real prospect that there is potential for Hayle to be a serious visitor destination in the future.

This section will provide an overview of RGA's opinion of the marina potential, performance, technical overview and the optimal berthing potential. This is the crux of the study and underpins our 'sounding out' of potential marina management operators.

5.2 DEVELOPMENT OPTION OPINION

This is a unique project which requires a significant amount of engineering in the initial development phase before the marina becomes technically feasible. The popularity of sailing in the area and the high demand evident in tidal areas such as Padstow, St Ives and Penzance all indicate that Hayle should be a popular base which offers better destination facilities than its' competitors. Hayle has the additional advantage that car parking is not a major problem during the main season, unlike all the main destinations of the Cornish Peninsula.

RGA feel that, although not an ideal site for a marina, there is strong potential given the wider mix of leisure, commercial and residential elements within the overall scheme. We feel that the uptake of berths and short term users will occur slowly so we have phased the development of the marina. We believe that critical mass will be achieved in the medium term and recommend that ING should consider the phased development of the marina element to allow critical mass to be reached. This has the advantage of reducing marina facilities required in the initial phase. It will be crucial to the marina's success that the channel is re-created and that the half-tide basin is locally dredged to cope with boats up to 3m draught and has a sustainable depth of 2.1m.

The development of the yacht/sailing club and associated links with key UK and International boating organisations should be established in the initial phase to ensure that awareness of the marina is disseminated amongst potential users. The establishment of the Club will act as a focal point for the local sailing community and ensure that the marina and waterfront are used. Personal watercraft are banned from many areas in Cornwall and this expanding market should be encouraged to operate from the slip outside the tidal gate.

We have examined the maximum berthing potential for three phases – 130 berths, 180 berths and 230 berths.

5.3 TECHNICAL CONSIDERATIONS

RGA have been asked to examine the tidal window and issues surrounding the dredging of the channel. The channel would have to be kept clear and a reliable window for vessels of 1.5m draft of 3 hours either side of high water established, to make navigation easier for the leisure sailors.

If the channel is reasonably accessible for a couple of hours either side of high water to drafts of 2m, cruising boats would see Hayle marina as the only safe haven in north Cornwall. If this is well marketed many yachts could use it as a staging point before or after rounding Lands End, which is only 20 nautical miles (3 hours or less) away.

The sailing waters are such that many of the boats are likely to be used for weekend day sailing, only venturing further away during the longer holidays. This is a common use for modern leisure boats and with the wider tourism 'destination' creation of Hayle this will further encourage leisure users. The majority of harbours and marinas close to the best sailing areas are overpopulated and through displacement many 'less preferential' areas are becoming popular boating venues.

5.4 BERTHING POTENTIAL

With respect to the issue of quayside mooring as part of the marina operation, RGA feel that, once repaired, it is technically possible to use the quay walls for pontoon moorings. We would recommend that long pontoon walkways are sited against the quays on the east wall and either side of the central peninsula. If these can be dredged to say 2.5m/ 3m bigger boats could visit and lie alongside in the half tide basin without drying out. Alongside berthing is very flexible and will add to the tourist attraction. Each run of alongside pontoons will be accessed by a secure pontoon bridge.

RGA have examined the schemata for the marina component of the development and have formulated in consultation with Varis an opinion of the optimum number of berths at Hayle. A CAD drawing is presented in the Appendices. Once the retail development is complete, further berthing could be provided on the central spine, assuming the berthing demand has been proved. This berthing would add to the activity and appeal of this area providing additional visitor yacht mooring.

Table 11 presents an overview of the berth sizes for the three phasing scenarios. Phase 1 is the phased development in the first 3 years, Phase 2 and Phase 3 represent two further development phases which may occur in year 4 additional to the 130 berths developed over Phase 1.

Table 11: Overview of Berthing Capacities

Berth Size	Phase 1 130 berths	Phase 2 200 berths	Phase 3 230 berths	Comments
Up to 7m	20	27	27	Most of these will be local boats, which may get a small boat rate.
8.5m	25	30	30	A careful eye will need to be kept on average boat sizes.
10m	50	70	90	The average size in most coastal marinas is approx. 12m, but we believe that the size will be smaller in this area. Looking in the harbours from Penzance to Padstow, the boat sizes currently top out at about 10m.
12m	25	35	50	Average size for most established marinas
15m	8	15	30	Boat sizes grow as facilities increase, bigger berths brought on later
20m	2	3	3	These will be likely to be visiting cruising boats
Total	130	180	230	

Source: RGA

NB – there is strong demand for quality and secure boat storage – we suggest that the yard should be developed to store up to 100 boats, up to a maximum of 15m in length. Many smaller vessels would be stored away, therefore we would suggest that the yard is geared in the main to storage of vessels between 8.5m and 10m

5.5 INFRASTRUCTURAL REQUIREMENTS

A full range of nautical services are available in Falmouth, a short drive away, and we believe that the marina should be kept smart but simple. Initially we do not see the need for full boatyard facilities as long as all the berths have access to power and water and the pontoons are secure. It may be sensible to build toilets/shower and laundry facilities so that they would serve both slipway customers (speedboats etc.) and the marina. If divided off with pass doors, the toilets could also serve tourists. A slipway hoist would however attract boats to the marina for service and storage and is recommended.

RGA recommend the following infrastructure be developed:

Table 12: Recommended Infrastructure With Approximate Capital Development Costs

Item	Rationale	Cost	Phase Of Development
30 ton hoist	Used on slipway, services craft and takes to yard (Wise self powered)	£100,000	Year 1
Second hand crane	Yard work, masts and launching small craft. Requires about 14 ton	£20,000	Year 1
Second hand tractor and trailer	Moving craft in yard, launching, tidying and general duties	£8,000	Year 1
Toilet block/ Offices/ security At Bridges	Assumes offices are moved and toilets to Code of Practice – depends on design and Quality	£150,000	Year 1
Yard Cradles	Most customers will be sold their own, but the yard will require approximately 30 for short term and visiting craft.	£15,000	50% Year 1 50% Year 2
CCTV	Covering marina bridges and boatyard	£15,000	Year 1
Diesel pump and tanks	10,000 lts plus pump. Petrol could be considered but is considerably more expensive to install and insure.	£15,000	Year 1
Total capital requirement (excluding phase costs presented over)		£323,000	Various

Pontoons Phase 1	130 berths +, 62 x 10m x 2.5m walkways, 54 x 10m fingers, 2 x bridges, 20 pile guides	£570,000	50% Year 1 50% Year 2
	Water and electric for 130 berths, with modules	£ 80,000	50% Year 1 50% Year 2
	20 piles – quote required after engineers report	£ tba	-
Pontoons Phase 2	180 berths, 82 x 10m x 2.5m walkways, 69 x 10m fingers, 3 bridges, 27 pile guides	£770,000	36% Year 1 36% Year 2 28% Year 3
	Water and electric for 180 berths , with modules	£110,000	36% Year 1 36% Year 2 28% Year 3
	27 piles – quote after engineers report	£ tba	-
	230 berths, 101 x 10m x 2.5m walkways, 97 x 10m fingers, 3 bridges, 35 pile guides	£980,000	28% Year 1 28% Year 2 43% Year 3
Pontoons Phase 3	Water and electric for 230 berths, with modules	£141,000	28% Year 1 28% Year 2 43% Year 3
	35 piles – quote after engineers report	£ tba	

Source: RGA

The market for modern marinas is such that to attract the higher spending sector of the boat owning fraternity, it is important that the marinas offer good service in an attractive surrounding and supports this with good levels of service and convenience covering all aspects of owning and using a boat. To enhance the Marina experience and to attract customers away from any future competition the following should also be considered;

- Chandlery/ Marine Clothing outlet (could be leased out);
- Bar and Restaurant Facilities (could be leased out) and
- Activities for children (dinghy sailing, play area and other water based activities).

Activities that can enhance the appeal of the Marina and surrounding water areas are listed below. Some of the activities may provide opportunities for creating small business and associated additional revenue.

- Dinghy Sailing/ Racing from a club plus events to draw in visitors;
- Windsurfing/ Kite Surfing;
- Land Yachting;
- Tourist/ Trip Boats 40' to 60';
- Fishing trips;
- Training for Sailing, Navigation, Power Boating, Windsurfing, Surfing, Kite Surfing;
- Corporate events and
- National Championships & Open Events.

5.6 STAFFING

The Harbour Authority using existing staff plus necessary additions to run the storage, berthing and lifting activities, could run the marina very economically. The sluicing/ half-tide gate would be the responsibility of both Harbour and marina staff and this would require detailed training. Table 13 provides an overview of the proposed staffing roles and approximate costs for year. There are increases in year 2 and 3 for all phases; all staff should be employed on a flexible basis.

Table 13: Costing & Staff Requirement (Year 1)

Job Title	Description	Salary Per Annum	New Start / Existing Position
Harbourmaster	Runs all day to day aspects of the marina	£35,000	Existing
Assistant Harbourmaster	Assists above and assists with boat storage, hoist and crane	£25,000	Existing
Yard Foreman	Repairs in marina, hoist and crane driver	£18,000	New
Yard Boy	Assists above and helps with toilet cleaning (March to October)	£14,000	New
Administrator	Receptionist, accounts and general assistance with administration of harbour and marina	£14,000	Existing
Administrator	As above but covers weekend	£14,000	New
Part Time Cleaner	Toilets and offices	£6,500	New
Security	Cover evening for marina / harbour security	£15,000	New
Security	Cover evening for marina / harbour security	£15,000	New
Total	9 FTE	£156,500	-

Source: RGA

RGA recommend an additional Yard Boy (£14,000) be employed ongoing from year 2 and a seasonal member of staff to oversee slipway charges (£3,600) taking year 2 and ongoing staff costs to £174,100. This would cater for the increased volume of traffic at the marina. RGA have been generous with the staffing levels and, given the operational realities of marinas, this level will be sufficient to cater for the additional requirements of Phases 2 and 3 if developed.

5.7 OVERVIEW OF POTENTIAL MARINA PERFORMANCE AND ASSUMPTIONS

RGA have assumed the following points in the formulation of the marina performance for the three development phases:

- Effective and rigorous pre opening marketing of the marina and each component contained within the overall Hayle regeneration masterplan. This must occur a minimum of one year prior to the opening of the marina.
- The successful installation and functioning of the tidal cill gate and the channel dredging programme.
- We assume other facilities and components of the marina will be developed and come 'online' in tandem with the marina.
- Facilities as described to RGA by FSP.
- Competent management and uninterrupted trading.
- All revenues are based on the value of sterling in 2005 and inflation has not been taken into account.
- The information contained in this report has been formed using industry statistics and information gained during the site visit and subsequent enquiries. Engineers should check technical information. It is particularly relevant ensuring tidal heights are fully researched.
- Revenues have been calculated to reflect the phased nature of the marina once the marina reaches 130 berths in year 3 (Phase 1). Phase 2 and 3 represent additional berths which are to be developed in year 4. Fixtures and fittings renewal costs have not been included at this stage, and in line with EEC practice the price list and revenues are included. Pre-tax profits in the Marina industry generally work out to around 15/18%. Hayle has the potential to be more profitable due to efficient application of staff.

Table 14 – 16 presents an overview of the phasing schedule for three development options.

Table 14: Phased Development Schedule For Phase 1 – 130 Berth Marina

Berth Size	Year	Year	Year
	1*	2	3
Up to 7m	20	20	20
8.5m	16	20	25
10m	20	34	50
12m	10	14	25
15m	2	6	8
20m	1	2	2
Total	69	96	130

Source: RGA

* Year 1 refers to the first fully operational year of the marina.

Table 15: Phased Development Schedule For Phase 2 – 180 Berth Marina

Berth Size	Year	Year	Year	Year
	1*	2	3	4
Up to 7m	20	20	20	27
8.5m	16	20	25	30
10m	20	34	50	70
12m	10	14	25	35
15m	2	6	8	15
20m	1	2	2	3
Total	69	96	130	180

Source: RGA

* Year 1 refers to the first fully operational year of the marina.

Table 16: Phased Development Schedule For Phase 3 – 230 Berth Marina

Berth Size	Year	Year	Year	Year
	1*	2	3	4
Up to 7m	20	20	20	27
8.5m	16	20	25	30
10m	20	34	50	90
12m	10	14	25	50
15m	2	6	8	30
20m	1	2	2	3
Total	69	96	130	230

Source: RGA

* Year One refers to the first fully operational year of the marina.

5.7.1 Pricing Structure

Having examined the ‘competitor’ set tariff rate RGA believe the following pricing structure would be achievable. This underpins the revenue and operating models presented with assumptions in Table 18 and 19.

Table 17: Marina Pricing Structure (Inclusive of VAT)

Tariff Item	Comments / Rationale	Rate £
Annual Berthing	Demand is such, that whilst the marina is not in the optimum sailing area, the quality of the marina will be ahead of many of the others. RGA believe that the charge needs to lie only slightly behind the going rate in South Cornwall – see report – min charge 7m	295/m
Summer Berthing	Six times the monthly rate less 10%	235/m
Small Boat Rate	For open and small day boats up to 7m – summer April to end September – min charge 7m	1200/summer
Monthly Berthing	Only to be let while Marina has vacancies	50/m
Weekly Berthing	Six times daily rate	14.4/m
Daily Berthing	Min charge £15.00	2.4/m
Storage on Hard - per month	Summer only – over 7m	12/m
Storage on Hard – per week	Summer only	4/m
Winter Afloat	October to March	85/m
Winter on the Hard	October to March – ex Hoisting	95/m
Small boats winter on the Hard	Boats under 7m on a serviceable trailer	500/ winter
Slipway Launching -DIY	This is for dinghies , trailer sailers, speed boats and personal watercraft	15/launch
Car Parking with Trailer In Boat yard		10/ day
6 month Slipway Licence, DIY inc Parking	6 months summer only – unlimited use– yard will be locked and accessed via magnetic pass, or keycode	250
Jet Ski/ small boat yard storage, inc launching and parking in yard - Summer only	Personal watercraft are banned from many areas, it would be good for Hayle to welcome this sector but launching will be from outside the cill – PWs not allowed in the marina Maximum size 7m - on a trailer – a tide bound floating pontoon should be available in the outer harbour for temporary tie-up	500
Hoisting up to 8m – 9.9m	Each way	12/m
Hoisting 10m – 11.9m	Each Way	15/m
Hoisting 12.0m and over	Each Way – max 30 tonnes	20/m
Yard Crane up to 2 ton Lift	The yard should have a 10/12 ton mobile crane	35/h
Electricity	Charged as used at card rate per unit plus £9/qtr admin charge	

Source: RGA Estimates

5.7.1 Revenues & Operating Costs

Table 18: Marina Revenues Phases 1-3 With Assumptions

Marina Revenue Stream	Assumptions/ Comments (prices at 2005 figures, inc VAT, per price list)	Total Estimated Marina Revenue Yr 1	Total Estimated Marina Revenue Yr 2	Total Estimated Marina Revenue Yr 3	Total Estimated Marina Revenue Yr 4 Phase 2	Total Estimated Marina Revenue Yr 4 Phase 3
Annual Berthing	As year 1 is after engineering is complete and marketing has taken place, we can assume 100% occupancy in the summer. 70% Annual and 30% Summer berthing. Assumes sizes as per Phasing table.	£98,000	£159,000	£235,000	£332,500	£451,000
Summer Berthing	20m will only stay summer, they'll service elsewhere, as hoist too small	£41,000	£63,000	£88,000	£123,500	£171,000
Small Boat Rate	Assume all boats under 7m take Small boat rate	£24,000	£24,000	£24,000	£32,400	£32,400
Monthly Berthing	Visiting boats taking "boats away" spaces - very few will take monthly	£0	£0	£0	£0	£0
Weekly Berthing	Visiting boats taking "boats away" spaces, 15 p/wk for 3 mths @ 10m	£25,500	£25,500	£25,500	£25,500	£25,500
Daily Berthing	Visiting boats taking "boats away" spaces, 20/wk for 3 months @ 10m	£ 6,000	£6,000	£6,000	£6,000	£6,000
Storage on Hard/ mth	In the summer few boats go on the hard monthly - probably 10/m for 6mths @ 10m	£7,500	£7,500	£7,500	£7,500	£7,500
Storage on hard/ wk	Boats will come in for service work, more in early April and May, 10/wk for 2 mths @ 10m	£6,400	£6,400	£6,400	£6,400	£6,400
Winter Afloat	Assumes 30% of annual boats, go on hard (all inclusive in annual fee plus hoisting)	£13,000	£ 21,000	£30,500	£41,000	£47,000
Winter on Hard	30% of boats don't pay as they are annual customers - 70 slots available average 10m (say 35 in first year)	£25,000	£50,000	£50,000	£50,000	£50,000
Small Boat Winter on Hard	Boats on trailers can be put in slots and moved around. Therefore are in addition to 100 boat capacity in the yard - say 20 boats	£10,000	£10,000	£10,000	£10,000	£10,000
DIY Slipway Launch	May 100, June 240, July 380, Aug 380, Sep 180 launches = 1280 x 50% for yr 1	£9,600	£19,200	£19,200	£19,200	£19,200
Parking in Yard	Usage assumes everyone has to park after launching, so multiple as above	£6,400	£12,800	£12,800	£12,800	£12,800

5. The Marina

6 mth DIY Slipway Launch - inc parking	People will use the facilities a few times before they go for licences unless they are local. Assume no licences sold in Yr 1, then 20 pa	£0	£5,000	£5,000	£5,000	£5,000
Jet Ski/ small boat storage in yard. - inc parking – summer	It is difficult to determine what the take up will be, but it will be reasonable to assume that the users will be locals, Caravan/ Holiday home owners - say 20 customers (50% yr1)	£5,000	£10,000	£ 10,000	£10,000	£10,000
Hoisting – up to 8m to 9.9m						
Hoisting 10m to 11.9m	Pro rata for industry norm; Yr 1- 150, Yr 2- 210, Yr 3- 286, yr4(2)- 400, Yr4(3)- 500 - av 10m	£22,500	£31,500	£42,900	£60,000	£75,000
Hoisting 12.0m and over						
Yard Crane	Assuming 10 chargeable hrs per wk 35 wks per yr @ £35-00	£12,000	£12,000	£12,000	£12,000	£12,000
Electricity/Fuel and Gas	Electricity is difficult to budget, except that charge out tends to balance income plus Marina costs, fuel/gas is assessed pro rata on industry stats. Reduced by 30% for more static boats and smaller average size	£10,000	£14,000	£20,000	£28,000	£36,000
Contractor Income	Typical expenditure per boat (10m) = £1,500. Each boats earns approx £150 in commission	£10,000	£14,500	£20,000	£27,000	£35,000
	By yr 4 the Marina would support tenancies for Boat Sales, Electronics, Boat Repair, Rigging, Sailing School, Chandlery.	£0			**	**
TOTAL		<u>£331,900</u>	<u>£491,400</u>	<u>£624,800</u>	<u>£808,800</u>	<u>£1,011,800</u>
NET TOTAL	Net of VAT	<u>£282,468</u>	<u>£418,213</u>	<u>£531,745</u>	<u>£688,340</u>	<u>£861,106</u>

Source: RGA

Table 19: Indicative Operational Costs & Profits

	Year 1 69 Berths		Year 2 96 Berths		Year 3 130 Berths		Year 4 200 Berths (Phase 2)		Year 4 230 Berths (Phase 3)		Rationale
Wages and Salaries	£	156,500	£	174,100	£	174,100	£	174,100	£	174,100	<i>Seasonal person to oversee slipway charging - 15wks @ 40rs x £6 and extra yard hand yr2 and 3. Once reach 130 berths little extra staff input required which cannot be handled by generous staff levels to take it to 230</i>
NIC Contribution & Employee Benefits	£	23,475	£	26,115	£	26,115	£	26,115	£	26,115	<i>National Insurance contribution and employee benefits at 15%</i>
Sales and Marketing Support	£	15,000	£	17,500	£	17,500	£	17,500	£	17,500	<i>Sales and Marketing company to brochure design and direct marketing and berthing Sales</i>
Printing and Stationery	£	6,850	£	3,100	£	3,100	£	3,100	£	3,100	<i>First yr brochure £3,750, letterheads, invoices, cards, price lists etc</i>
Website design/support	£	10,000	£	5,000	£	5,000	£	5,000	£	5,000	
Advertising and Marketing	£	15,100	£	15,100	£	12,000	£	12,000	£	12,000	<i>Allows for cruising journals, almanacs, tourist board and yachting publications (4x5mths each), Sailing Club Journals- some recruiting - reduce yr3</i>
Show costs	£	11,650	£	6,550	£	6,550	£	6,550	£	6,550	<i>London Boat show and Southampton Boats how Yr1- with Tourist Board support and accommodation, second year London only, third year London only</i>
Telephone, fax, post	£	2,000	£	1,700	£	1,700	£	1,700	£	1,700	<i>Pro rata to similar marina operation</i>
Health and Safety	£	3,150	£	3,150	£	3,150	£	3,150	£	3,150	<i>Courses, publications, safety wear, first aid courses</i>

5. The Marina

Cleaning	£	1,800	£	2,000	£	2,200	£	3,300	£	3,900	<i>Chemicals, consumables etc</i>
Hoist Repairs	£	1,000	£	3,500	£	5,500	£	8,400	£	9,700	<i>Warranty in first year (£1,000 represents recalibration and new cable cost), after that tyres, cables, strops, servicing</i>
Small Tools	£	1,000	£	600	£	600	£	600	£	600	
Pontoon Repairs	£	-	£	500	£	7,500	£	11,500	£	13,200	<i>Warranty in first years. Pro rata similar marina operation</i>
Plant Diesel	£	2,600	£	3,000	£	3,500	£	5,300	£	6,200	<i>Hoist, Tractor, Crane, increases for more lifts as marina expands</i>
General Repairs	£	1,500	£	6,000	£	10,000	£	12,000	£	13,000	<i>Vandalism and wear and tear, some contractor work for electrics, plant repairs</i>
Motoring Expenses	£	1,500	£	1,500	£	1,500	£	1,500	£	1,500	
Cost Sales of Diesel/Gas	£	8,000	£	11,200	£	16,000	£	24,600	£	28,300	<i>Figures from similar marina</i>
Heat Light and Power	£	6,000	£	6,000	£	6,000	£	6,000	£	6,000	<i>Figures from similar marina</i>
Water	£	1,200	£	1,600	£	2,100	£	3,200	£	3,700	<i>Taken pro rata from previous marina operation</i>
Rates and sewage	£	5,000	£	6,500	£	8,000	£	12,300	£	14,100	<i>Estimate</i>
Credit Card Commissions	£	850	£	1,200	£	1,625	£	2,500	£	2,900	<i>Pro rata to similar marina operation</i>
Administrative Head Office Charge	£	25,000	£	25,000	£	25,000	£	25,000	£	25,000	<i>From previous Marina experience</i>
Depreciation											<i>To de discussed, pontoons 20yrs' Hoist 15, Tractor/ Crane 5yrs, Buildings 25yrs</i>
Dredging											<i>Impossible figure to budget until we discuss with the engineers</i>
Legal	£	2,000	£	1,000	£	1,000	£	1,000	£	1,000	<i>Estimate</i>
Accountancy	£	3,000	£	3,000	£	3,000	£	3,000	£	3,000	<i>Estimate from accountancy firm</i>

5. The Marina

Insurance	£	4,000	£	5,000	£	6,000	£	9,200	£	10,600	<i>From previous experience</i>
Memberships/ Licences	£	800	£	1,000	£	1,200	£	1,800	£	2,100	<i>Tourist board and Tyha</i>
Total Operational Costs	£	285,500	£	304,800	£	323,825	£	354,300	£	367,900	<i>Assumes zero inflation in 2nd and 3rd years, adjust for proposed inflation on income and expenditure</i>
Forecast Net Income	£	282,468	£	418,213	£	531,745	£	688,340	£	861,106	
Operating Profit	-£	26,507	£	87,298	£	181,805	£	307,925	£	467,091	<i>Dpn still to be taken into account. Similar uncomplicated Marinas will make 40% on T/O</i> <i>Sales and marketing costs are fairly high because of establishing market and the one company is bearing full costs, costs will not rise as Marina heads over the 130 to 200+ berths. Staffing, plant etc remains acceptable, possible rise in cleaning costs only</i>

Source: RGA

5.8 SUMMARY

A number of points have been raised from this section;

- Total staff costs for the proposed marina are £156,500 in the initial year rising to £174,100.
- Initial infrastructure costs – excluding pontoon costings – are estimated at £323,000 (including the hoist, crane, tractor and trailer, toilet block and offices, CCTV, yard cradles, diesel pump and tanks.)
- The cost of developing the various pontoons phases (not accounting for the pile cost) from the initial year to the stable year 4 is as follows:
 - Phase One 130 Berths £650,000
 - Phase Two 180 Berths £880,000
 - Phase Three 230 Berths £1,121,000
- RGA have forecast annual net revenue income for the phases in the stable year 4 is as follows:
 - Phase One 130 Berths £531,745
 - Phase Two 180 Berths £688,340
 - Phase Three 230 Berths £861,106
- When we take into account operating costs the stable year 4 profit is forecast to be;
 - Phase One 130 Berths £181,805
 - Phase Two 180 Berths £307,925
 - Phase Three 230 Berths £467,091
- RGA recommends further investigation into the development of a 230 berth marina at Hayle.

6. MARINA OPERATORS

6.1 INTRODUCTION

RGA have contacted key marina operators within England and the region to gauge their interest in managing the marina component of the Hayle development and to obtain a better indication of the key elements and ‘triggers’ upon which they base decisions. These operators include the two key ‘players’ - Premier Marinas and MDL.

6.2 KEY MANAGEMENT TRIGGERS & STATEMENT OF INTEREST

At this early stage, neither Premier nor MDL are prepared to be drawn into discussions. When development plans have progressed, RGA believe that these are the most likely companies to take an active interest. MDL could be persuaded, given their marina development in the Penzance area, to take the marina over to enable the joint marketing of the two marinas. With respect to scale RGA suggest (given the key operator’s existing portfolio of marinas) the minimum number of berths which would be considered would be 200.

RGA feel the key operators will be sceptical about a new facility at Hayle and will need to be approached during the later stages of the scheme. We recommend that ING develop and manage the Marina during the first 4 years, establishing the success of the marina and then approach the market. ING could consider the option, given the Bo’ness marina development, to establish a dedicated marina operating company and explore the feasibility of maintaining control of the asset.

Contact details for operators is included in the appendices.

APPENDICES

APPENDIX 1 THE YACHT HARBOUR CODE OF PRACTICE FOR THE DESIGN, CONSTRUCTION & OPERATIONS OF COASTAL & INLAND HARBOURS 2003

INTRODUCTION

This Code of Practice sets out the guidelines for the design and operation of marinas and yacht harbours used for recreational boating.

It has been prepared by experienced Council Members of The Yacht Harbour Association (TYHA) which is a trade association within the British Marine Federation (BMF) who draw to the attention of its readers the necessity to comply with all statutory regulations and by-laws in force in their area particularly all Health and Safety Law .

Compliance with this Code of Practice does not absolve operators from the need to observe the provisions of national or local requirements.

This code defines the terminology for the design and construction of harbours used for pleasure craft. It outlines the main parameters that should be used for the design of both coastal and inland yacht harbours and marinas and advises on the level of utility services that should be installed.

It recommends the type of facilities that may be provided on the shore and outlines the various important policies that should be adopted with regard to security, health and safety, environmental matters and pollution.

It endeavours to advise on the important issues that must be adhered to for the safe operation of a Marina or a Boat Yard.

DISCLAIMER

This Code of Practice, produced by The Yacht Harbour Association is written to give companies in the UK marina industry an insight into current legislation and an overview of the actions which may help a company meet the criteria set out in such legislation. There are references to other publications and details of where to obtain further information from expert sources in relation to specific enquiries.

Users of this Code should recognise that it represents only a guide to legislation and its affects upon the provision of marinas. The Code of Practice should not be used as a definitive legal document – it is intended as guidance for best practice.

Although great care has been taken to ensure accuracy in the preparation of this Code of Practice, The Yacht Harbour Association cannot be held responsible for any errors or omissions, or for any incidents arising as a result of the implementation of its suggestions.

Marina Access

- 12. The location and width of the access channel to a marina is contingent upon its exposure to wind, waves and currents together with the size and the number of boats to be accommodated in the harbour.
- 13. The optimum width for an average harbour is 30 metres but this should be not less than the greatest of the following:
 - (L+2) metres where L is the length of the largest monohull boat in the marina.
 - 5B metres where B is the beam of the widest boat in the marina.
 - 20 metres

14. Locks and tidal flaps may be of different dimensions.

Fairway Widths

- 15. The recommended minimum width of a fairway between fingers is 1.5L where L is the L.O.A. of the largest boat on either side of the fairway. This can be reduced if the marina is located in sheltered non tidal waters.

Where sites have substantial tidal flows or exposed wind conditions the fairway width should be increased to 2L or even 2.5L. For piers and fingers secured by chains and anchors the minimum width should be 2L

Water Depths

- 40. Ideally the depth of water below chart datum in the main fairways and at the entrance channel should be 0.5 metres greater than the draught of the largest boat using the marina.
- 41. Depths can be graded in the marina to cater for various craft but these should ideally be 0.5 metres greater than the draught of the deepest user. The draught of the average vessels are shown in the table.

Boat Length (L) m	Vessel draught, m.	
	Power boats	Yachts
8	1.2	1.8
10	1.3	2.1
12	1.4	2.4
15	1.5	2.5
20	2.0	2.8
25	2.5	3.0

E. TOILETS & SHOWERS

Coastal Marinas

1. Facilities should be provided on the following scale either ashore or on floating units. These facilities should be situated where practicable but no more than 300 metres from the furthest access bridge. The minimum requirement is:-

<i>a. Facility</i>	<i>No. Male</i>	<i>No. Female</i>
W.C.'s	1 per 50 berths	1 per 50 berths
Urinals	1 per 75 berths	-
Wash Hand Basins	1 per 50 berths	1 per 75 berths
Showers	1 per 75 berths	1 per 75 berths
Deep Sinks	1 in each block	1 in each block

- b. The family bathroom has proved popular.
5. Experience shows that the total requirement is 0.75 car spaces per berth.
6. Additional provision for car parking should be made as follows:
 - 1.5 spaces for each vessel over 40 feet.
 - 1.0 space for each employee or tenant's employee.
 - 3.0 spaces for each charter yacht operating from the marinas.
7. If a marina caters mainly for yachts on passage, or if there are already adequate parking facilities available nearby, it is possible to make a case for a reduction of parking spaces within the marina boundaries.
8. Car parking areas may be used for boat storage out of season.
9. Access to car parks may be controlled by key, plastic or magnetic card, PIN number or similar.
10. When the marina car park is some distance away from the access to the pontoon system, it is recommended that a loading/unloading short term parking space is provided close to that access. Control will be necessary to prevent long term use of that space.

Fuel Berth

23. Except at very small yacht harbours and marinas, a special berth should be set aside for the sale of petrol and gas oil (diesel fuel), available from metered pumps. Ideally, this should be situated as far away as possible from any surrounding residential properties to minimise disturbance from associated odours. Low-sulphur diesel is available, which reduces the odour levels if this is a problem with local neighbours. Care must be taken to abide by statutory rules and regulations. It may include a sewage pump out, a disposal facility for waste oil, an adequate fresh water supply with sufficient length of hose.

Security

12. Marinas provide better security than moorings. This is important to potential customers.
13. Security needs to be carefully considered at the planning stage. Standards of fencing and the location of access points require thorough investigation, and the effects of any public access or private rights-of-way across the site, need to be assessed.
14. A high standard of security should be maintained with, if possible, a 24 hour watch keeping programme . The staff employed can be supervised by a clock monitor system. On site living accommodation for staff is most helpful.
15. Good lighting within the marina complex greatly assists security, whilst also providing a valuable amenity to berth-holders. Fluorescent lighting can be incorporated within service modules on piers.
16. A great deal of valuable advice is available from each Local Crime Prevention Officer, who should be consulted at the planning stage and later asked for his recommendations in respect of individual aspects of security.

Closed circuit television cameras, and radio alarm systems fitted in both craft and in buildings, are useful additional aids to security

L. SOCIAL AMENITIES

1. Extra amenities for berth holders could include:-

- a. A chandlery that includes the sale of clothing, liquor and basic food stuffs.
- b. Club or bar facility which may include a restaurant or wine bar.
- c. Boat care and valeting service.
- d. Sailing school
- e. Boat sales, brokerage and charter office.

APPENDIX 2 MARINA CONTACT DETAILS

Premier Marinas Ltd (*Full Member*)

Contact Linda Jones/ Tim Mason

Address South Lockside

Port Solent

Portsmouth

Hampshire PO6 4TJ

Telephone 023 92210765 **Fax** 023 92324241

Email office@premiermarinas.com

Website www.premiermarinas.com

Lymington Yacht Haven Ltd (*Full Member*)

Contact Dillon Kallis

Address Kings Saltern Road

Lymington

Hampshire SO41 3QD

Telephone 01590 677071 **Fax** 01590 678186

Email lymington@yachthavens.com

Website www.yachthavens.com

Marina Developments Ltd (*Full Member*)

(MDL Marinas)

Contact Anthony Keeler

Address Outlook House

Hamble Point

School Lane

Hamble

Southampton

Hampshire SO31 4NB

Telephone 023 80457155 **Fax** 023 80457154

Email enquiries@mdlmarinas.co.uk

Website www.mdlmarinas.co.uk

Walton Marine Sales Ltd (*Full Member*)

(Walton Marine Sales)

(Pyrford Basin)

Contact Mike Cook

Address Rosewells Boathouse

Walton Bridge

Walton On Thames

Surrey KT12 1QW

Telephone 01932 226266 **Fax** 01932 240586

Email sales@waltonmarine.co.uk

Website www.waltonmarine.co.uk

Mylor Yacht Harbour Ltd (*Full Member*)

Contact Jonathan Fielding

Address Mylor

Falmouth

Cornwall TR11 5UF

Telephone 01326 372121 **Fax** 01326 372120

Email enquiries@mylor.com

Website www.mylor.com

APPENDIX 3 BERTHING SCHEMATA

TO FOLLOW FROM VARIS

PROJ 564 008 HAYLE MARINA STUDY (DRAFT)



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