

**Notice of Meeting
BASINGSTOKE CANAL JOINT MANAGEMENT COMMITTEE**



SURREY
COUNTY COUNCIL

Date: Thursday, 28 February 2013
Time 10.05 am

[There will be an informal public question time before the meeting commencing at 10.00am.]

Place: Mytchett Canal Centre, Mytchett Place Road, Mytchett, Surrey, GU16 6DD

Contact: Andrew Spragg
(Room 122, County Hall, Kingston upon Thames, Surrey, KT1 2DN.
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[For queries on the content of the agenda and requests for copies of related documents]

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This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Andrew Spragg on 020 8213 2673 or 020 8213 2733.

Hampshire County Council
Councillor Keith Chapman (Vice-Chairman)
Councillor Brian Gurden
Councillor Roger Kimber
Councillor Jenny Radley

Surrey County Council
Mrs Linda Kemeny (Chairman)
Ben Carasco
Mr Chris Pitt
Mrs Diana Smith

Hampshire Districts:
Hart District Council
Councillor Simon Ambler
Councillor Sara Kinnell
Rushmoor Borough Council
Councillor R Hughes
Councillor J H Marsh

Surrey Districts:
Guildford Borough Council
Councillor John Randall
Runnymede Borough Council
Councillor J M Edwards
Surrey Heath Borough Council
Councillor Bob Paton
Woking Borough Council
Councillor K Davis

Special Interest Groups
Basingstoke Canal Society
Martin Leech
Mr P Riley
Parish Councils
Alastair Clark
Basingstoke Canal Houseboat Owners
Mr Denis Betro

Natural England
Adam Wallace
Inland Waterways Association
Paul Roper/Gareth Jones
Business Interests
Galleon Marine/Accessible Boating
Basingstoke Canal Boating Club
Steve Dallen

AGENDA

PART 1 - IN PUBLIC

1 APOLOGIES FOR ABSENCE

2 MINUTES OF PREVIOUS MEETING: 31 OCTOBER 2012

(Pages 1 - 10)

The minutes will be available in the meeting room half an hour before the start of the meeting.

3 DECLARATIONS OF INTEREST

To receive any declarations of disclosable pecuniary interests from Members in respect of any item to be considered at the meeting.

Notes:

- In line with the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, declarations may relate to the interest of the member, or the member's spouse or civil partner, or a person with whom the member is living as husband or wife, or a person with whom the member is living as if they were civil partners and the member is aware they have the interest.
- Members need only disclose interests not currently listed on the Register of Disclosable Pecuniary Interests.
- Members must notify the Monitoring Officer of any interests disclosed at the meeting so they may be added to the Register.
- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest.

4 QUESTIONS AND PETITIONS

To receive either any questions or petitions.

Notes:

1. The deadline for Member's questions is 12.00 noon four working days before the meeting (22 February 2013).
2. The deadline for public questions is seven days before the meeting (21 February 2013)
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 SPECIAL INTEREST GROUPS MEMBERSHIP

(Pages 11 - 16)

6 CURRENT FINANCIAL POSITION AND PROJECTED OUTTURN 2012/13

(Pages 17 - 28)

7	REVISED NAVIGATION FEE & MOORING CHARGES	(Pages 29 - 46)
8	PRESENTATIONS TO FUNDING COUNCILS	
9	COLLIERS' STUDY OF THE MYTCHETT CANAL CENTRE SITE	(Pages 47 - 52)
10	SITUATIONS REPORT	
11	BRIDGES IN HAMPSHIRE	
12	SUMMARY OF BGS 'WATER PROGNOSIS REPORTS'	(Pages 53 - 54)
13	CANAL SOCIETY UPDATE	(Pages 55 - 58)
14	CANAL MANAGER'S UPDATE	
15	DATE OF THE NEXT MEETING	

David McNulty
Chief Executive
Wednesday, 20 February 2013

MOBILE TECHNOLOGY – ACCEPTABLE USE

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MINUTES of the meeting of the **BASINGSTOKE CANAL JOINT MANAGEMENT COMMITTEE** held at 10.05 am on 31 October 2012 at Mytchett Canal Centre, Mytchett Place Road, Mytchett, Surrey, GU16 6DD.

These minutes are subject to confirmation by the Committee at its meeting.

Hampshire County Council

Councillor Keith Chapman (Vice-Chairman)
Councillor Brian Gurden (a)
Councillor Roger Kimber
Councillor Jenny Radley

Surrey County Council

Mrs Linda Kemeny
Mr Chris Pitt
Ben Carasco (a)
Diana Smith (a)

Hampshire Districts:

Hart District Council
Councillor Simon Ambler
Councillor Sara Kinnell (a)
Rushmoor Borough Council
David Welch (a)
Councillor J H Marsh (a)

Surrey Districts:

Guildford Borough Council
Councillor John Randall
Runnymede Borough Council
Councillor J M Edwards
Surrey Heath Borough Council
Councillor Bob Paton (a)
Woking Borough Council
Councillor K Davis

Special Interest Groups

Basingstoke Canal Society

Roger Cansdale (a)
Martin Leech
Mr P Riley

Parish Councils

Alastair Clark (a)

Basingstoke Canal Houseboat Owners

Mr Denis Betro (a)
Ms Kathy Williams (a)

Natural England

Adam Wallace (a)

Inland Waterways Association

Paul Roper/Gareth Jones

Business Interests

Galleon Marine – Jan Peile (a)

Basingstoke Canal Boating Club

Steve Dallen (a)

Residential Boat Owners Association

Julia Jacs

1 APOLOGIES FOR ABSENCE [Item 1]

Apologies were received from Diana Smith, Sara Kinnell, John Marsh, David Welch, Cressida Wheelwright, Alastair Clark, Jan Peile, Ben Carasco and Gareth Jones.

The Chairman advised that Paul Roper, Regional Chair of Inland Waterways Association, was acting as substitute for Gareth Jones.

It was noted that Natural England had been requested to resume their attendance at Joint Management Committee (JMC) meetings. The Committee were advised that Adam Wallace will now replace Cressida Wheelwright as their representative, and had been expected to attend, but unfortunately could not do so. It was hoped that he would be able to attend the next JMC meeting.

2 MINUTES OF PREVIOUS MEETING: 21 JUNE 2012 [Item 2]

It was requested that officers that present reports to the Committee are named within the minutes.

The minutes were agreed as an accurate reflection of the meeting.

3 DECLARATIONS OF INTEREST [Item 3]

There were no declarations of interests.

4 QUESTIONS AND PETITIONS [Item 4]

There were no questions or petitions.

5 RESPONSE FROM NETWORK RAIL [Item 5]

The Committee was asked to note a response from Network Rail. This outlined the company's position with regards to works that may have an impact on Basingstoke Canal.

Key points raised during the discussion:

1. The Committee thanked Andy Smith, Head of Countryside Hampshire County Council, for sharing the response.
2. It was noted that the letter had not included an email address or responsible local contact.
3. It was expressed that there was often little consultation from Network Rail with regards to works being undertaken that may impact upon the Canal.

Actions/further information to be provided:

Andy Smith to share contact information for Network Rail with Fiona Shipp, Canal Manager and for Fiona to establish contact with the appropriate local manager for Network Rail.

Recommendations:

None.

6 WATER SUPPLY UPDATE [Item 6]

John How, from the Water Strategy Group, gave a verbal update on the work undertaken to address the issue of water supplies in the Basingstoke Canal.

Key points raised during the discussion:

1. John How expressed thanks to James Taylor and Philip Allen for their support of the Water Strategy Group.
2. It was explained that the Water Strategy Group's work was an iterative process; the expectation was that it would take 9-12 months before they would be in a position to report on likely solutions.
3. The Water Strategy Group had made contact with Dr Derek Clarke, a research fellow at Southampton University. Work was being undertaken by four undergraduate students at the University in collaboration with the Water Strategy Group. This work was intended to effectively audit and review the Water Strategy Group and the solutions it was proposing. A report was being prepared by the graduates with the expectation that it would be shared in May 2013. An interim report would be published in November 2012.
4. An application to the Environmental Agency had been made by Surrey County Council to increase the amount of water being drawn from the Woodham pump. The extraction licence was for 1.7 megalitres a day, and it was hoped that this would be increased to 3.4 megalitres a day. The Environmental Agency are due to give their response by December 2012.
5. Natural England had contributed money for boat counters to be installed at Lock 6, with a second set due to be installed at Dogmersfield by November 2012.
6. There was a discussion as to the benefits of developing the telemetry systems in order to improve the automation of processes on the Canal. Work was being undertaken to set up a hosted website and smartphone app that would provide key information to rangers. This would be facilitated by an external company and the bidding process was underway.
7. A Water Prognosis Report by British Geological Surveys had been commissioned and was to be made available by November 2012. This Report would inform any future decisions about the placement of boreholes. Southampton University undergraduate students would be involved in identifying suitable borehole sites.

8. Concern was expressed regarding the level of water extraction carried out by South East Water at Greywell. The Committee was informed that South East Water would be reviewing this by Spring 2013.
9. There was a discussion regarding a pumping station that had been relinquished by South East Water and sold to the Mitie Group. The Mitie Group had been approached about the use of four of their boreholes, and the Committee was informed that the Mitie Group would make a decision about whether these could be used as a water source for the Canal by March 2013.
10. It was felt that the Water Progress Report would be an initial step in the process towards approving any further boreholes, and that such a process would likely take a long time.
11. Officers confirmed that a tree survey for the Canal was due to take place within the next 12 months.
12. The Chairman thanked John Howe for his presentation.

Actions/further information to be provided:

The Water Strategy Group will share with the Committee the interim and final report prepared by Southampton University upon publication.

The Water Strategy Group will share with the Committee the findings of the Water Prognosis Report upon publication.

Resolved:

- a) The Committee continue to endorse the work of the Water Strategy Group and support the implementation of the work on a Water Strategy.
- b) The Committee thanked the Water Strategy Group and thanked Southampton University for their contribution to the work.

7 NAVIGATION POLICY [Item 7]

The Committee considered the report of James Taylor (SCC Senior Countryside Management Officer). The purpose of this report was to outline and approve a Navigation Policy for the Canal.

Key points raised during the discussion:

1. It was noted that the word "tramp boats" used in Paragraph 6.1 and Appendix 1 was to be replaced with the term "Non-Compliant Continuous Cruisers"

2. The Committee was asked to consider the options provided by the report, with the intention of approving one. Once this was approved the detail of the policy would be set by the Basingstoke Canal Authority.
3. Officers recommended that the Committee endorse a navigation policy that limited navigation through all locks by powered craft and unpowered craft which are permitted to use locks (except Ash Lock) to a restricted number of places and certain days of the week. Members of the Committee accepted that some restriction on the Canal was necessary.
4. It was noted that both County Councils fully supported an increase in boat traffic.
5. There was some discussion around the potential to involve boat owners in a voluntary capacity as pilots. Officers stated this would be investigated along with other detail once a Navigation Policy was implemented.
6. The necessity to ensure that restrictions were managed effectively was highlighted, as they could present a potential barrier to encouraging people to use the canal. It was also suggested that restrictions take into account the needs of local users.
7. The Committee discussed the need to ensure a Policy was in place by December 2012 in order that there was suitable clarity for visitors to the Canal during the summer 2013 season.

Actions/further information to be provided:

None

Resolved:

- a) That the BCA adopt a Navigation Policy limiting navigation through locks by all powered craft and unpowered craft which are permitted to use locks (except Ash Lock) to a restricted number of places and certain days of the week.
- b) That the BCA be authorised to determine the details of how the policy operates practically in consultation with user groups. These details to include the number of days and places available, plus any variations according to time of year, weather conditions, staff/volunteer availability and water levels and set notice periods for any variations in conditions.
- c) That the BCA be required to keep the policy under review in the light of changed circumstances.

8 VISION AND UPDATE OF WORK ON THE MYCHETT SITE [Item 8]

Lisa Creaye-Griffin (Head of SCC Countryside Service) and James Taylor (SCC Senior Countryside Management Officer), gave the Committee a verbal update regarding the vision and work being undertaken on the Mychett Site.

Key points raised during the discussion:

1. The Vision had been shared with the Committee in advance of the meeting and as result of feedback the wording had been changed from "Central to the Vision is to create an accessible waterway serving the public." To "Central to the Vision is to create a navigable waterway serving the public." The Vision was to be published after the meeting.
2. A discussion was held around the potential of using media teams to publicise the Vision and increase awareness. A feature had appeared in Explore Surrey.
3. Colliers International had undertaken work to look at the income potential of the Canal Centre including alternative uses for the site. An interim report had been published but was pending a number of amendments. This report would be completed at the end of November 2012. The intention would be to complete a draft business plan in response to the report and then proceed to approach funding sources.
4. Concern was expressed at the fact that the Canoe Club's amenity block had not yet been built. Officers confirmed that a final report on this topic was due to be completed by the end of November. It was suggested that discussions be held with the Canoe Club regarding this matter.

Actions/further information to be provided:

The Countryside Group Manager (Surrey County Council) to share the Vision with the BCA and new Canal Manager.

The Chairman to meet with the Canoe Club in order to discuss improvements to their facilities.

The Collier International report and the subsequent business plan to be shared with Committee upon publication.

Resolved:

That the Committee continue to endorse and support the Vision for the Mychett Site.

9 RAPID IMPROVEMENT PROJECT PROGRESS REPORT [Item 9]

James Taylor (SCC Senior Countryside Management Officer) presented a report regarding the Rapid Improvement Project underway on the Basingstoke Canal

Key points raised during the discussion:

1. It was confirmed that capital receipts totalling £2 million from HCC's sale of properties, and £2 million from SCC's Medium Term Financial Plan would be invested in the canal.
2. The Committee discussed the option of steel lock gates in order to reduce leakage and the necessity for replacement. It was confirmed that this is being further explored, but it would require extensive work to the current locks in order to make the conversions. It was expressed that there was some work scheduled to be undertaken with consultants to identify leakage at locks and identify possible future innovations, such as composite gates.

Actions/further information to be provided:

None

Resolved:

The Committee endorsed the work of the Rapid Improvement Project and supported the implementation of Phase 2 of the work.

10 TREASURER'S REPORT [Item 10]

The Committee considered a report from Colin Hudman (Honorary Treasurer), outlining the Revised Budget 2012/13 and Forward Budget 2013/14.

Key points raised during the discussion:

1. In Hampshire, subject to Executive Member approval, it is hoped that up to £1m can be reinvested in the Canal from the sale of former ranger housing and associated land at Odiham.
2. The Committee discussed the decision by some Partners not to make the full contribution requested of them. There were concerns raised as to the potential impact this could have on future funding. It was also highlighted that Odiham Parish Council had chosen to withdraw their funding from the Partnership. The view was expressed that an active campaign to promote the benefits of the Canal to Parish Councils and other local authority bodies could serve to prevent similar withdrawals in the future.
3. The Committee noted the proposed return to reserves of £73,645 which they recognised as testament to the successful income generation by the BCA and the cost cutting measures undertaken.

Actions/further information to be provided:

A Powerpoint Presentation and other promotional materials to be developed in order to promote the Canal to Parish Councils and other Partners. The Canal Manager will act as key representative in outlining the benefits of investing in the Canal to Partners.

The funding formula to be provided to the Chairman, who will consider next steps in encouraging Partners to make their full contribution.

Resolved:

- a) That the revised budget for 2012/13 be agreed.
- b) That the proposed forward budget for 2013/14 is accepted.
- c) That all partner authorities be urged to make their full contributions and to honour the agreed scale contributions for 2012/13 and 2013/14.

11 SITUATION REPORT FOR CANAL [Item 11]

James Taylor (SCC Senior Countryside Management Officer) , presented the Situation Report for Canal for the Committee's consideration.

Key points raised during the discussion:

1. The Committee welcomed Fiona Shipp who had been appointed to the position of BCA Canal Manager in October 2012.
2. There was a discussion around the likelihood of whether the Deepcut flight would be navigable in time for next season. It was stated that there was need for structural repair and that funding for this work was allocated for the new financial year (2013/14). Concerns were raised that the waterway not being completely navigable would deter visitors to the Canal.

Actions/further information to be provided:

Further consideration to be given to releasing funding in order to ensure repairs on the Deepcut flight are carried out before 2013/14 financial year.

Key Performance Indicators to be included in future Situation Reports for the Canal.

The fact that the Brookwood lock is open to be confirmed on the BCA website.

Agreed:

- a) The Committee noted the Situation Report for the Canal.

12 DATE OF THE NEXT MEETING [Item 12]

The next meeting of the Committee to be arranged for February 2013.

Meeting ended at: 12.47 pm

Chairman

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Basingstoke Joint Management Committee
28 February 2013

Appointment of Co-opted Members

Purpose of the report:

This report outlines the procedure for the appointment of Special Interest Group representation to the Basingstoke Joint Management Committee as co-opted members.

It asks the Committee to decide on the future membership of the co-opted members whose 4 year co-optation period has expired.

Introduction:

1. This report is intended to provide information on Basingstoke Canal Joint Management Committee's (JMC) process for appointing non-voting co-opted members from special interest groups. It then invites the Committee to consider the present arrangements and review these co-opted memberships where they have expired.

Appointment of Co-opted Members

2. The Basingstoke Canal Joint Management Committee (JMC) states the following with reference to co-opted representations under 4(v) of its Memorandum of Agreement:

"Representatives and any named deputies shall normally be co-opted for periods of 4 years but shall be eligible for further periods of co-optation."

3. The Memorandum of Agreement was altered at the meeting of the Committee on 17 October 2008 to state the following under 4(v):

"The Joint Management Committee shall co-opt 2 representatives from the Canal Society and 1 from Natural England plus up to 5 other non-voting individuals and representatives of special interest groups as necessary."

4. The current co-opted membership of the Basingstoke JMC and when the appointments are due to expire is detailed in **Annex 1** of this report. However, the membership expiry dates contained in this annex do not correspond to formally recorded decisions made by the Committee.
5. The Committee is required to consider whether to honour the dates contained within the annex or renew all the co-opted memberships for a further four years to ensure consistency.
6. If the Committee resolves to honour the dates contained within the annex then the following co-opted memberships will have expired: the Parish Councils, and the Basingstoke Canal Boating Club.
7. The Committee can decide whether those memberships are to be co-opted for a further four years, or appoint other special interest groups in their place.
8. There is also an option to reduce the number of co-opted members from special interest groups by not renewing the groups' memberships that have expired, and not appointing other groups in their place.
9. This report invites expression of interest from special interest groups, and the views of the Committee on this matter.

Conclusions:

10. As per the Memorandum of Agreement, the JMC is required to take a decision as to the status of the co-opted members whose four-year co-optation period has expired.

Financial and value for money implications

11. None.

Equalities Implications

12. None.

Risk Management Implications

13. None.

Implications for the Council's Priorities or Community Strategy

14. None.

Recommendations:

That the Committee takes a decision regarding the future membership of co-opted groups on the JMC by considering the options detailed in the report.

Next steps:

The Committee will be required to review the co-optation of special interest groups upon the expiry of each group's four year co-opted period.

Report contact: Andrew Spragg, Committee Assistant, Democratic Services, Surrey County Council

Contact details: andrew.spragg@surreycc.gov.uk

Sources/background papers: Basingstoke Canal Joint Management Committee Memorandum of Agreement: October 2008

Basingstoke Canal Joint Management Committee – Minutes from 17 October 2008

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CO-OPTED MEMBERS OF BASINGSTOKE CANAL JMC

Appointments commenced on 25 September 2009. After the initial period all will be co-opted for a period of 4 years and are eligible for re-appointment.

Organisation	Name of appointee	Appointment expires
Basingstoke Canal Society [2]	Martin Leech Philip Riley	September 2013
Natural England [1]	Adam Wallace	September 2013
Inland Waterways Association [1]	Gareth Jones	September 2013
Basingstoke Canal Boating Club [1]	Steve Dallen	September 2012
Parish Councils [1]	Alistair Clark	September 2011
Business Interests [1]	Galleon Marine/Accessible Boating alternating	September 2015
Basingstoke Canal Houseboat Owners' Association [1]	Kathy William/Denis Betro	June 2015

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HAMPSHIRE COUNTY COUNCIL

Report

Committee/Panel:	Basingstoke Canal Authority Joint Management Committee
Date:	28 February 2013
Title:	Current Financial Position and Projected Outturn 2012/13
Reference:	
Report From:	Report of the Honorary Treasurer

Contact name: Colin Hudman

Tel: 01962 832248

Email: colin.hudman@hants.gov.uk

1. Executive Summary

- 1.1. At the Joint Management Committee (JMC) meeting held on 31 October 2012 members approved the revised revenue budget for 2012/13.
- 1.2. This report compares the Basingstoke Canal Authority income and expenditure at 31 December 2012 with the 2012/13 revised budget and projects the final outturn for the accounts. The detail is set out in Appendix A.
- 1.3. In 2012/13 the Basingstoke Canal Authority is expected to make a contribution to reserves of £127,409. This is £53,764 more than budgeted and is largely due to exceptional one-off additional budget savings in 2012/13. Expenditure is projected to be £40,231 less than budget and income is forecast to exceed the budget by £13,533. In summary the trading position is expected to be:

£000's

Income	726	Partner Contrib's & Trading Income
Expenditure	<u>599</u>	
Contribution to reserves	<u>127</u>	

This is discussed in greater detail in section 3 of this report.

2. The Current Position

- 2.1. The current budget position is set out in Appendix A, and shows the Revised Budget, the current financial position and the forecast outturn for 2012/13.

- 2.2. The current position shows that most of the anticipated earned income has been received. The remaining annual income to be received includes that due from Surrey County Council for the fibre optic cable and in addition tea room rent, gate/garden licences; and some outstanding Boat Licences and Mooring renewal fees.
- 2.3. Partner contributions have all been received in line with the revised budget albeit that this reflected a shortfall in some partners contributions against that required under the funding formula.

3. 2012/13 Projected Outturn

- 3.1. The forecast outturn is based on actual income and expenditure to the 31 December 2012. It assumes that all expenditure in the final quarter of the year will be kept to a minimum, and that there will be some increase in the income already received.
- 3.2. The gross revenue expenditure budget has been set at £638,900. The anticipated outturn is £598,669 and includes the following variations:

- **Employees (-£52,094)**

A large proportion of the reduction in staff costs £33,800, is due to the release of funds budgeted to meet the Canals 6% liability relating to the LGPS pension deficit, identified by the Actuarial valuation for 2011/12 and 2012/13. Officers have been advised that this additional contribution will not be recovered for either of these financial years. In 2013/14 this charge will be reviewed and the Basingstoke Canal JMC may be required to contribute to any further deficit in the pension fund.

Savings have been made by not appointing a Cleaner and a Visitor Services Officer within the current financial year. These positions are now expected to be filled early in 2013/14. It is anticipated that further additional savings will be made between January and March following the resignation of one of the Rangers who will also not be replaced until the new financial year. Cost of Change funding of £2,700 has also been received from HCC for the appointment costs of the Canal Manager.

- **Premises and Canal Maintenance (£8,246)**

The costs for premises is expected to be overspent by £8,246. The main areas of overspend relate to the increased cost of Electricity which is anticipated to be £5,100 higher than budgeted. Contract Cleaning shows an additional cost of £2,120, although this is offset by savings made under employment costs for the cost of a cleaner. An additional small overspend in the Centre's site maintenance budget is due to the higher than expected cost for the installation of

a barrier to restrict access to the site when the Canal Centre is closed.

- **Transport (£532)**

Most transport costs have been kept within budget, except for a slight overspend due to higher than expected costs for the service and repair of the quad and mower used at the centre.

- **Supplies and Services (£3,048)**

Expenditure on supplies and services continues to be tightly controlled, but these costs are projected to overspend by £3,048 mainly due to higher than budgeted costs of printing and postage. The budget for the repair of the Jetty of £3,000 will be carried forward in the Reserves to be used in 2013/14.

- 3.3. The gross revenue income budget has been set at £196,900. The anticipated outturn is £210,432 an increase of £13,532. The increase in projected income is due to additional income from boat licences £4,300, mooring fees £1,600 and campsite fees £4,500, with a number of smaller increases across other headings including an additional £529 for the annual Santa Cruises which was budgeted higher than last years figure.
- 3.4. The projected outturn shows a positive position as we approach the end of the financial year, however staff are aware of the need to continually monitor and manage the remaining expenditure and ensure that the anticipated income is collected. If this is achieved a further contribution of £127,409 to the general reserves is anticipated, which will increase the reserves balance to £223,835.

4 Capital Expenditure Programme

- 4.1. The current position on the main capital schemes is shown in Appendix B. The table includes the outturn costs and income for the year and the residual balances for each scheme.
- 4.2. Capital works on the Surrey section being undertaken as a result of the Principle Asset Survey will be completed by the end of March 2013. However, the work to repair and maintain the Hampshire section will continue into the early part of 2013/14, with work on Coxheath and Pondtail Bridges stop plank grooves still to be completed.
- 4.3. An additional fund has been set up to hold receipts received from property and land sales and currently holds a balance of £398,210. Decisions have yet to be made as to how the funds will be spent.

5 Special Projects

5.1. The Canal is currently managing a number of externally funded special projects.

- Rushmoor TAG Project – the balance of the funding provided in 2011/12 to Rushmoor Borough Council to be used for towpath repairs in the Rushmoor section has been used during 2012/13 and the full amount of the funding has now been spent.
- Odiham Castle – it is not anticipated that any of the Odiham Castle fund will be spent during 2012/13, therefore £2,600 will be carried forward into 2013/14.
- HLS Rural payments agency - funding has been agreed over four year for the Surrey section of the canal and £53,269 of this funding has been spent to during 2012/13 however the budget plan is being revised. The bid for the Hampshire section has been approved for bankside projects running over three year from 2013/14 and a one-off bat grille project. Total cost of the scheme will be £51,129 with HLF funding £42,600 and the additional 20% being funded by the Basingstoke Canal.
- Mychett to Frimley Towpath – the balance of the payment from Steljes has been used during 2012/13 for priority bank protection and repair work, therefore the full amount of funding has now been spent.

6 Reserves

6.1. The general reserves are expected to increase in 2012/13 by £127,409 to £223,835. A detailed breakdown of these reserves is in Appendix C.

6.2. The general reserve is held to fund additional cost associated with routine maintenance and repairs of the Canal. The Canal meets the requirement to have sufficient funding within its reserves to cover at least three months of running costs. However further to this in determining what is an appropriate level of reserves for the Canal the JMC will also wish to consider the need to provide for greater investment in the canal and the potential for further local authority funding reductions particularly from 2015/16

7 Funding Formula

7.1. The revenue costs of the Basingstoke Canal are principally funded by HCC and SCC amounting to 55.92% of contributions. The local District and Borough councils contribute the balancing 44.08% through an agreed formula. The formula used the Canal bank mileage to calculate 50% of their contribution and the population within a 5 mile radius to calculate the balance.

- 7.2. The population figures used to calculate the required contribution for each district has never been reviewed. On this basis their contributions have changed annually based on inflationary increase alone.
- 7.3. An extract from the Memorandum of Agreement is provided in Appendix D showing the Formula for Partner contributions updated each year for the percentage change in partner contributions agreed by the JMC. Members will be aware that in recent years contributions from some partner authorities have not matched the funding requirements under the agreed formula and there is presently a funding gap of £32,238 as a result.

8 Conclusion

- 8.1. This report shows that despite the current economic climate the Basingstoke Canal is forecast to make a contribution to reserves to be used for the future benefit of the Canal.

Recommendations

- 1 That the members note the figures for the current financial position and forecast outturn as set out in Appendix A.
- 2 That all partner authorities make their full contributions and honour the agreed scale contributions for 2013/14.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	yes/no
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes/no
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes/no
Corporate Improvement plan link number (if appropriate):	

NB: If the 'Other significant links' section below is not applicable, please delete it.

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

1.1.

2. Impact on Crime and Disorder:

2.1.

3. Climate Change:

3.1 How does what is being proposed impact on our carbon footprint / energy consumption?

3.1 How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

FINANCIAL POSITION AT 31 DECEMBER 2012 AND PROJECTED OUTTURN

APPENDIX A

	Revised Budget 2012/13 £	As At 31st December 2012	Forecast Outturn 2012/13 £	Over/ (Under) Budget
Expenditure				
Employees	354,000	211,130	301,906	(52,094)
Premises	59,800	34,523	68,046	8,246
Canal Maintenance	125,000	63,093	125,000	0
Transport	48,500	32,777	49,032	532
Supplies & Services	51,600	19,347	54,684	3,084
				0
Total Revenue Expenditure	638,900	360,871	598,668	(40,232)
Income				
Boat Licences	19,700	21,057	24,000	4,300
Sales	6,100	5,375	6,100	0
Angling	11,200	10,036	11,700	500
Rents and Hire of Facilities	60,700	76,838	68,125	7,425
Group Activities	21,000	21,492	21,529	529
Fibre Optic Cable	47,800	14,554	48,550	750
Donations	30,400	30,428	30,428	28
Total Revenue Income	196,900	179,781	210,432	13,532
Contribution (to)/from Reserves	(73,645)	(334,554)	(127,409)	(53,764)
Net Revenue Expenditure	515,645	515,645	515,645	0
Partner Contributions				
Surrey County Council	153,188	153,188	153,188	
Guildford Borough Council	34,960	34,960	34,960	
Runnymede Borough Council	8,000	8,000	8,000	
Surrey Heath Borough Council	10,000	10,000	10,000	
Woking Borough Council	53,276	53,276	53,276	
Hampshire County Council	153,188	153,188	153,188	
Hart District Council	30,000	30,000	30,000	
Crookham Village Parish Council	3,048	3,048	3,048	
Church Crookham Parish Council	6,750	6,750	6,750	
Dogmersfield Parish Council	240	240	240	
Fleet Town Council	18,309	18,309	18,309	
Odiham Parish Council	4,036	4,036	4,036	
Rotherwick Parish Council	200	200	200	
Winchfield Parish Council	250	250	250	
Rushmoor Borough Council	40,200	40,200	40,200	
	515,645	515,645	515,645	
General Reserves				
Opening Balance	96,426	96,426	96,426	
Capital Expenditure	0	0	0	
Capital Income	0	0	0	
Sub total	96,426	96,426	96,426	
Revenue Variance	73,645	334,554	127,409	
Closing Balance	170,071	430,980	223,835	

Basingstoke Canal - Capital & Special Projects Reconciliation.

APPENDIX B

	Surrey County Council	Hampshire County Council	Hampshire Property Receipts	Total	Rushmoor TAG Project	Odiham Castle Scheme	Special Projects HLS Rural Payments Agency	Mytchett to Frimley Towpath scheme	Total
	£	£	£	£	£	£	£	£	£
Balance as at 31st March 2011	(619,000)	(893,540)	0	(1,512,540)	(40,000)	(2,500)	0	0	(42,500)
Expenditure	0	110,924	0	110,924	13,410	0	3,430	8,614	25,454
Lock Gate Replacement	123,496	0	0	123,496	0	0	0	0	0
Tree Clearance	44,744	0	0	44,744	0	0	0	0	0
Lock Wing Wall and Bye-Wash Repairs	0	0	0	0	0	0	0	0	0
Bank Protection	101,762	64,656	0	166,418	0	0	0	0	0
Culverts	0	9,871	0	9,871	0	0	0	0	0
Chainage Markers	0	14,549	0	14,549	0	0	0	0	0
Consultancy	0	45,064	0	45,064	0	0	0	0	0
Jackhead programme	5,382	0	0	5,382	0	0	0	0	0
Structural Repairs	36,627	78,599	0	115,226	0	0	0	0	0
General Repairs	70,989	4,108	0	75,098	0	0	0	0	0
Return of capital receipts	0	0	0	0	0	0	0	0	0
Income	0	0	0	0	0	(100)	(715)	(25,000)	(25,815)
Balance as at 31st March 2012	(236,000)	(565,769)	0	(801,769)	(26,590)	(2,600)	2,715	(16,386)	(42,861)
Unallocated Planned Expenditure	4,828	169,475	0	174,303	231	0	0	0	231
Lock Gate Replacement	81,403	0	0	81,403	0	0	0	0	0
Tow Path Repairs	20,000	5,000	0	25,000	26,359	0	0	16,386	42,745
Tree Shading/Clearance	14,256	0	0	14,256	0	0	20,000	0	20,000
Control Invasive Plants	0	0	0	0	0	0	956	0	956
Maintain Grassland	0	0	0	0	0	0	1,563	0	1,563
Revetment Dredging	8,633	0	0	8,633	0	0	27,000	0	27,000
Lock Wing Wall and Bye-Wash Repairs	7,397	0	0	7,397	0	0	0	0	0
Hard Bank Protection	0	40,009	0	40,009	0	0	0	0	0
Soft Bank Protection	6,651	41,885	0	48,536	0	0	0	0	0
Monitoring Equipment	0	0	0	0	0	0	0	0	0
Fencing	0	0	2,149	2,149	0	0	0	0	0
Consultancy	10,452	83,400	0	93,852	0	0	0	0	0
Culvert Repairs	11,109	13,808	0	24,917	0	0	0	0	0
Chainage Marker	14,549	0	0	14,549	0	0	0	0	0
Structural Repairs	23,997	0	0	23,997	0	0	0	0	0
General Repairs	257	5,926	0	6,183	0	0	0	0	0
Vegetation Clearance	8,891	52,782	0	61,673	0	0	0	0	0
Jackhead programme	5,992	0	0	5,992	0	0	0	0	0
Professional fees/plans	20,000	2,791	0	22,791	0	0	1,035	0	1,035
Stop Plank Grooves	0	137,715	0	137,715	0	0	0	0	0
Income	0	0	(400,359)	(400,359)	0	0	(51,204)	0	(51,204)
Balance as at 31st March 2013	2,414	(12,978)	(398,210)	(408,774)	0	(2,600)	2,065	0	(535)

Basingstoke Canal Reserves 2012/13

APPENDIX C

	Unallocated Reserve	Mooring Basin & Canal Centre	Colt Hill Toilet Block & Car Park	Dredging & Silt Disposal	Canal Infrast'ure	General Reserves Total
	£	£	£	£	£	£
Balance as at 31st March 2012	(42,783)	(22,888)	(1,753)	(24,078)	(4,924)	(96,426)
Expenditure	0	0	0	0	0	0
Income	0	0	0	0	0	0
Reserve Transfers	0	0	0	0	0	0
Plus Estimated Net Surplus For The Year	(127,409)	0	0	0	0	(127,409)
Balance as at 31st March 2013	(170,192)	(22,888)	(1,753)	(24,078)	(4,924)	(223,835)

Basingstoke Canal Authority - Formula for the Partner Contributions 2012/13**A) Basic Calculations**

i) <u>Total contributions:</u>	2008/09:	£559,800	
	2009/10:	£559,800	(2008/09 Total Contributions Inflated by 2.5%)
	2010/11:	£559,800	(2009/10 Total Contributions Inflated by 1.25%)
	2011/12:	£547,883	(2010/11 Total Contributions Inflated by -5.7%)
	2012/13:	£547,883	(2011/12 Total Contributions Inflated by 0.00%)
	2013/14:	£547,883	(2012/13 Total Contributions Inflated by 0.00%)

ii) Apportionment of contributions:

Surrey and Hampshire County Councils contribute 55.92% of the Total Contribution:

Surrey County Council share:	27.96%	=	£153,188
Hampshire County Council share:	27.96%	=	£153,188

The riparian partners (district and borough councils) contribute 44.08% of the Total Contribution. This is weighted equally between the population numbers and the bank mileage:

Population within 5 miles :	22.04%	=	£120,753
Bank mileage:	22.04%	=	£120,753

B) Table

	Population within 5 miles			Bank Mileage			Total
	Number	%	£	Number	%	£	£
Guildford BC	97,294	19.86	£23,982	4.00	12.50	£15,094	£39,076
Runnymede BC	49,300	10.06	£12,152	1.25	3.91	£4,717	£16,869
Surrey Heath BC	79,836	16.30	£19,679	1.75	5.47	£6,604	£26,282
Woking BC	89,840	18.34	£22,145	8.25	25.78	£31,132	£53,276
Hart DC	82,607	16.86	£20,362	11.50	35.94	£43,396	£63,757
Rushmoor BC	91,017	18.58	£22,435	5.25	16.41	£19,811	£42,246
	489,894	100.00	£120,753	32.00	100.00	£120,753	£241,507
Surrey CC							£153,188
Hampshire CC							£153,188
							£306,376
Total Contributions:							£547,883

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Basingstoke Canal Joint Management Committee

Revised navigation fee & mooring charges - Decision Paper

28 February 2013

Lead officers: James Taylor

Telephone: 01483 517538

Email: james.taylor@surreycc.gov.uk



Hampshire
County Council



Key Issue

To approve an updated scheme of charges for navigation related activity

Summary

The JMC is asked to approve a revised scheme of charges for **mooring fees** and **navigation licences**, to overcome short falls in Canal revenue maintenance budget, to help the Canal become more self-sustaining and get best value from Council assets. A phased introduction of some charge increases is proposed for existing customers.

Officer's recommendation

The JMC is asked to:

- a) Approve increase in Mooring Fees to match those charged on the River Wey as shown in Appendix 1, and authorise the BCA to collect the fees on behalf of the two County Councils and expend the proceeds in maintaining the Canal
- b) Authorise the BCA to conduct a phased implementation of increases for mooring fees to existing customers over a 2 year period
- c) Authorise the BCA to invest any additional income generated from mooring fees during the 2013/14 and 2014/15 financial year in creating new on-line mooring sites for use as a home bases for pleasure craft (not to be used for residential use except as ancillary to leisure use)
- d) Authorise the BCA to charge a navigation licence fee based on actual costs of implementing the Navigation Policy (as detailed in Appendix 5)

1 Introduction & background

- 1.1 The Basingstoke Canal although authorised under a specific Act of Parliament¹ currently does not operate under terms of the Act, the duties and powers contained in the Act having never been transferred to subsequent owners when the original company was wound up in 1866.
- 1.2 The Canal is owned by the two County Councils having been purchased under the powers contained in Part V National Parks & Access to the Countryside Act 1949 to hold land (including waterways) for public recreation. Whilst this Act envisages that access to land held under these powers is free for the public on foot it specifically restricts free access by many other means. The Canal is currently regulated by bylaws made under s.90 of the 1949 Act.
- 1.3 The bylaws allow that no boat may access or use the canal without a licence², and that no boat is permitted to moor on the canal, except temporarily during navigation, without the express written consent of the owners.
- 1.4 It is considered that the bylaws may now be in need of revision to bring them in line with modern best practice³, introduce appropriate modern penalties for contravention, and to cover eventualities which may not have been adequately covered in 1995. This will be the subject of a subsequent report to this Committee.
- 1.5 The BCA currently sets the licence conditions (rules of navigation) and collects charges in respect of navigation on behalf of the County Councils using the revenue generated to support the running of the Canal. Currently there are two fees charged by the BCA in respect of licensing craft to navigate; this paper sets out to clarify what each of these charges is for, and recommends a course of action to better align both these elements with similar charges locally and nationally.
- 1.6 This paper does not consider the charges made to commercial or quasi-commercial operators, such as John Cale Canal Cruises, Galleon Marine, Accessible Boating or John Pinkerton Canal Cruises. Not that these charges are not in need of review, but because of their longer term nature they will be dealt with by the appropriate Estates officers who have delegated powers to undertake such negotiations.

¹ Basingstoke Canal Act 1777

² "No person shall knowingly use, bring or cause to be used or brought onto the Canal a vessel in respect of which a current licence issued by the Council is not in force, and a vessel so licensed shall be used in accordance with the terms and conditions of the licence at all times".

³ Association of Inland Navigation Authorities model byelaws 2010

2 Mooring fees

- 2.1 A mooring fee is a charge for allowing any third party boat to be stored on an owner's property and/or accessed from banks in their ownership. A mooring fee is therefore not a charge for services but a property licence arising out of the ownership of land.
- 2.2 Under the bylaws no boat may moor on the Canal without the express written authority, unless temporarily in the course of navigating the Canal. The current rules of navigation issued with any annual or visitor licence state that navigating boats may moor in any one place on the towpath side for up to 72 hours during the course of navigation, annual boat licences will not be issued for boats which do not have an agreed place of permanent home mooring on the Canal (or at the BCA's discretion on a nearby waterway). The scheme of mooring fees only applies to boats which are normally kept on the Basingstoke Canal – it does not apply to visiting boats which currently may stay on the Canal for no longer than 28 days, nor to commercial carriers who have separate arrangements negotiated through the County Council Estate teams.
- 2.3 Appendix 1 sets out the current scale of charges for the Basingstoke Canal, and gives comparable figures for three other Canals and the Thames. The comparables chosen are other southern waterways (Wey Navigations, Kennet & Avon Canal, River Thames) and one northern canal (Rochdale Canal) which is similar in that it has severe water supply problems.
- 2.4 It is considered that in terms of mooring fees the southern canals offer a better comparison than the Rochdale Canal, as they better reflect the much higher value of land in the south and available disposable income⁴ in the area around the Canal. The availability or otherwise of a navigable connection to the rest of the UK inland waterway network appears to have little bearing on the value of longer term boat mooring. There is currently a waiting list of around 80 expressions of interest for annual moorings on the Basingstoke Canal, which would suggest plenty of demand, and other entirely isolated Canals have plenty of craft with long term moorings.
- 2.5 Members will note that the current scheme of mooring fees is considerably lower than even the cheapest moorings on any of the comparable waterways. For example, a 52ft narrow boat would pay per annum a minimum of £803 on the Rochdale Canal and £1205 on the Wey, but only £129 on the Basingstoke Canal (i.e. 622% and 934% lower respectively). Given the apparent demand this suggests that the BCA have been considerably under-charging for moorings for some time. It is suggested that the scarcity of revenue maintenance budget is a contributory factor in the declining condition of the Canal's assets over the period since restoration.

⁴ Planning Solutions Technical Report Chapter 4

- 2.6 It is therefore recommended that the BCA adopt a scale of mooring fees which precisely matches those charged on the River Wey as the most comparable nearby waterway (i.e. connected to national waterway network at one end only, independent management, local area, suffers outages due to water issue – although this is generally flooding rather than drought). This will be calculated as a value per metre length of boat per week, based on the location of the mooring. Mooring against private property attracting the lowest fee (essentially paying to keep the boat in the water only), with those who moor in more secure locations against County Council property (such as at the Canal Centre) paying most. It is also recommended that an intermediate grade of mooring fee is set for the possible introduction of new towpath side mooring sites as in use on many other waterways.
- 2.7 In fairness to existing boat owners it is recommended that anyone with an existing boat mooring is given an introductory period of two years at a reduced rate – given that 2013 will be the first year the Canal will be fully navigable since 2006. It is proposed that the introductory rate will be 33% of the new fee in 2013/14 and 66% in 2014/15. New customers, or those who have refused to pay fees due previously will not be offered the introductory rate.
- 2.8 Appendix 2 shows the likely income generated from mooring fees if this scheme were adopted. The table shows that current income of £2,800 will rise to £11,500 in 2013/14 and £40,000 in 2014/15 assuming that we simply retain existing levels of mooring. If this were to be invested in creating 20 new on-line mooring spaces then income could rise to £85,000 by 2015/16.

3 Navigation licence

- 3.1 The second part of the charge is the **navigation licence** which is payable by any boat being used on the canal, it contains both a property licence element and a charge for services.
- 3.2 It is recognised that the Basingstoke Canal has since its construction had difficulties with water supply during dry weather – the canal closed for this reason for the first time in the summer of 1804⁵. On one-hand it is argued that any licence fee should reflect this and be set at a lower level than waterways which are available year round, however, there is also an argument that the navigation licence fee should cover the actual costs of managing navigation on the Canal.
- 3.3 Appendix 3 sets out the actual costs associated with “managed navigation” whereby the lock gates need to be caulked after each day of navigation to prevent water loss. The figures show costs for one of the existing Ranger staff, as well as proposed casual Assistant Ranger/Lock Keepers – staff hourly rates include overhead costs such as National Insurance. A visiting boat passing through all the sets of locks to reach Greywell and return to Woodham Junction might therefore cost the BCA up to £520 in time managing the navigation per individual boat.

⁵ P.A.L. Vine *London's Lost Route to Basingstoke*

- 3.4 The agreed “managed navigation” policy allowing blocks of boats to pass through the various lock flights only on certain days reduces the cost per boat significantly as a high proportion of staff time in managing navigation is travel and associated vehicle costs.
- 3.5 Agreement has been reached, as previously authorised by this Committee, with boaters to restrict lock use to a scheme covering 16 days per month. This would reduce the staff and overhead cost to between £15,000 and £22,500 per annum depending on grades of staff employed, additional overheads such as the cost of increased back-pumping at Woodham and St John’s locks, providing potable water and maintaining toilet disposal points are not considered in these figures. A mean figure of £18,700 has been used as a target to cover the costs of managing the navigation.
- 3.6 Comparing an independent waterway’s costs with those of a large national organisation such as CaRT or the EA is unfair as it does not consider either the substantial Central Government grants these bodies receive, or their economies of scale. It is also pointed out the Basingstoke Canal has comparatively more infrastructure to maintain per mile than does CaRT or the National Trust on the Wey⁶. As the Rochdale Canal is part of the CaRT network it is not possible to directly compare their navigation fees; comparison is therefore made with the Grand Western Canal (local authority owned, navigable, but isolated with no locks) and the River Wey. A comparison chart is shown in Appendix 4.
- 3.7 A radical approach is proposed in terms of licensing for boats with home moorings on the Canal to remove potential inequities if lock use is suspended due to low water in summer months – which seems a likely probability into the medium term.
- 3.8 Rather than charging a single fixed fee per annum it is proposed that a standing charge is levied on the amount of canal available without passing through any of the lock flights -lock use is augmented by lock usage charge.
- 3.9 The zones proposed are based on the lock flights:
- Zone 1 - Woodham Junction to below St Johns bottom lock (lock 7),
 - Zone 2 - St John’s bottom lock (lock 7) to below Brookwood bottom lock (lock 12),
 - Zone 3 – Brookwood bottom lock (lock 12) to Frimley lock (lock 28),
 - Zone 4 –above Frimley lock (Lock 28) to Greywell
- 3.10 The standing charge for powered boats will be calculated by length of Canal available to navigate without passing through a lock (excluding Ash Lock which is rarely restricted) using the formula: price per mile available per month. In this way a boat with a “home” mooring in the Brookwood pound (approx 1 mile) will pay a lot less per annum than a boat based in the Hampshire pound which has 20 miles of unrestricted navigation, except in true drought conditions.

⁶ Basingstoke Canal has 0.9 locks per mile, whereas CaRT has 0.78 locks per mile, and the Wey 0.8 locks per mile

- 3.11 Lock use will be charged either as an up-front yearly fee, or on “a pay as you go” basis; boaters will need to elect which method of payment they are choosing at the beginning of their yearly period. The upfront fee will suit those in the Woking or Hermitage pounds who travel off the Canal regularly, whereas the “pay as you go” approach will suit those who moor on the Hampshire Pound and rarely go off onto the rest of the national system.
- 3.12 For the avoidance of doubt it is proposed that the annual lockage fee will only be pro-rata refundable or transferable to a future year where lock closures have to be made through a defect or other closure which could have been reasonably foreseeable and preventable. No refund can be made for vandalism, third party damage, or summer/dry weather water shortages – water shortage is a long standing feature of the Canal which despite certain measures being put in place is still outside the total control of the BCA or owners. In the unfortunate event of a planned long term closure the BCA need to be authorised to suspend payment of the annual lockage fee, charging the standing charge (and if applicable) “pay as you” go lock charges.
- 3.13 The table in Appendix 5 details the proposed zones, and pay as you go lock charges. It also assesses the impact on revenue of a range of standing charges to generate the desired income from navigating craft.
- 3.14 For licence fees from powered craft to cover the cost of managing the navigation the standing fee charge would need to be around £1.10 per lockless mile per month. This would put the standing charge and annual lockage fee for a boat mooring in the Hampshire and Mytchett pounds to nearly £400, which was considered by officers to be unreasonably high and penalise resident craft unfairly. A figure of 65p per lockless mile for the standing charge means that no boat will need to pay more than £256 for an annual licence (the same as for a large craft on the River Wey) and that many craft will pay substantially less. The cost of managing navigation however will only be met through the fees received from unpowered craft.
- 3.15 This system does change the balance of who pays slightly as there will be no differentiation between boat sizes. It is argued however that there is little difference in the cost of moving a short boat than a longer one, and a lock still uses the same amount of water. Appendix 6 shows the impact of the changes.
- 3.16 A less radical system of charging is suggested for visiting boats. This is a fixed fee regardless of length of boat per week⁷, 16 days or month. The proposed tariff is £40, £60 and £90 respectively. Whilst this is below the actual cost it is argued that visiting boats may have a significant benefit for the local economy which is a social good the County Councils are actively seeking. It is also reasonably comparable to the figures charged by the Wey to their visitors.
- 3.17 BCA officers will also be negotiating with the National Trust for a combined Wey-Basingstoke Explorer licence based on the same scale of fees, for sale at the National Trust’s Dapdune Wharf and Thames Lock facilities, at the Mytchett Canal Centre, and on-line.

⁷ A week licence is for up to 9 days to take account of the managed navigation policy restricting the number of days the lock flights will open per month

- 3.18 A similarly non-radical scheme is proposed for unpowered craft where a day ticket is proposed to be £3, a weekly ticket £12 and an annual ticket £50. Canoes from a club affiliated to Canoe England will still not need to pay a BCA licence fee (Canoe England pay a fixed annual fee to the BCA to cover this), but will be required to display a licence or token issued by the affiliated club to show they are a current member.
- 3.19 Unpowered boats are generally not permitted to use locks, however larger unpowered craft – for example horse-drawn barges, would pay the unpowered craft fee plus any lockage fees.
- 3.20 A similar situation arises for “trail boats” (i.e. smaller powered boats which are not normally kept in the water and are delivered by trailer to a slipway) – in this case it is proposed that they would pay for either a standard visitor licence for a week or 16 days, or a **30 day trail boat explorer licence** - the 30 days do not need to be used consecutively but called-off at any time during a 12 month period.

4 Consultation

- 4.1 The Canal Society, IWA, local boating clubs and a number of individual boat owners have been consulted and shown draft proposals. A number of amendments were made to the navigation licence proposals as a result of the consultation.
- 4.2 The IWA fully supported the need to put the Canal onto a sound economic footing, and compared the situation with their Chelmer & Blackwater Navigation where £250,000 per annum is raised from mooring and licence fees alone. They urged that careful consideration and sufficient resource is put into the enforcement of any scheme to ensure fairness.
- 4.3 The Canal Society and boating clubs whilst not welcoming any increase at this time also recognised that the Canal needs to be run on a sound economic basis, and urged officers to consider a phased implementation for existing customers – their views have been reflected in the proposals for mooring fees now in this report. They supported the idea of investing in new mooring sites.
- 4.4 Individual boaters were least happy with the proposals, not welcoming any increase in fees until the canal had been fully open for some period, others suggested they wanted more proof that the market would sustain the increases, or wanted a longer phased introductory period. Criticism was made of the lack of facilities for on-line moorings on the Canal, compared to the secure facilities offered by marinas such as Pyrford and Walton. Officers consider that this is not a valid criticism as the fees charged in these locations are substantially higher than similar on-line moorings on any of the comparative canals (see Appendix 1).
- 4.5 They also pointed out that the initial draft scheme of navigation licence fees penalised resident craft over visiting boats – as a result of their comments the choice to pay for lock use “as you go” or pay an annual charge up-front was added to the draft proposal.

5 Financial and value for money implications

- 5.1 Under s.123 Local Government Act 1973 Local Authorities who own land are required to gain the best possible consideration for all disposals of property under their control (disposals include leases of more than 7 years). Whilst a mooring licence is an annual licence and therefore not bound strictly by this legislation it is considered best practice to obtain as close to market value where possible. It is demonstrated above that the present charging scheme fails to deliver this by some considerable margin.
- 5.2 Raising mooring fees to meet local market levels would go some considerable way towards making the Canal have a more sustainable future; a good long term aim for the Canal should be to emulate the River Wey where 37% of the annual revenue income derives from boating activity, around 30% is derived from boating on CaRT's network. The proposed scheme would generate 15% of revenue from boating, which is only likely to increase by attracting additional resident boats and visitors to the Canal as the market is unlikely to accept higher increases on a Canal with continuing limited availability.
- 5.3 It is also pointed out that the current BCA works budget of £140,000 is some £110,000 short of the figure recommended in the Asset Management Plan to enable the Canal to be maintained in a steady state without periodic substantial injections of capital from the owners. The proposed increase in revenue from mooring fees and projected income from 2015 onwards cuts the works budget deficit by 77% over three years.
- 5.4 The proposed licence fee changes seeks to be cost neutral for the navigation of powered craft, with a small amount of additional revenue coming from unpowered craft.

6 Equalities & diversity implications

- 6.1 The proposed alteration in charging policy is not considered to have Equalities and Diversity impact.

7 Crime & disorder implications

- 7.1 The proposed alteration in charging policy is not considered to have any crime and disorder implications.

8 Conclusion and recommendation

- 8.1 The officer recommends that the scale of **mooring fees** are brought in line with market rates comparable to those for on-line moorings on the River Wey as detailed in Appendix 1, with a 2 year phased introduction for existing customers; all mooring fees to be calculated on a per metre per week basis.

- 8.2 It is further recommended to revise the scale of **navigation licence** charges to be cost-neutral for the implementation of the Navigation Policy. The recommended method is to introduce a standing charge based on the length of canal available for a resident boat to navigate without passing through one of the controlled lock areas (65p per mile per month) – supplemental lockage fees are then chargeable on a “pay as you go” basis for a return lock passage, *or* an annual non-refundable fee of £100 paid at the beginning of the year, as detailed in Appendix 5
- 8.3 A fixed fee is charged for visiting powered boats and all unpowered craft in relation to the length of stay on the Canal only.

9 What happens next

- 9.1 The BCA and owners’ officer representatives will implement the price changes and charge boater masters or owners accordingly.

Appendix 1 – Comparison of mooring fees & proposed rates

Boat Size [with approx Imperial equivalent]		Proposed		Comparison Current Prices										
		BCA - proposed		BCA Current	NT WEY - online		WEY - Pyrford Marina		CaRT Rochdale		CaRT Kennet & Avon		EA non-tidal Thames	
		Low	High		Low	High	Low	High	Low	High	Low	High	Low	High
1-4m [3ft 3in - 13ft] (Grp3)	Private Garden	£75	£300	£55	£75	£300	n/a	n/a	£50	£200	£83	£332	n/a*	n/a*
	Standard	£130	£519	n/a	£130	£519	n/a	n/a					£186	£744
	Premium	£150	£599	£369	£150	£599	£250	£1,215	£67	£267	£145	£581	£149	£775
4.1m - 6.5m [13ft 1in - 21ft] (Grp 4)	Private Garden	£307	£487	£65	£307	£487	n/a	n/a	£205	£324	£341	£540	n/a*	n/a*
	Standard	£532	£844	n/a	£532	£844	n/a	n/a					£763	£1,209
	Premium	£614	£973	£433	£614	£973	£1,025	£1,974	£274	£434	£596	£945	£610	£1,260
6.6m - 9.5m [21ft 1in - 30ft 10in] (Grp 5)	Private Garden	£494	£711	£78	£494	£711	n/a	n/a	£329	£474	£548	£789	n/a*	n/a*
	Standard	£857	£1,233	n/a	£857	£1,233	n/a	n/a					£1,228	£1,767
	Premium	£988	£1,423	£518	£988	£1,423	£1,651	£2,885	£441	£635	£959	£1,380	£982	£1,841
9.6m -16m [30ft 11in - 52ft] (Grp 6)	Private Garden	£719	£1,198	£98	£719	£1,198	n/a	n/a	£479	£798	£797	£1,329	n/a*	n/a*
	Standard	£1,246	£2,077	n/a	£1,246	£2,077	n/a	n/a					£1,786	£2,976
	Premium	£1,438	£2,396	£650	£1,438	£2,396	£2,401	£4,859	£641	£1,069	£1,395	£2,325	£1,428	£3,101
16.1m - 21.7m [52ft 1in - 70ft 6in] (Grp 7)	Private Garden	£1,206	£1,625	£129	£1,206	£1,625	n/a	n/a	£803	£1,083	£1,337	£1,802	n/a*	n/a*
	Standard	£2,090	£2,816	n/a	£2,090	£2,816	n/a	n/a					£2,995	£4,036
	Premium	£2,411	£3,250	£861	£2,411	£3,250	£4,027	£6,590	£1,076	£1,450	£2,338	£3,153	£3,188	£4,205

All charges shown include VAT

* EA charge for boat accommodation works (eg: piles, fenders, jetties etc) rather than a private mooring fee

Groupings are used solely for the purpose of comparing different waterways charging schemes with existing BCA scheme - fees will now be per metre of boat length (to nearest 0.1m)

Appendix 1 – Comparison of mooring fees & proposed rates

All prices per m/wk ex VAT		<u>Recommended New BCA Rates (mirrors National Trust R Wey charges)</u>	
		inc VAT	
Private	£1.20	£1.44	where boats are moored against a privately owned bank or County Council land subject to a current private garden licence which is not accessible to the public
Standard	£2.08	£2.50	where boats are moored against County Council property which is accessible to the public at most times including against the towpath, but without the provision of any facilities nearby
Premium	£2.40	£2.88	where boats moor against County Council property, which may be publicly accessible but generally not on the towpath, and with added security or facilities provided nearby for boaters use

Appendix 2 – likely impact on BCA revenue from mooring fees

Current income 2012-13

Metres of boats moored	477.31m	(all bar 84m are currently private moorings)
No of Boats	58	
Average boat length	8.2m	
Total revenue		£2,893

Potential Income 2013/14

	rate per m/wk ex VAT	<i>Assuming 20% put off</i>	<i>Assuming no put off</i>	<i>Assuming 20% increase</i>
Private	£1.20	£19,619	£24,523	£29,428
Standard	£2.08	£0	£0	£0
Premium	£2.40	£8,387	£10,483	£12,580
Possible income for 2013-14 less 66% introductory rate for existing customers		£28,005	£35,006	£42,008
Total		£18,483	£23,104	£23,104
		£9,522	£11,902	£18,903

Investment of 1st year income generated to create 5 new 21m (70ft) Standard on-line moorings and 2 Premium moorings

Potential Income 2014/15

	rate per m/wk ex VAT	
Private	£1.20	£24,523
Standard	£2.08	£11,357
Premium	£2.40	£15,725
Possible income for 2014-15 less 33% discount for existing customers		£51,605
Total		£11,552
		£40,053

Investment of (part of) income to create 15 new 21m (70ft) Standard on-line moorings

Potential Income 2015/16

	rate per m/wk ex VAT	
Private	£1.20	£24,523
Standard	£2.08	£45,427
Premium	£2.40	£15,725
Total projected 2015-16 income		£85,675

Appendix 3 – staff costs in managing lock use

	Average time inc travel (hours)	Mileage from Mytchett	Fuel cost per mile	Fuel cost (per trip)	Admin per booking (30 min admin per booking)	Actual cost per use	
						Assistant Ranger	Ranger
<i>Lock flight</i>							
Woodham	2.75	13.3	£0.29	£3.86	£7.00	£41.42	£71.28
St Johns	1.91	6.5	£0.29	£1.89	£7.00	£29.32	£51.97
Brookwood	1.5	5.1	£0.29	£1.48	£7.00	£24.52	£43.18
Deepcut	4	4.5	£0.29	£1.31	£7.00	£48.45	£93.66
Total of all flights						£143.71	£260.09

Based on hourly staff rate for 1 staff member, cheapest vehicle hourly hire rate, return journey to Mytchett, plus admin time

Cost Item	Casual Staff	Ranger Staff
Staff Time/hour	£8.21	£13.14
Vehicle hire charge / hr	£1.50	£1.50
Total/hr	£9.71	£14.64

2 staff 16 days per month	£29,829	£44,974
1 staff 16 days per month	£14,915	£22,487

Appendix 4 – comparison with other waterways navigation licence fees

<i>Craft</i>		Comparison of current fees				
<i>Propulsion</i>	<i>Length</i>	<i>Time period</i>	BCA (Current)	Grand Western Canal	Wey Navigations	BCA (proposed)
Unpowered	Any length	Day	N/A	£5.00	£3.00	£3.00
Unpowered	Any length	Week	N/A	£12.00	£12.00	£12.00
Unpowered	Any length	Month	£7.30	N/A	N/A	N/A
Unpowered	Any length	Annual	£16.70	£50.00	N/A	£50.00
Powered trail boat	<9m	Week	as visitor	£30.00	as visitor	£40.00
Powered trail boat	<9m	Month***	as visitor	n/a	as visitor	£90.00
Powered trail boat	<9m	Annual	n/a	£100.00	n/a	n/a
Powered trail boat	>9m	Week	as visitor	£35.00	as visitor	£40.00
Powered trail boat	>9m	Month***	as visitor	n/a	as visitor	£90.00
Powered trail boat	>9m	Annual	n/a	£130.00	n/a	n/a
Powered	<4m	Day	£5.10	£10.00	£8.00	N/A
Powered	<4m	Week (or 15 days)	£29.55	£30.00	£30.00	£40 (£60)
Powered	<4m	Month (or 21 days)	£44.90	N/A	£45.00	£90.00
Powered	<4m	Annual	£72.75	£200.00	£144.00	£100 + std charge**
Powered	4-6.5m	Day	£6.50	£15.00	£10.00	N/A
Powered	4-6.5m	Week (or 15 days)	£35.75	£35.00	£41.00	£40 (£60)
Powered	4-6.5m	Month (or 21 days)	£54.75	N/A	£61.00	£90.00
Powered	4-6.5m	Annual	£86.60	£200.00	£174.00	£100 + std charge**
Powered	6.5-8m*	Day	£7.20	£15.00	£12.00	N/A
Powered	6.5-8m*	Week (or 15 days)	£41.85	£35.00	£49.00	£40 (£60)
Powered	6.5-8m*	Month (or 21 days)	£63.50	N/A	£73.00	£90.00
Powered	6.5-8m*	Annual	£103.60	£280.00	£196.00	£100 + std charge**
Powered	8-12.5m*	Day	£9.50	£15.00	£15.00	N/A
Powered	8-12.5m*	Week (or 15 days)	£55.45	£35.00	£58.00	£40 (£60)
Powered	8-12.5m*	Month (or 21 days)	£83.85	N/A	£87.00	£90.00
Powered	8-12.5m*	Annual	£130.00	£280.00	£220.00	£100 + std charge**

Powered	>12.5m*	Day	£11.90	£15.00	£18.00	N/A
Powered	>12.5m*	Week (or 15 days)	£71.50	£35.00	£72.00	£40 (£60)
Powered	>12.5m*	Month (or 21 days)	£106.00	N/A	£108.00	£90.00
Powered	>12.5m*	Annual	£172.10	£280.00	£256.00	£100 + std charge **

* slight variations in class lengths between Wey & Basingstoke Canal

** OR std charge + pay as you go lock

fees

*** BCA Trail boat 30 day visitor licence - valid for any 30 days (do not have to be contiguous) within 12 months from date of issue

Appendix 5 – Resident boat licensing scheme

	Lockless miles*	Current no. powered boats	Pence per month per lockless mile						
			£0.40	£0.60	£0.65	£0.70	£1.00	£1.20	
Powered boats									
Zone 1 Woodham to St Johns	4	10	£48	£72	£78	£84	£120	£144	
Zone 2 St Johns to Brookwood	2		£0	£0	£0	£0	£0	£0	
Zone 3 Brookwood & Deepcut	1		£0	£0	£0	£0	£0	£0	
Zone 4 Frimley Lock to Greywell	20	48	£4,608	£6,912	£7,488	£8,064	£11,520	£13,824	
Lock charges (pay as you go option)	n/a	n/a	£288	£288	£288	£288	£288	£288	
Lock charges (annual fee option)	n/a	n/a	£4,118	£4,118	£4,118	£4,118	£4,118	£4,118	
<i>Sub total resident boats</i>			<i>£9,062</i>	<i>£11,390</i>	<i>£11,972</i>	<i>£12,554</i>	<i>£16,046</i>	<i>£18,374</i>	
Visitor licences	n/a	n/a	£1,440	£1,440	£1,440	£1,440	£1,440	£1,440	
<i>Sub total powered boats</i>			<i>£10,502</i>	<i>£12,830</i>	<i>£13,412</i>	<i>£13,994</i>	<i>£17,486</i>	<i>£19,814</i>	
Unpowered boats	n/a	n/a	£9,970	£9,970	£9,970	£9,970	£9,970	£9,970	
Total			£20,472	£22,800	£23,382	£23,964	£27,456	£29,784	

Alternative Recommended

* to nearest whole mile, not including Ash Lock

Assumptions

71% of boats will opt for annual fee

Annual lockage fee set at 2.5x weekly visitor licence

Boat nos. based on 2006 figures

Appendix 5 – Resident boat licensing scheme

Proposed Standing Charge Zones and pay as you go lock charges

Zone	Zone 4 - Hampshire & Mytchett	Zone 3 - Deepcut & Brookwood*	Zone 2 -Hermitage & St Johns	Zone 1 - Woking & Woodham
Lockless miles	20	1	2	4
Lockage charge	n/a	£20	£10	£10

Plus standing charge calculated per boat per month per mile of lockless travel possible in normal conditions without changing zone

Lockage charge payable for a return journey through each set of locks

Lockless miles to nearest whole mile not including Ash Lock

*Boats moored in the Brookwood Mile pound pay half lockage fee to go down Brookwood Locks

Appendix 6 – effect of proposed licence charges

	Currently pays	Standing charge (payable by all non-commercial powered craft)	Pay as you go			Annual fee	
			1 return trip to Woodham	1 return trip to Greywell	Total*	Annual Lockage charge	Total
6.5m (21ft) boat							
Moored in Hampshire or Mytchett pounds	£86.60	£156.00	£40.00	£0.00	£196.00	£100.00	£256.00
Moored on Brookwood Mile	£86.60	£7.80	£30.00	£10.00	£47.80	£100.00	£107.80
Moored on Hermitage pound	£86.60	£15.60	£20.00	£20.00	£55.60	£100.00	£115.60
Moored on Woking pound	£86.60	£31.20	£10.00	£30.00	£71.20	£100.00	£131.20
9.5m (31ft) boat							
Moored in Hampshire or Mytchett pounds	£103.00	£156.00	£40.00	£0.00	£196.00	£100.00	£256.00
Moored on Brookwood Mile	£103.00	£7.80	£30.00	£10.00	£47.80	£100.00	£107.80
Moored on Hermitage pound	£103.00	£15.60	£20.00	£20.00	£55.60	£100.00	£115.60
Moored on Woking pound	£103.00	£31.20	£10.00	£30.00	£71.20	£100.00	£131.20
16m (52ft) boat							
Moored in Hampshire or Mytchett pounds	£130.00	£156.00	£40.00	£0.00	£196.00	£100.00	£256.00
Moored on Brookwood Mile	£130.00	£7.80	£30.00	£10.00	£47.80	£100.00	£107.80
Moored on Hermitage pound	£130.00	£15.60	£20.00	£20.00	£55.60	£100.00	£115.60
Moored on Woking pound	£130.00	£31.20	£10.00	£30.00	£71.20	£100.00	£131.20
21m (70ft) boat							
Moored in Hampshire or Mytchett pounds	£172.00	£156.00	£40.00	£0.00	£196.00	£100.00	£256.00
Moored on Brookwood Mile	£172.00	£7.80	£30.00	£10.00	£47.80	£100.00	£107.80
Moored on Hermitage pound	£172.00	£15.60	£20.00	£20.00	£55.60	£100.00	£115.60
Moored on Woking pound	£172.00	£31.20	£10.00	£30.00	£71.20	£100.00	£131.20

Standing charge £0.65

Basingstoke Canal Joint Management Committee

For information: Colliers' study of the Mytchett Canal Centre site



28 February 2013

Lead officers: James Taylor - SCC Countryside / Sarah Walker – SCC Estates

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Key Issue

To give an overview of Colliers International 's study of options for the Mytchett Canal Centre.

Summary

Colliers have examined the potential uses of the site from a commercial view point and identified 6 possible courses of action to develop the commercial potential of the site, of which they discount 3 as being uneconomic. They recommend that additional studies are carried out on further 3 possible development options. Officers will now look at more detail of some options, discuss conclusions with Hampshire colleagues, and seek guidance from the Portfolio-holder.

1. Project Brief

- 1.1. Colliers International were commissioned by Surrey County Council to investigate and identify potential options for the creation of a commercially viable visitor attraction at Basingstoke Canal Centre.
- 1.2. The aim of the study was to provide several options for the site based on different levels of investment, use or combination of uses, with either minimal or major changes to infrastructure and activities at the site.
- 1.3. In preparing the alternative options an appraisal of core uses for the site was carried out based on their compatibility with the canal and community, physical compliance with the site, planning policy, the strength of the market both in supply and demand terms together with the overall long term commercial viability and sustainability.
- 1.4. The suitable core uses identified in ranked order are as follows:
 - Non Serviced Accommodation (1)
 - Visitor Attraction (2)
 - Sports and Outdoor Recreation (3)
 - Major Food and Drink (4)
 - Major Events and Functions (5)
 - Arts and Culture (6)

2. Consultation

2.1. The following stakeholders consulted:

- Surrey County Council
- Hampshire County Council
- Current Tenants/Users
- Surrey and Hampshire Canal Society
- Surrey Heath Borough Council - Frimley Lodge Park
- Lakeside Leisure (Potters Inn)

2.2. The main views expressed were:

- Openness to whatever works
- Need to find a balance between commercial viability, sustainability suitability.
- Expand and improve current successful activities including themed cruises, camping and function facilities
- Bring boat trips in house and expansion of non residential moorings
- Provide quality food and beverage offer
- Consider use of Robert Haining Cottage other than for residential
- Consider relocation of BCA to alternative site
- Consider interaction of site with surrounding venues such as Frimley Lodge Park and Canal based activities.

3. Colliers Summary of Factors affecting Site

- 3.1. The current facility is tired, under-marketed and disjointed but nevertheless popular with locals and community groups.
- 3.2. The site has potential due to its attractive waterside location and large outdoor green space, with good access, adequate car parking and possible options available to provide overflow-parking facilities if required. There are some concerns regarding the impact of increased traffic to the location that will require further investigation.
- 3.3. Planning policy is supportive of recreation /leisure uses that would be appropriate to the site's countryside location and could take advantage of the position adjacent to the canal and woodland.
- 3.4. Planning policy would not support uses such as residential, indoor leisure office or retail other than as ancillary /complementary to the primary recreational leisure proposal.
- 3.5. Demand for quality outdoor recreation facilities is likely to increase with a significant number of new homes planned in the area.

- 3.6. Existing demand for a leisure destination exists due to the large number of relatively affluent, young families and grandparents with grandchildren living within the area or within a 30-60 min drive.
- 3.7. The local area is already served by outdoor recreation sites such as Frimley Park and the need to differentiate and complement is recognised.
- 3.8. Establishing a hub for BCA canal operations at Ash Lock would be positive but not essential. Robert Haining Cottage could offer accommodation for essential services.

4. Options

Option	Name	Description
1	Do Minimum	No investment in new buildings but expand operation to include new retail offer for campers, new events, boat hire in-house (including leisure cruises) new moorings and improved marketing/branding. i.e. Make the best of what there is with minimal investment.
2	Basic Investment	Basic capital investment in improved café and new campsite amenity block - Canal Centre remains the same. As in Op.1, expand operation to include new retail offer for campers, new events, boat hire in-house, new moorings and improved marketing/branding. i.e. Make the best of what there is focusing investment in improving café and camping.
3	Major Investment	Major capital investment in new Canal Centre building, café/bistro and new Amenity Block. As in Op.1 +2, expand operation to include new retail offer for campers, new events, boat hire in-house (including leisure cruises) new moorings and improved marketing/branding. i.e. invest in new buildings and keep camping in house.
4	Major Investment + Camp site Partner	Major capital investment in new Canal Centre building, café/bistro and new camp site facilities and infrastructure. Expand operation to include new events, boat hire in-house, (including leisure cruises) new moorings and improved marketing/branding Partner with specialist campsite operator to outsource camping operation. i.e. split site in half - part public access canal centre, part private campsite.
5	Major Investment + Small	Major capital investment in new Canal Centre building, café/bistro and new Amenity Block. Investment in new maze attraction, operated in-house.

	Attraction (Maze)	<p>Camping remains in-house at same enlarged capacity (75 units).</p> <p>As in Op.1/2/3, expand operation to include new retail offer for campers, new events, boat hire in-house, (including leisure cruises) new moorings and improved marketing/branding.</p> <p>i.e. the same as Option 3, but with additional maze attraction.</p>
6	Major Investment + Major Attraction (Wavegarden)	<p>Major capital investment in new visitor centre building providing all facilities on site - dual use between Canal Centre users and new commercial attraction.</p> <p>New attraction will require specialist operating/investment partner. Wavegarden, an artificial surf lagoon, is presented as a viable commercial option. BeWILDerwood (previously discussed) has been discounted due to generation of too high traffic/car parking demand.</p> <p>WaveGarden lagoon would be on campsite area - therefore no camping.</p> <p>Expand BCA operation to include new events, boat hire in-house, (including leisure cruises) new moorings and improved marketing/branding.</p> <p>i.e. split site in half - part public access canal centre, part private Wavegarden in ticketed area. Shared facilities/services where possible - café, kitchen, reception, toilets/changing etc.</p>

5. Colliers Assessment of Options

- 5.1. *Option 1* - Not recommended and demonstrates commercial limitations of the current situation, even with some minimal investment.
- 5.2. *Option 2* - Recommended only as a possible fall back option if others cannot be delivered due to scale of capital investment required.
- 5.3. *Option 3* - Recommended as preferred option **IF** it is decided camping is to be retained and operated in-house, and no major new attraction element is added. Iterations of such a scheme with reduced capital investment and retained existing facilities might provide a more attractive option, if appetite for c.£1m+ project is the major issue.

5.4. *Option 4* - Not recommended - based on estimated commercial performance and the operational implications for the site, then this is a less favourable option than Option 3. Option 3 allows for a commercially viable campsite and access to facilities for all site users at nearly half the capital cost, whereas Option 4 runs the risk of being more expensive and less popular with local stakeholders, albeit with a decent commercial performance.

If a core objective was to scale back the BCA operation, then a campsite partner scenario does have the potential to be a good use of the field area in creating a viable, outdoor recreational use. Depending on the commercial details of a lease or contract, the return on investment could be acceptable.

5.5. *Option 5 - Recommended as preferred option* that balances the creation of a step-change destination with commercial return, deliverability, relatively low risk and affordability. Iterations of such a scheme with reduced capital investment and retained existing facilities might provide a more attractive option, if appetite for c.£1m+ project is the major issue

5.6. *Option 6* - Recommended **IF** commercial investment and operating partner can be secured. Potential for major new, unique attraction with strong commercial return but depends on appetite for investment, risk and interest from investment and operator partner (refer to initial expression of interest letter).

Table showing economic assessment of each option

Option	1	2	3	4	5	6
Net Revenue (exc. VAT)	£124,000	£213,000	£242,000	£161,000	£370,000	£1,328,000
Operating Expenses	£154,000	£202,000	£202,000	£147,000	£202,000	£147,000
Profit/Loss	-£30,000	£11,000	£40,000	£15,000	£168,000	£1,182,000
Capital Cost	£45,000	£280,000	£967,000	£1,254,000	£1,514,000	£6,625,000
Pay back period (years)	-	25	24	86	9	6
IRR (10 years)	-	0%	0%	-17%	15%	20%

NB Figures rounded to nearest '000. IRR calculation in 2012 prices, not inflated

6. Officer's views

6.1. Estates Officer

If minimal investment is made very little will change and the future of the site will remain uncertain in terms of income generation, potential exposure to repair costs and the preservation of the use of the site for future generations.

If significant capital is invested then it is desirable that the payback period is within a reasonable timescale. This would enable the demand for the product, and associated costs involved in maintaining and renewing the attraction to be more accurately predicted thereby increasing the likelihood of a the attraction retaining its popularity.

Whilst the capital investment envisaged in option 5 and 6 is high, the rate of return and time period would appear to justify the initial outlay. The two options are at this stage only indicative with no firm decision having been made in respect of the design of the scheme and the relative importance of the component parts. If significant capital is not appropriate then option 3 and 5 should be further explored.

6.2. Countryside Officer

Whilst agreeing with the general thrust of the findings and Estates colleagues views, concern is however raised over the *Wavegarden* option (Option 6) in terms of appropriateness for the site, water supply, impact on the surroundings and long term viability of income from a very substantial investment.

Although identified as a unique selling point more work could have been done to consider if canal orientated business opportunities such as mooring basins, boat trips, restaurant boats, camping boats or heritage related tourist offers could augment the camping offer. This should be revisited in any further appraisals of options 3 and 5.

7. Next steps

- Desk-top feasibility study by officers to see if Option 6 is actually deliverable within site constraints
- Discussions with Hampshire County Council Officers over any parallel developments at Ash Lock
- Guidance from Cabinet Portfolio-holder on preferred option

Basingstoke Canal – Report to JMC – February 2013

Summary of BGS 'Water Prognosis Reports'

1) Background

The Basingstoke Canal Water Strategy Group (WSG) is exploring a wide range of options to retain and/or provide extra water to the canal during dry weather conditions, to ensure through navigation is available throughout the year. One option under consideration is the use of existing or new borehole(s). Following recommendations from the WSG, the Canal Owners (HCC & SCC), agreed to place an order (£1,900) with the British Geological Survey (BGS) for 'Water Prognosis Reports' at seven sites along the canal (see Map of Search Area for Extra Water).

A Water Balance diagram produced by WSG indicated that nominally 4.5MI/day extra water is required in dry weather, to allow through navigation (all to be verified). Recently the Environment Agency have agreed to an increase in the Woodham abstraction rate from 1.7 to 3.4MI/day, hence reducing the amount of extra water now required to nominally 2.8MI/day in dry weather conditions.

2) Salient observations from BGS Conclusions

- a) Two areas are considered appropriate for further investigation;-
 - Colt Hill, Odiham (potential of 0.9MI/day)
 - Former South East Water pumping station, now owned by Mitie Group, this is also the location of the BCA Frimley ground drainage water pump, (potential of 0.4MI/day)
- b) Brief characteristics for each of the sites are shown in the attached Table. The extra date provided for the former South East Water pumping station is shown as site 6a.
- c) The general levels of yield are lower than anticipated, particularly as within a 10Km of the canal there are three public water pumping stations (Greywell, Itchel and Boxall) , plus the Greywell aquifer feeding the canal, each producing 4 to 6MI/day.
- d) The public water pumping stations all produce much larger water volumes for two main reasons, (a) they are located in river valleys which enhance the general yield from the chalk and (b) each has a series of boreholes with interconnected headers to combine their flows.

3) Summary of BGS Data

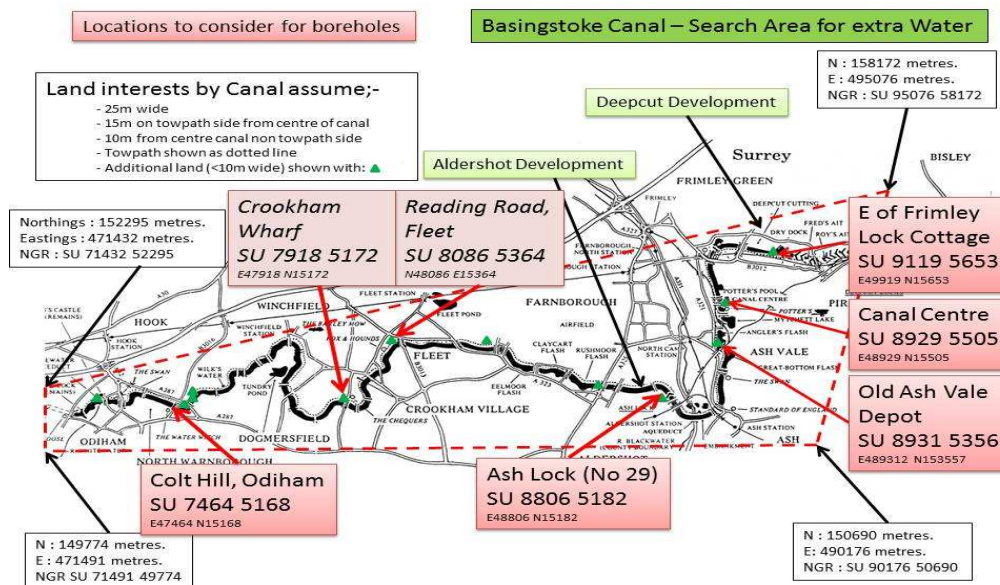
Throughout Southern England, the bed rock is the Chalk which provides the major aquifers. Chalk is the bed rock throughout all seven sites, all with a layer of London Clay. The clay provides some protection against contamination of water in the chalk. Above the clay are varying depths of Superficial Deposits (these are sands, silt and some friable clays, which include the Bagshot Formation and Bracklesham Group).

Water may be pumped from a borehole that is either deep into the Chalk or from a shallower borehole into the Superficial Deposits. Water from the Chalk will generally be cleaner than water from the Superficial Deposits. Water tests would be required from any chosen location to assess if the yield, salt content and acidity of the water were appropriate for the Canal and if a sand screen and filter pack was required to prevent ingress of fine grained material.

The success of a borehole into chalk is dependent on the number, size and distribution of fractures it intercepts. Drilling deeper than 60m into saturated chalk is unlikely to increase yield. The Chalk becomes deeper towards the north-east and correspondingly becomes less saturated, as fewer fractures are available.

Each of the seven reports is very detailed and highly technical, comprising nominally 30 to 40 pages, half specific to the site, the rest detailing known data of boreholes within a 2Km radius of the site. In addition there are specific sections on 'aquifer properties' and 'aquifer re-charging'.

Map of Search Area for Extra Water



Overview of BGS Reports - The following table provides salient data from the BGS Conclusions.

Location	Site No.	Aquifer	Yield potential		Total Depth m	Dia mm	Depth in aquifer
			L/sec	MI/day			
Colt Hill	1	Chalk	10	0.9	100-110	150-250	50-60
Crookham Wharf	2	Chalk	<2	0.17	180-200	150-250	50-60
Reading Road, Fleet	3	Chalk	<1	0.09	200-220	150-250	50-60
Ash Lock (Lock 29)	4	Chalk	<1	0.09	220-230	150-250	50-60
Ash Vale Depot	5	Chalk	<2	0.17	240-270	150-250	?
Canal Centre	6	Chalk	<2	0.17	260-300	150-250	?
Old Frimly Pump Stn	6a	Bracklesham Grp	4	0.35	?	150-200	?
Frimley Lock Cottage	7	Chalk	<2	0.17	255-275	150-250	?

General Notes

- Chalk bedrock occurs for all 7 sites.
- A layer of London Clay above the Chalk provides some protection against contamination.
- Above the London Clay are varying depths of Superficial Deposits (Sands; Silts and Friable Clays)
- Possible yeild from Superficial Deposits, generally <2 in all sites expect 6a
- Yield is unlikely to be increased with increased depth in chalk
- Potential Yield might be increased with 600mm dia bore, or by additional bores
- Water testing essential for pH and fines etc.
- Potential for dry well if no fractures in chalk for sites 5,6 & 7

Saillient Observations from BGS Reports dated Dec 2012, by J How February 2013.

Contact details with BGS

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Basingstoke Canal Society

Report to JMC – 28th February 2013

1. Recent work on the canal

Since the last report, Canal Society work parties have completed repairs to the towpath and banks adjacent to Frimley Lodge Park and undertaken over-hanging tree clearance in Woking, Odiham and on the West Hart embankment. A potential breach at Horsall Common was also repaired with the assistance of a dredger owned by a Society member.



Another work party has continued with the repairs to the BCA's weed-cutter (*above*) which should be available for service probably during April. The Society will be making a cash contribution of £2000 to this work, which includes the purchase of a replacement cutter blade.

Total effort expended during the period amounted to 230 man days, amounting to £16,800 of value in kind (of which £6,300 relates to the weedcutter activity).

2. Volunteer input in 2012

During 2012 Canal Society volunteers undertook 660 man days of work equivalent, in cash terms, to £55,000. Repairs to the towpath between Norris and Eelmore bridges and the construction of a landing stage at Lock 1 were completed, and a significant programme of repairs to the banks and towpath at



Frimley Lodge Park (*above*) has been undertaken. The Society also made a cash contribution of £19,000 during the year. In addition to this, the Canal Society hosted a week-long Waterway Recovery Group work party which built a piled wing-wall extension at Lock 19 in Deepcut and paved 600m of towpath north of Ash Lock.

3. New trip boat

Work on the Canal Society's new trip boat, which will replace the John Pinkerton in the spring, is now well advanced and is expected to be ready for delivery in mid-March. The structure is complete and painted externally (*right*), and fitting out is in progress. The new boat will



provide a very valuable 'shop window' for the canal by attracting visitors from far and wide and providing immense enjoyment to the public who might not otherwise visit the canal. The cost of the new boat, which exceeds £160,000, represents a massive investment by the Canal Society in the future of the canal and demonstrates its continuing commitment to improve and publicise the value of the navigation.

4. The Aldershot Urban Extension

The Canal Society has repeatedly stressed to the JMC, and particularly District Council members, the importance of securing benefits for the canal from developments along its banks. New developments can be used to provide better boating facilities, much needed new moorings and enhancements to the canal environment to ensure greater public enjoyment of the waterway. A planning application for the construction of over 3500 new houses on former Army land adjacent to the canal in Aldershot has now been submitted to Rushmoor Borough Council. This is likely to be the largest development affecting the canal in recent years and it offers an excellent opportunity to obtain some 'planning gain' for the canal. The Canal Society is still digesting over 250 documents which accompany the planning application but early indications are that, despite earlier promises that the canal-side location would be taken into account in the planning

process, no obvious benefits appear to be available. In view of the size of this development, and its importance to the canal, the Canal Society strongly urges the JMC to press Rushmoor BC and the developers to ensure that the canal and its needs are properly taken into account in the planning process.

5. Signage

At the time of the re-opening of the canal over 20 years ago, signs were installed, at strategic locations, which covered such matters as the history of the canal, local walks, information on wildlife etc. Over the years since the opening, the signs have deteriorated and some have disappeared altogether. This not only creates a very negative impression of the canal, it also denies the public essential information about the waterway, its facilities, history etc. In the Canal Society's view there is an urgent need to provide new signs which could, in addition to the basic material, provide useful information about local businesses (restaurants, pubs, shops etc), points of contact, places of interest etc. As all the communities along the canal have a vested interest in providing new signage, the Canal Society would like to propose that each District nominates a JMC member who will work with the BCA and the Canal Society to design new signs and find suitable sources of funding for them.

Philip Riley
Chairman
The Basingstoke Canal Society

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