

Basingstoke Canal - future direction

Culture and Communities Select Committee

13 NOVEMBER '17

JO HEATH, HEAD OF COUNTRYSIDE

Historical Context

- Built 1794 – 1798 37 miles across Surrey & Hampshire - from Woodham Junction (R. Wey) to Basingstoke
- 32 miles now owned by Surrey and Hampshire County Councils
- Derelict by 1960 – purchased as land for public recreation and restored as a navigation largely by volunteer labour reopening in 1991



Canal Management

- Since 1990 Canal managed by local authority partnership named Basingstoke Canal Authority (BCA).
- Partners include 6 local borough and district councils (Hart, Rushmoor, Surrey Heath, Woking and Runnymede), local Parishes and Fleet Town Council.
- Partnership overseen by JMC. The staff are employed by HCC.



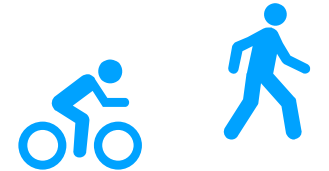
Canal Characteristics



Site of Special Scientific Interest
- most biodiverse freshwater body
in England & Wales



Important for bats,
aquatic plants &
dragonflies



1.5 million
visitors per year



Visitor Centre,
Campsite & boat
hire at Mytchett
(owned by SCC)



3,500 volunteer
days per year

Boat movements
are limited to
1,300 a year



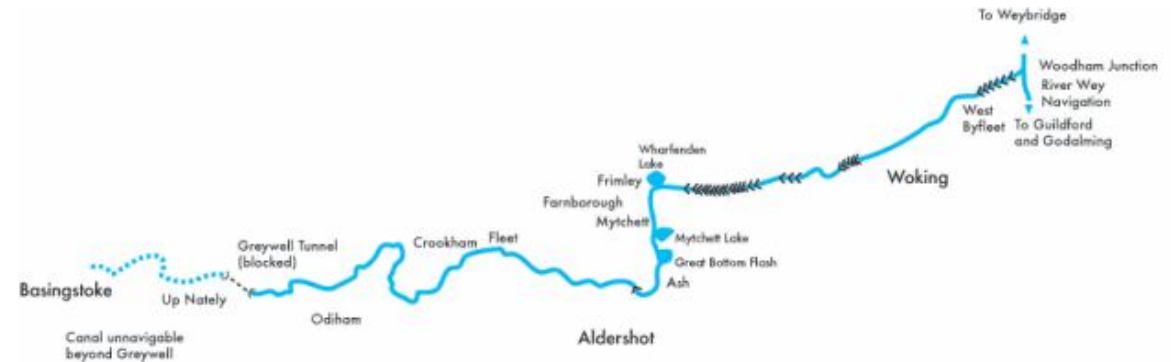
60 resident boats (Surrey section)
and 150 visiting boats per annum



Canal Assets

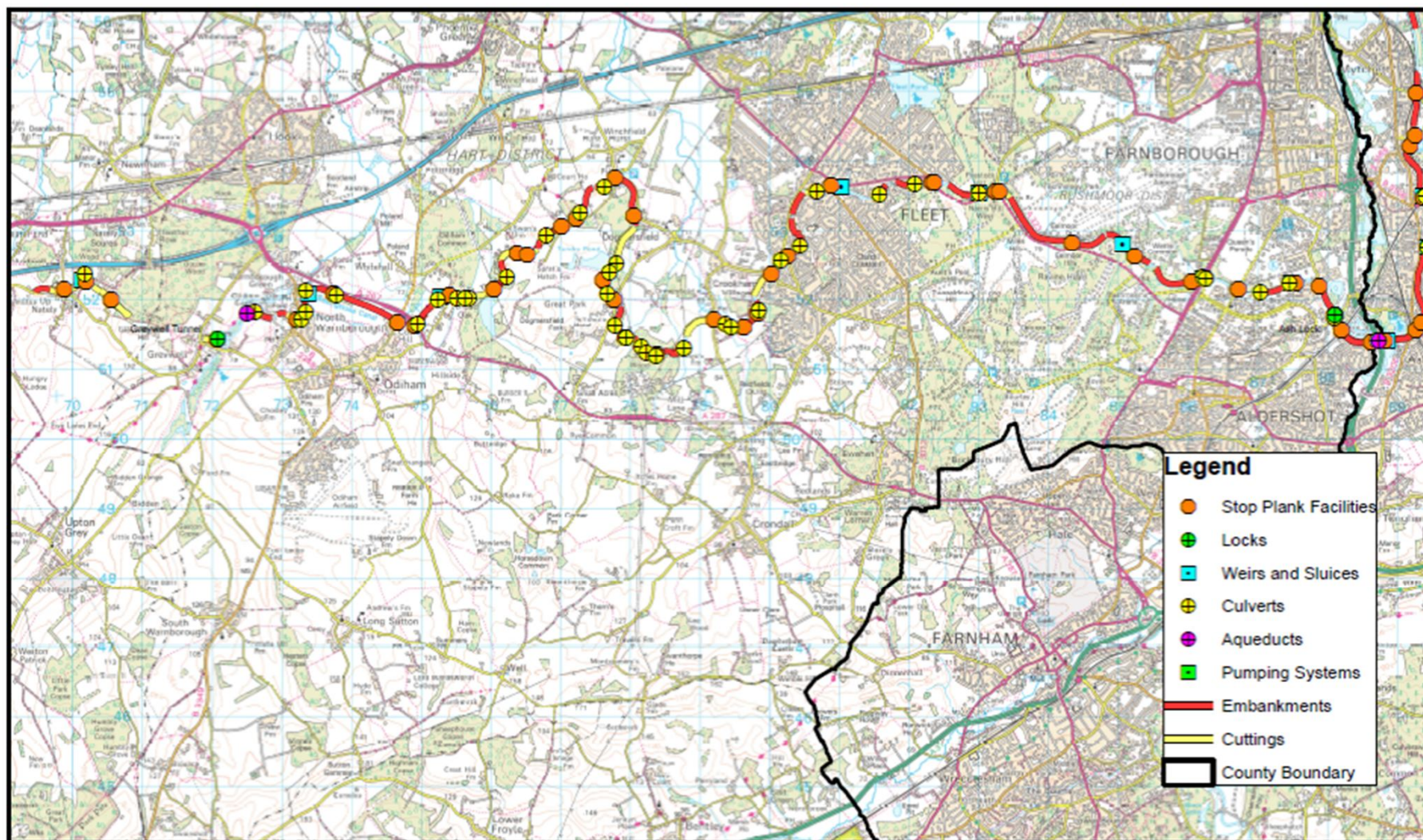
Major engineering assets to manage water levels and enable navigation include:

- 32 miles of channel and towpath
- 29 operational locks (plus one abandoned chamber), 1 dry-dock
- 3 aqueducts
- 1 tunnel (non-operational)
- 142 sections raised on embankment
- 48 cuttings
- 62 culverts
- 3 pumping systems
- 26 feeders, sluices or weirs
- 109 bridges – mostly part of road or rail networks
- Approx 40,000 trees












Basingstoke Canal - Asset Map (Hampshire)

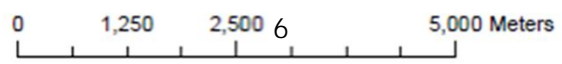
Scale: 1:50,000



Legend

-  Stop Plank Facilities
-  Locks
-  Weirs and Sluices
-  Culverts
-  Aqueducts
-  Pumping Systems
-  Embankments
-  Cuttings
-  County Boundary

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Prepared by: J Taylor
 Basingstoke Canal
 Date: 21/11/2016

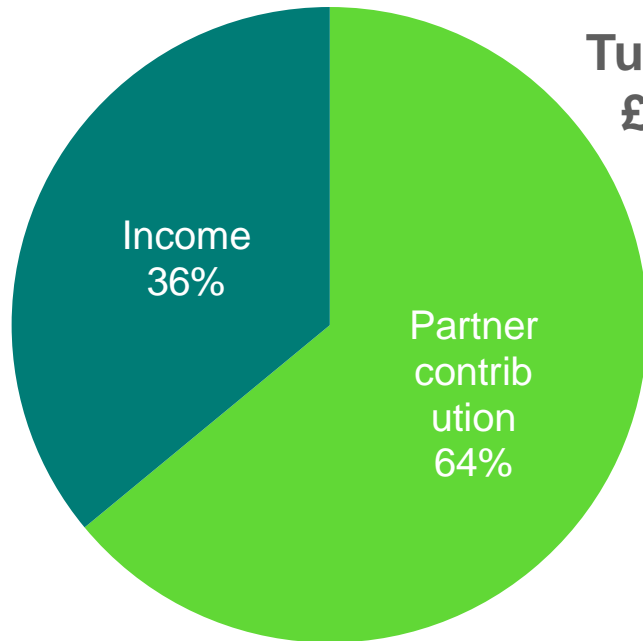
Canal risks

- The Canal is a vital part of land drainage system
- Failure of embankment is a serious risk - resulting in flooding. Previous incidents at Farnborough & Aldershot
- 24/7 duty ranger system 365 days a year
- Liability of all the assets and management of the Canal is with the two land owning authorities



Financial Analysis

REVENUE



Turnover
£800k

£175k
Contribution
made by HCC
p.a



Income increased by
55% since 2012

Countryside Service
saving £700 k = 25%
cash Limit £2.7m

CAPITAL

£2m allocated
in 2013
matched by
SCC

£3m +
in maintenance
arrears.
£6.8m overall

Future management

Aim: Secure a sustainable long term management model for the Basingstoke Canal.

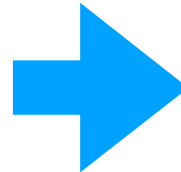
- Canal is a high risk liability for HCC & SCC
- Both landowning authorities need to consider reducing contribution to achieve savings targets. This cannot compromise the safe operation of the Canal.
- Risk that partner authorities potentially reduce their contribution.
- There is a significant backlog of funding to ensure that the assets are well maintained and reduce likelihood of failure.
- Canal management is specialist work requiring support e.g engineering, legal.



Future Management Options

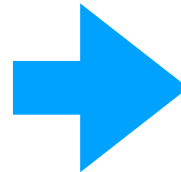
Options considered:

Option A - both landowning authorities divest entirely of the Canal to an appropriate body who can safeguard the future of the Canal with no further involvement.



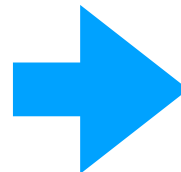
Preferred option. The Canals & Rivers Trust only organisation with required competency and capacity to manage the Basingstoke Canal.

Option B - Targeted investment and the landowning authorities continue to operate the Canal continuing with the current partnership or similar delivery model.



Only viable current solution is to develop a number of business cases to increase income, whilst protecting current funding streams and investing in the assets.

Option C - The landowners enter into a contract with a private sector partner to wholly or partly develop and run the Canal.



Discounted after further investigation into commercial potential

Option A - Preferred long term solution

- The Canal & River Trust was established in 2012 and are responsible for the management of 2,000 miles of canals and rivers in England and Wales.
- Surrey County Council and all the partnership authorities including the Canal Society agree that a transfer to the CRT is the best long term solution for the Basingstoke Canal.
- A full asset transfer is currently being explored with all parties keen to find a financial solution to enable the transfer.



Implementing the options

To achieve this solution the BCA will need to:

1. Protect the revenue funding from all the partners.
2. Secure further investment in the core Canal assets and reduce the maintenance arrears.
3. Develop income generating activity - this may require some further investment on a sound business case basis.
4. Continue to increase volunteering activity. There has been a significant increase over past 5 years.

Investing in the future

Option B - targeted investment

- Campsite redevelopment. A Surrey County Council asset with potential to generate more income for the BCA. Funding bid to the Enterprise M3 LEP for 80%.
- New moorings - increasing the number of moorings to generate income including Farnborough Rd. Currently in discussion with Natural England.
- Visitor centre redevelopment. A SCC asset requiring significant investment.



Future Direction

Business Objective	Success Criteria
Deliver a financially viable and sustainable Canal operation through increased income generation and/or streamlined operating model, enabling a reduction in funding from the County Councils and other partners	<ul style="list-style-type: none">- The Canal is operating with reduced revenue support- A lean and effective operating model is in place- Income growth continues- Revenue support from the owning authorities is reduced by April 2019
Undertake ongoing maintenance and improvement to the Canal infrastructure, minimising the corporate risks	<ul style="list-style-type: none">- Planned maintenance works are undertaken- Capital improvements are made to reduce the maintenance arrears- There are no significant breaches or failures

Recommendations

- Supports the request for capital funding to undertake maintenance works with the aim of reducing the arrears of maintenance.
- Supports the reduction in revenue funding, if it can be achieved without compromising the safe operation of the Canal.
- Approves the business objectives and long term direction for the management of the Basingstoke Canal. This includes: targeted investment in income generating opportunities and continue to work with SCC and CRT to reach an agreement for the transfer of ownership and liability of the Canal.