



INTRODUCTION TO THE INLAND WATERWAY HIRE BOAT INDUSTRY

Table of Contents:

Page 3: Introduction and Overview of UK Inland Waterway Hire Boat Industry

Page 4: Business Models

Page 5: Procurement of Vessel

Page 6-7: Trade Associations: British Marine

Page 9: Commercial Licenses and Legal Considerations

Page 10: Boat Safety Scheme, Hire Boat Code

Page 11: RCD, Insurance

Page 11: Insurance

Page 11: Trade Relationships

Page 12: Quality Accredited Boatyard and Boat Grading Scheme

Page 13: Marketing

Introduction

In recent years there has been increased interest in new companies being set up to serve the UK holiday hire boat market.

In this document, British Marine Inland Boating (BMIB), an Association of the British Marine Federation and the largest trade association for hire boat operators in the UK, provides a starting point for individuals and organisations who are planning to enter the industry, outlining issues to consider and details on where to get more information from.

About BMIB

British Marine Inland Boating (formerly the Association of Pleasure Craft Operators APCO) was started over 60 years ago and is the main trade body for Inland Waterway Hire Businesses.

With a varied membership ranging from the largest multi-base company to new startups with one vessel, BMIB represents over 100 independent companies offering River and Canal Holidays on Hire Boats, Day Boats, Hotelboats, Passenger Trip Boats and Business Services on the approximately 3000 miles of navigable canals and rivers in the UK.

<https://britishmarine.co.uk/Membership/Our-Associations/Group/British-Marine-Inland-Boating>

(Read more about BMIB in the Trade Associations section)

The Hire Boat Industry in the UK

There are approximately 3,000 miles of navigable waterways in Mainland Britain, of which 2,700 are connected in England and Wales.

These range from small lakes, isolated rivers and canals, to large, connected networks stretching for hundreds or thousands of miles.

Over 2,000 powered self-drive hire boats operate in the UK inland waters ranging from small open boats to large vessels displacing more than 20 tonnes, carrying from 2 to 12 passengers.

(Larger vessels and trip boats operate under a different regulatory framework from the Marine Coastguard Agency - <https://www.gov.uk/government/organisations/maritime-and-coastguard-agency/services-information>)

Business Models

There are various successful business models in UK Inland Boat Hire.

Types of Inland Hire Boats:

- **Day Boats:** Powered self-steer boats hired from 1 to 8 hours, with 2 to 12 passengers without overnight accommodation.
- **Self-Steer Hire Boats:** Vessels accommodating 2 to 12 passengers, hired normally for 3 to 7 nights. Boats have various designs and range from GRP Cruisers, Steel Narrowboats 35 to 70 ft long and Broad Beam steel boats.
- **Static Hire Boats:** Boats of various designs for 2 to 12 passengers which are moored up and do not move.

Boats might be owned in full by the operator, leased or financed or in some cases use a similar model to hotels where the boat is “managed”.

With managed boats an individual owns it, but a boat management company operates it under their livery, responsible for all the passenger interfaces. The owner and operator normally have a percentage agreement based on turnover or profit share

Most day boats and hire boats are purpose built in the UK for hire. This ensures that they meet the various legal criteria, meet customer expectations for facilities but also that they are fit for purpose to ensure reliability and ease of maintenance.

Some boats, which are built for private use are suitable for conversion to hire boat usage, but not all.

Note: Trip boats, charity & community boats, hotel boats, camping boats, boats with holiday cottages, coastal boat hire, glamping boats, unpowered boats, and long-term boat rental are outside the scope of this document.

Boat Procurement and business launching

Are you having a boat built or are you buying an existing vessel?

New Hire Boat – Things to consider

- Do your research before you start!
- Write a business plan - talk to Navigation Authority Business Teams
- Have you secured agreement in principle from the Navigation Authority?
- Consider paying a consultant to advise you
- Consider where would you like to operate it from?
- Are you going to sign a lease on a waterside location or operate from someone else's premises?
- What type of customer are you aiming for?
- Look at existing boat designs: What facilities will you provide, how many berths is it for?
- What type of engine, heating, gas, electrical supply, toilets will you fit?
- Most customers want Wi-Fi - how will you provide it?
- Consider fuel tanks, water tanks, sewage systems, pumps- sizes & locations
- Secure your finance and make realistic timeframes
- Talk to potential boat builders and get written quotes - who is going to do the shell and fit out?
- Do they have experience of hire boats?
- Do they understand what you want, can they meet the RCD requirements?
- Make sure you have a proper boat building contract
- Do you understand your tax and VAT position?
- What warranties does it come with?
- Do you want the boat to be a "Lamborghini" or a "Land Rover"?
- Consider its resale value and utility

Buying a second-hand boat - Things to consider

See above for buying a new boat as most applies to a second-hand boat too

- Sourcing your potential vessel
- Is the boat suitable as a hire boat?
- Does it or can it be adjusted to meet RCD and Commercial BSS?
- Get a detailed professional, out of water survey, asking the surveyor to consider its suitability as a hire boat
- How difficult or expensive would it be to adapt to hire use?
- Consider virtually all hire boats have: *large tank- pump out -toilets, large water & fuel tanks, don't have solid fuel stoves, have an area where all guests can sit together inside (and most outside).*
- Guests need to be able to easily and safely embark and disembark.

- How easy is it to access and service or repair the engine, pumps, water & sewage systems, electrical systems?
- Buy the boat on a proper contract from a reputable person or dealer so you have clear title to it

British Marine Boat Retailers & Brokers launches its video & Boat Buying Guide:

<https://www.towergateinsurance.co.uk/boat-insurance/narrowboat-first-time-buyers-guide>
<https://britishmarine.co.uk/Membership/Our-Associations/Group/British-Marine-Boat-Retailers-and-Brokers/Video-and-Boat-Buyers-Guide>

Trade Associations

Joining a trade association from the marine sector, either one of the national bodies or a regional one has many positives for operators in the hire boat trade.

Many run courses, have template documents and have databases of advice which are very helpful to industry entrants.

They facilitate opportunities to network with fellow hire boat operators and companies providing direct services and supply chain to the sector.

British Marine is the umbrella trade federation for most of the national marine trade associations. <https://britishmarine.co.uk/membership>

BMIB is the sector specific trade association for canal and river hire industry and dates back over 60 years. <https://britishmarine.co.uk/Sectors/Hire-Holidays-and-Training>

Membership of British Marine can be extremely valuable to new companies, giving them credibility with the public and suppliers, valuable technical and operational advice and saving you from “reinventing the wheel” or pursuing nonexistent markets.

The membership also includes most of the supply chain of equipment and services to the hire boat industry too, from engine manufacturers to insurance companies, safety equipment to finance houses. - <https://britishmarine.co.uk/Membership/Our-Associations/Group/British-Marine-Inland-Boating>

While British Marine also regularly publishes statistical research on the size and value of the UK leisure boating market - <https://britishmarine.co.uk/Services/Growth/Statistics-and-Market-Research/Economic-Benefits-Research>

Trade Associations are business to business organisations and are not to be confused with customer organisations such as the Royal Yachting Association (RYA) or Inland Waterways Association (IWA) which serve a different purpose.

Trade Associations

Joining a trade association from the marine sector, either one of the national bodies or a regional one has many positives for operators in the hire boat trade.

Many run courses, have template documents and have databases of advice which are very helpful to industry entrants.

They facilitate opportunities to network with fellow hire boat operators and companies providing direct services and supply chain to the sector.

British Marine is the umbrella trade federation for most of the national marine trade associations. <https://britishmarine.co.uk/membership>

BMIB is the sector specific trade association for canal and river hire industry and dates back over 60 years. <https://britishmarine.co.uk/Sectors/Hire-Holidays-and-Training>

Membership of British Marine can be extremely valuable to new companies, giving them credibility with the public and suppliers, valuable technical and operational advice and saving you from “reinventing the wheel” or pursuing nonexistent markets.

The membership also includes most of the supply chain of equipment and services to the hire boat industry too, from engine manufacturers to insurance companies, safety equipment to finance houses. - <https://britishmarine.co.uk/Membership/Our-Associations/Group/British-Marine-Inland-Boating>

While British Marine also regularly publishes statistical research on the size and value of the UK leisure boating market - <https://britishmarine.co.uk/Services/Growth/Statistics-and-Market-Research/Economic-Benefits-Research>

Trade Associations are business to business organisations and are not to be confused with customer organisations such as the Royal Yachting Association (RYA) or Inland Waterways Association (IWA) which serve a different purpose.

Legal, Taxation and VAT

The hire boat industry is highly regulated in the UK, with many legal and regulatory obligations that need to be met in order to legally trade.

When setting up a new hire boat company or buying assets it is really important to get expert advice on how to structure your business: *sole trader, partnership or limited company*.

As well as understanding your legal obligations to pay taxes, pay VAT and keep records, including complying with HMRC "Making Tax Digital. For this you will probably need the services of a qualified accountant.

Hire Boat Contracts of Hire need to meet UK Consumer Law, this is a very complex area and needs expert advice.

British Marine Members can access and use template boat hire contracts for Day Hire and Self Steer Hire and have access to a legal helpline.

<https://britishmarine.co.uk/Services/Business-Support/Legal-Services-and-VAT>

You also need to consider Health & Safety Legislation, Risk Assessments, Environmental and Employment Law.

Commercial Licenses, Boat Safety Scheme (BSS) and permissions from Navigation Authorities

All hire boat operations need commercial licenses from the relevant Navigation Authorities and permissions to operate.

There are more than 30 Navigation Authorities in the UK.

Most are members of the Association of Inland Navigation Authorities (AINA) <https://aina.org.uk> All AINA members also require Hire Boats to have commercial hire boat insurance, Commercial Boat Safety Scheme and comply with the Hire Boat Code.

The Biggest Navigation Authorities are:

- **Canal & River Trust** <https://canalrivertrust.org.uk/business-and-trade/boating-business>
- **Broads Authority** <https://www.broads-authority.gov.uk/>
- **Environment Agency** <https://www.gov.uk/topic/environmental-management/boating>
- **Middle Level Navigations** <https://middlelevel.gov.uk>
- **Scottish Canals** <https://www.scottishcanals.co.uk>

In addition to licensing, operators will normally have to have an agreed business plan with the Navigation Authority and a suitable place to operate from. This might be a wharf, boat yard or marina which you lease or have an agreement to operate from.

Somewhere passengers can embark safely and park their car and where you can service the hire boat - fuel, pump out, clean, service the engine, dispose of rubbish, supply bed linen, do boat handover, etc.

Boat Safety Scheme and Landlords Gas Certificate

Just like a car, on most of the UK's inland waterways, a boat needs to be licensed, insured and have the boat-equivalent of a MOT – valid Boat Safety Scheme certification (BSS) - before it can cruise. <https://www.boatsafetyscheme.org>

“The Boat Safety Scheme, or BSS, is a public safety initiative owned equally by The Canal & River Trust and the Environment Agency. Its purpose is to help minimize the risk of boat fires, explosions, or pollution harming visitors to the inland waterways, the waterways' workforce and any other users.”

Hire boats have to meet slightly different standards to comply, if you have an existing boat you cannot simply assume it meets the criteria for being hired out! For more information visit: <https://www.boatsafetyscheme.org/requirements-examinations-certification/hire-boats-requirements-2017/>

If the hire boat has gas (LPG or Butane) on board for heating or cooking you will also need an annual landlords gas certificate -

<https://www.gassaferegister.co.uk/gas-safety/renting-a-property/landlord-gas-responsibilities/>

Hire Boat Code

From 2022 most Navigation Authorities (*including all AINA members*) require all powered hire boats to meet the Hire Boat Code of Practice, as a licensing requirement.

"The Code of Practice sets down the basic principles of safe operation of all types of craft hired to members of the public and makes clear the responsibilities of each of the parties involved.

The Code of Practice is for licensing and/or navigation authorities and anyone who hires out boats for leisure use on Britain's inland waterways. It is mandatory on navigations that have the necessary legal powers, including all those managed by the Canal & River Trust, Broads Authority and Environment Agency, and will be part of the process for obtaining a licensing requirement."

This applies to powered day boats and self-steer hire boats.

The Environment Agency (EA) and Canal & River Trust also require this for the static hire boat category of vessels too.

For more information and to download the Hire Boat Code visit:

<https://www.britishmarine.co.uk/Sectors/Hire-Holidays-and-Training/Hire-Boat-Code>

British Marine run courses on the Hire Boat Code. For more information visit:

<https://britishmarine.co.uk/Events-and-Courses/Training-Courses/Hire-Boat%20Code>

As an operator or potential operator, it is essential to read and understand your obligations under the hire boat code.

RCD Compliance and Recreational Craft Regulations 2017

All hire boats - *built post 1998* - must comply with the current Recreational Craft Directive and meet all the technical and stability standards.

British Marine Technical run courses and can advise BM Members on the RCD. Find out more at:
<https://britishmarine.co.uk/Services/Business-Support/Technical-Support/Guidance-and-Advice/Recreational-Craft>

Insurance

It is a legal and licensing requirement to be correctly insured to operate hire boats.

Insurances required include:

- Commercial Hire Boat Insurance
- Public Liability insurance
- Employers Liability Insurance
- Personal Accident Insurance for owner and employees

Further insurances to cover property, (such as offices, workshops, stores), cash, company vehicles, business interruptions, legal expenses etc. might also be recommended or required.

You will need to speak to a specialist marine insurer who is familiar with UK inland hire boating to get advice and quotes for suitable comprehensive cover.

Most of the main specialist companies are also members of British Marine.

<https://britishmarine.co.uk/Membership/Our-Associations/Group/Professional-Services-Association>

Trade Relationships

Whether you are just starting out or building your company it is important for success to have a good relationship with suppliers and service companies.

Engine and system repairs:

Are you experienced with marine systems?

If not, you will need one or more engineers on speed dial for both planned routine maintenance or break down call out. Some problems can be avoided at the planning stage- i.e. Choice of engine or gearbox, type of water pumps, brand of toilet.

How easy is it to get spares or a service engineer for what you have installed?

Talk to chandlery, manufacturers and other hire boat operators for advice, networking at trade association events can help!

It's probably a good idea to pay invoices promptly too!

The inland waterways are a remarkably small community where most commercial operators know each other personally or by reputation!

Chandleries:

If you are a hire boat operator most suppliers such as chandleries will see you as a trade customer, don't be shy in asking for the trade price list.

Moorings and Boat Yard:

Where are you going to operate from?

Most navigation authorities will expect you to have a base location as part of the agreement to operate. You might own this or lease it or come to an arrangement with an existing boat yard or marina to become their tenants.

Consider how your needs as boat hire company and the Marina's needs align.

- Do you have a formal agreement?
- Have you taken legal advice?
- What services are you buying in?
- Do the moorings have the facilities you need - fuel, gas, pump out, parking, engineer?
- Do you have access to a dry dock or slipway for winter maintenance?

The part of British Marine which represents Marinas is The Yacht Harbour Association (TYHA).

Navigation Authorities:

Most Navigation Authorities want you to succeed, as trade customers are important to them.

Via their Trade Associations, the hire trade is often able to talk to high level decision makers and influence policy such as the timing of repair works.

Health and Safety is also very important and the hire trade often acts as locally informed eyes and ears, informing on issues before they become problems.

But it cuts both ways, they expect trade customers to be civil and professional with them too.

Quality Accredited Boatyard (QAB) & Boat Grading Scheme

All British Marine members offering hire boats are required to be accredited under the QAB scheme, it is in effect, a verification scheme for compliance with the Hire Boat Code.

QAB is a requirement of membership of British Marine and inspections are done every three years.

<https://britishmarine.co.uk/Membership/Our-Associations/Group/British-Marine-Inland-Boating/Quality-Accredited-Boatyard-and-Boat-Grading-Scheme>

Non BMIB members can also be inspected and accredited by independent QAB Inspectors.

British Marine also operate a Boat Grading Scheme under the criteria of Visit England, this is an optional assessment of the hire boats to give a 1 -5 Star Rating.

The company must have a QAB Assessment to be eligible to have Boat Grading.

Marketing

Once you have launched your hire boat company, how do you compete in the crowded UK Tourism Market?

Customer behaviour in the canal holiday market, as in much of the UK Economy, is constantly changing.

Understanding your market and how to reach it is the difference between success and failure.

Much of the hire boat industry is reliant on repeat business, with some customers coming back over decades.

So consistent, excellent customer service, as well as competitive pricing and well-maintained boats are all very important.

British Marine run a **Welcome Afloat Course** which is very useful especially if you don't already have a tourism or hospitality background. Find out more at: <https://britishmarine.co.uk/Events-and-Courses/Training-Courses/Welcome-Afloat>

You will need a well-designed website capable of taking online bookings and handling customers payments securely.

As part of the Hire Boat Code, you will also need to be able to share boat handling and boat safety information with your customers prior to their arrival.

Social media has also become increasingly important for marketing UK Boating Holidays, so make sure you brush up on your social media skills and have a presence on different social platforms. British Marine run a number of different social courses. Find out more here: <https://mymembership.britishmarine.co.uk/training-courses/>

There are two major boating holiday agencies that can market boating holidays and take bookings on behalf of hire boat companies. They work on a commission basis.

Both are also extremely knowledgeable on what customers want and can advise hire boat companies on how to improve their marketability.

- Hoseasons <https://www.hoseasons.co.uk/boat-holidays>
- Waterway Holidays <https://www.waterwaysholidays.com/index.htm>

Running a Boat Hire operation is not easy, but it is a very rewarding, exciting and can be profitable career. British Marine can help throughout the process and ensure that you are represented, supported and have the opportunity to be part of an exciting sector in our national tourism industry.