



PRESS RELEASE

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BW PUBLISHES RESULTS OF MOORINGS CONSULTATION

British Waterways (BW) is today publishing plans for the future pricing and allocation of its long term moorings in England and Wales. Its decision takes account of responses to a public consultation, market research into a trial of allocating mooring vacancies by tender, BW's experience of operating a tender process and Government policy for the management of the waterways.

The primary decision is to adapt the current tenders system for mooring vacancies (trialled over the last year) into an open auction. This will make it easier for people to decide how much to bid whilst still providing BW with data to inform its pricing for existing customers.

Robin Evans, BW chief executive, comments: "We have thought long and hard about the options and have considered all the responses, including the arguments in favour of a return to waiting lists or to another fixed price alternative. We can understand why these might be preferred options for some, but have concluded that the most effective and efficient way of providing a validation of our local pricing decisions, is to move to an open auction. This will be the best way to make the market work more fairly and efficiently thereby neither undercutting private mooring operators nor overcharging our own mooring customers.

"Whilst the consultation reveals continued opposition to the tender trial on principle, any concerns that auctioning or tendering would only push prices up is not borne out by the trial which showed that as many as 25% of successfully tendered vacancies were contracted at less than the guide price (the price currently being paid by existing customers at a site)."

Feedback about the tendering website and particularly the presentation of vacancies was positive and BW is considering further suggestions to come out of the consultation. Converting the mooring tenders website into an open auction system will involve relatively minor software changes and a postal option will remain for people without internet access. No firm date has been set for the site re-launch, but it will be during the first half of 2009. Until then, vacancies will continue to be allocated by tender.

Robin continues: "We have gained useful insights from the consultation which has influenced our decision to use the web-based system to allocate vacancies at fixed prices in some situations (eg when a new site opens with multiple vacancies). We will also be looking at APCO's suggestion to offer use of the site to private mooring operators for advertising their vacancies, and even to

Media Enquiries

British Waterways 1 Sheldon Square Paddington Central London W2 6TT
T 020 7985 7263 E pressoffice@britishwaterways.co.uk
www.britishwaterways.co.uk

facilitate short term mooring exchanges (or mooring swaps) between customers. A further idea we will consider is to advertise vacancies on a metre by metre rather than per berth basis.”

Government is clear that BW must charge market rates and, on pricing for existing customers, BW will continue to use market analysis principles. It has, however, made some changes to the guidelines for BW’s mooring managers which will improve public accountability and prescribe the way in which results of mooring auctions may influence the general price. BW also proposes to conduct the price review every three years (as opposed to the current annual cycle) with cost inflation increases in the intervening years, unless there is a significant change at a particular site.

The full consultation report is available at: www.britishwaterways.co.uk/mooringconsultation08.

Ends

Notes to editors:

The 12 month mooring tenders trial started at the end of October 2007 in order to test whether an auction-type system could be used effectively to allocate vacancies at BW’s moorings and to yield information that would help us better gauge the market price for each of our directly managed moorings.

The consultation formally began in March 2008 when BW published an outline paper setting out its proposed framework for the process. BW invited and reviewed comments and published an interim paper in April 2008 – this was to give the public the opportunity to lodge comments on the scope and structure of the final consultation to ensure that this would address all the matters that people felt should be included. The final phase of the consultation began on 28 May 2008 and concluded on 20 August 2008.

Throughout the course of the consultation process, just over 200 written submissions were received from individuals and organisations. In addition, BW took account of around 350 feedback submissions via the mooring vacancies website and from a programme of independent market research.

There were 49 written responses to the final consultation paper including those from seven national boating organisations. The Association of Pleasure Craft Operators was the only trade respondent.

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