

Meeting with Cowes Harbour Master – 26th. Feb 2020

Pontoon Developments.

ECSC General Committee, feedback notes

CHC Operational Time Line (Approximations as of Feb 2020, therefore subject to change).

N.B. Planning Consent has been approved, for the whole scheme.

1) D pontoon berth holder consultation.	March.
2) East Cowes Sailing Club Decision / Confirmation of requirements.	Mid-April.
3) M.M.O Impact Assessment.	April.
4) CHC works licence application.	May.
5) Set final Specification and Commence competitive tendering process.	June / July.
6) Confirm dredging requirements and set dates for the work, (6-8 weeks).	September.
7) Mobilization for dredging and pontoon construction works. 2021.	December-January
8) Pontoon installation work.	February/March
9) East Cowes Link and security gate operational. 2021.	End of March

Emerging issues

- 1) Point 1 above, represent a CRITICAL decision points for ECSC, therefore, all negotiations will need to be concluded in advance. An EGM to approve an agreed way forward, perhaps from a short list of options, needs to be enacted late March / early April.
- 2) Point 4 above, represents an opportunity for ECSC to negotiate limited dredging of the lower section of the walk-ashore pontoon and the lower end of the slipway, whilst the HM addresses the *shallows* etc either side of the proposed new pontoon installation. I believe that specifically includes the inner channel bordering GKN, and to the east of D pontoon. Dredging of the Club pontoon /slip-way, will require ECSC berth holder's co-operation – advanced notice required and short-term alternative berthing.
- 3) Points 6 and 7, will require the end of ECSC hammer-head to be cleared for work to be undertaken – some short duration disruption likely for berth holders, advanced notice required; short term alternative berthing requirements may need to be discussed with HM.
- 4) Removal / relocation of ECSC existing hammer-head needs to be planned for.

CHC Proposals – Options 1 to 3

- 1) **CHC Preferred solution.** Completion of the full scheme in compliance with the Planning Application. i.e. all berths fully serviced; link to D pontoon established; dredging to be carried out as identified; co-operation with ECSC to establish walk-ashore arrangement, (ECSC membership requirement agreed).
- 2) **CHC / ECSC Concessionary agreement**, (CHC preferred arrangement), limited to **3 pontoons** (i.e. replacement hammer-head plus 1 pontoon – total of 35m). The D pontoon link not established other berths serviced as required.

- 3) **ECSC Concessionary agreement**, (ECSC extended arrangement), **5 pontoons**, (i.e. replacement hammer-head, plus 3 pontoons – total of 57.5m).

Supplementary notes / initial discussion points.

- 1) Potentially, the CHC preferred option 1 above, would have the greatest impact on ECSC small boat owners / tidal berth holders and also established berth holders on D pontoon. However, the latter may by majority elect to have a shore link and services, that would affect ECSC earlier preference. Similarly, the planned dredging work would ease any problems for ECSC berth holders occupying the berths which remain afloat, both to the north and south of the walk-ashore pontoon.
- 2) Maintaining the convenient through access by tender to E pontoon and for larger boats to approach the Clubs slipway for hauling out purposes, may be difficult to justify.
- 3) The link pontoon sections (2 in all), if combined with an agreement with CHC to prioritise the whole of D pontoon for ECSC members would be the best arrangement for extending ECSC *occupancy*.
- 4) Option 2 agreement for 1 additional pontoon, would not disadvantage the existing outer hammer-head berth holder only, assuming the Club may wish to keep the remaining 2 whole pontoons clear for tide-stop and events etc.
- 5) Relocation to E pontoon remains in place, for berth holders on D pontoon who do NOT wish for an upgraded berth.
- 6) CHC derive an economy of scale benefit from executing the whole scheme, i.e. a combination of capitalization cost at the outset plus return on investment over the projected term.
- 7) Provisionally, the projected berth holder charges are predicated on the full scheme being undertaken. If the D pontoon link is NOT made, there will be a loss of 2 pontoons, (46m of berthing space) and as a consequence, D pontoon is NOT serviced, there will be a corresponding loss of income to CHC which would NOT be compensated for as a result of savings on capital expenditure. (i.e., in compliance with the ECSC preferred arrangement as previously stated).
- 8) Similarly, to the above, if ECSC are permitted to have a total of 5 pontoons, the net result will impact on CHC return on investment.
- 9) CHC are currently revising their *economic projections* for the scheme – the latest appraisal of cost is circa £250,000, previously reported at circa £200,000.
- 10) Current projected cost per m for berth holders on a fully serviced (walk ashore) berth is now £200/m. Therefore, the differential for a fully serviced berth, is NOT as great as previously thought.
- 11) If D is linked but without services, the additional per m cost is likely to be £161.86, at this stage CHC remain open to discussion on whether D Pontoon is serviced or not. Pricing would then be structured in such a way so that services could be installed in the future.
- 12) In order to clarify the requirements of the EXISTING berth holders on D pontoon, CHC will be undertaking a consultation exercise. It should be noted that the outcome may be in favour of the D pontoon link and installation of services, that will impact on ECSC negotiation position.

Projected Financial Impact – ECSC

All options afford ECSC 46m FOC.

Option 1 & 3 – Give ECSC 69m chargeable berthing space

Option 2 – Gives ECSC 23m of chargeable berthing space

Projected Leasing charges –Revised by CHC March 2020

Option 1 - £8,536.69, this is based on a preferential rate for the complete development

Option 2 – £8,108.88

Option 3 – £17,308.88

Concessions have been applied to all.

Points to note

1. ECSC would be void of any capital cost associated with any section of pontoon running North to South.
2. From the discussions previous where ECSC would have ownership of the 'walk-ashore' facility there is a small section of pontoon required to be renewed that runs perpendicular to the hammer head ('joining section'). **CHC would consider this an ECSC item to replace and therefore fund.** The section is approx. 2.5m in length and can be seen on the initial Walcon drawing.

ECSC would not be liable to pay any Crown Estate rates on the new development, this does NOT include the walk ashore sections. This would all be covered in the lease amount.

Emerging issues in summary.

- 1) Whilst overall, the benefits to ECSC from co-operating with CHC and negotiating a workable agreement are essentially unchanged, there is now pressure on the Club to arrive at a preferred solution which is supported by the membership.
- 2) Assuming the scheme is progressed and the walk-ashore link made, it may be prudent to reflect on the ECSC Membership options for all NEW berth holders, for example to that of FAMILY, essentially to cover any guests of berth holders. The 3 visits and you MUST join rule may be difficult to police – just to provoke thought.
- 3) As a point of reference, I am given to understand from a Cowes Corinthian member, that CC have outsourced their marina to a private contractor. This may imply that in-house arrangements are problematic for sailing clubs to manage in the long term, given the full range of risks and liabilities that apply. Similarly, CC and other Clubs that have gone down this route, are looking to off load maintenance and repair costs which are the biggest concern when it comes to practical reality.
- 4) The walk-ashore gantry currently in use – needs to be upgraded in the near future.
- 5) The cost of dredging and logistics needs to be appraised and contingency planning undertake.

Concluding Remarks

- 1) Option 3 is obviously the least financially viable option. Quite reasonably, the return on investment is a figure which CHC is potentially worried about. CHC have a duty, to ensure that investments are sound in EVERY RESPECT.
- 2) From discussions up to now it would seem that the main premise for not connecting D Pontoon is certain berth holders not wanting to pay the uprated amount. Whilst CHC

understand this, CHC have made VERY REASONAL alternative preferential provision to accommodate ECSC berth holders, e.g. relocation to E pontoon, however, there may be several *work-around* options for them. **It would be sensible, to wait and see what the consultation with D Pontoon berth holders presents, before discounting any options.**

- 3) Every option – including the unstated one of ECSC, only occupying a new hammer-head section (i.e. taking NO additional berthing pontoon), carries an unequal balance of benefits and disbenefits. The fundamental **driver for positive change**, should be, what overall, benefits and PROTECTS the CLUB in the longer term. Need to be sure that judgements are NOT being influenced by self-interest?

Conal Grier March 2020. FINAL CONTRIBUTION.