

CIVIL SERVICE OFFSHORE RACING CLUB

Summary business case for buying a yacht

Objective

Our objective is to increase the level of participation in offshore yacht racing in terms both of numbers of members taking part and the number and range of events we offer.

Background / history

Since 2005 CSORC has chartered yachts in order to compete in racing events. While this has enabled the club to take part in a small number of events every year the club has found it difficult to expand beyond those few, principally because the range of suitable boats (specifically those with IRC certificates) available for bareboat charter is very limited (and expensive). As a result our activities have been largely restricted to: the race series operated by Sunsail; the occasional JOG event; the IDOR; and the RORC Caribbean 600 / Fastnet campaign in alternate years. Pre-2005 when CSORC owned its own yacht, we participated in a much larger range of events.

We have found that the IDOR with a berth fee of £60 per day is well-subscribed. Sunsail events at £100 per day have been less popular, while the RORC races at c. £120 per day have appeal but more as a "bucket list" item. What we want to achieve is participation in regular racing at a competitive level such as the Warsash Spring Series and the Hamble Winter Series, and more JOG and RORC coastal and offshore races.

So CSORC has been considering acquiring its own boat once again. This would enable us to increase considerably the number of events on offer so as to reduce unit costs. Berth fees could then be set at a modest rate to enable more crew to commit to more events and so achieve our objective.

Boat choice

The ideal boat would be 32-36 feet long with 6+ berths, asymmetric and symmetric spinnakers, and with an active one-design fleet. It needs to be equipped as a racer first and a cruiser second. Larger boats tend to be exponentially more expensive to buy and maintain, while smaller ones limit crew accommodation.

Having a boat of this size also provides an opportunity for CSSA to offer cruising or training, including skipper development, in a smaller, less daunting boat than those currently available (Freya, Sea Essay or Ynot). So we would also offer some income-generating (race-)training and cruising days, and perhaps take part in events elsewhere e.g. Dartmouth Week or Falmouth Week.

We have considered several boats, including Impala 28, Beneteau First 31.7, Elan 340, Beneteau First 34.7, Dufour 34 Performance, J105, J109. None satisfies all of these ideals, but those that come on to the market are currently selling quickly.

Costs (at 2021 prices)

Running costs (£, estimated, average per annum):

Marina moorings/storage/electricity	7,000
Insurance including SeaStart	1,350
Race entry fees	1,000
Biennial lift-out, anti-fouling and routine maintenance	1,250
Sail repair/replacement (£15k over 10 years)	1,500
Other major item repair/replacement (£20k over 10 years)	2,000
Rigging (£5k every ten years)	500
Total	14,600

Finance costs:

Loan repayment £1,500 pa

Yacht replacement fund £2,000 pa

Total £18,100 pa

Income

We would set the berth fee for a day's racing at £60, and aim to run 12 "series" weekends and 4 JOG/RORC 3-day events a year. We would also invite skippers to charter the boat for 4 one-week "events" or cruises at £1,400 per week. That programme would generate estimated income of £18,560 pa and see the boat used for about 64 days of the year.

Big events such as the Fastnet campaign would be budgeted for separately, whether in our own or a chartered boat, aiming for a proportionate contribution to the club's funds.

Assumptions

The figures above assume that a yacht meeting our criteria could be bought at a cost of between £55k and £65k, depending on what additional expenditure might be needed to bring the boat up to a fully operational, coded and race-ready standard. The costings assume a CSSA grant of £50k from the Bequest Fund and a CSSA interest-free loan of £15k, but it could be a greater/smaller loan depending on the chosen boat. CSORC would use its own funds to provide working capital of up to £15k, depending on the outcome of our 2021 racing programme.

Management

The Club will form a boat management team to undertake the initial purchase and subsequent chartering, programme planning, maintenance and handovers.

CSORC Committee
August 2021