

## Notice of Meeting

# Basingstoke Canal Joint Management Committee

### Date and Time

Monday, 20  
November 2023  
1.30 pm

### Place

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

### Contact

Joss Butler  
joss.butler@surreycc.gov.uk

## MEMBERS

### **Hampshire County Council**

Councillor Jonathan Glen  
Councillor Rod Cooper  
Councillor Stephen Parker  
Councillor Timothy Davies

### **Surrey County Council**

Councillor Marisa Heath  
Councillor Riasat Khan  
Councillor Paul Deach  
Councillor Saj Hussain

### **Hart District Council**

Councillor Tim Southern  
Councillor Peter Wildsmith

### **Rushmoor Borough Council**

Councillor Akmal Gani  
Councillor Paul Taylor

### **Fleet Town Council**

Councillor Ellie Ann May

### **Guildford Borough Council**

Councillor Richard Lucas

### **Runnymede Borough Council**

Councillor Scott Lewis

### **Surrey Heath Borough Council**

David Whitcroft

### **Woking Borough Council**

Councillor Kevin Davis  
Councillor Rob Leach

### **Special Interest Groups**

#### **Basingstoke Canal Society**

Mr Ian Moore/Mr John Turner

#### **Hart District Association of Parish Councils**

Councillor David Jackson

#### **Basingstoke and Deane Borough Council**

Councillor Kate Tuck

### **Natural England**

Mr Adam Bates

### **Inland Waterways Association**

Mrs Verna Smith

### **Basingstoke Canal Canoe Club**

Mr Bill Hansell

### **Galleon Marine**

Mr Arthur McCaffrey

## **AGENDA**

### **1 APOLOGIES FOR ABSENCE**

### **2 MINUTES OF PREVIOUS MEETING: 7 JUNE 2023**

(Pages  
1 - 8)

To agree the minutes of the previous meeting as a true and accurate record of proceedings.

### **3 DECLARATIONS OF INTEREST**

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter

- (i) Any disclosable pecuniary interests and / or
- (ii) Other interests arising under the Code of Conduct in respect of any item(s) of business being considered at this meeting

#### **NOTES:**

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest
- As well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner)
- Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

### **4 QUESTIONS AND PETITIONS**

(Pages  
9 - 10)

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 (14 November 2023)
2. The deadline for public questions is seven days before the meeting (13 November 2023)
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

One Member question has been received. The question and response is attached to this agenda.

### **5 ACTIONS AND FORWARD WORK PROGRAMME**

(Pages  
11 - 18)

The Joint Management Committee to note the Action and Recommendation Tracker.

- 6 BASINGSTOKE CANAL SOCIETY (BCS) REPORT TO JOINT MANAGEMENT COMMITTEE** (Pages 19 - 24)
- The Joint Management Committee to note a report from the Basingstoke Canal Society.
- 7 CANAL MANAGEMENT REPORT** (Pages 25 - 28)
- To inform the Committee of actions taken by the Strategic Manager and BCA Canal Manager in managing, maintaining and operating the Canal since the preceding meeting, to look forward to work likely to happen in the 2nd half of 2023; and to report the work of the Conservation Steering Group.
- 8 BCA RISK REGISTER** (Pages 29 - 32)
- To inform the JMC of the key risks associated to the BCA Canal Partnership after annual review and to ensure risks are mitigated as far as possible.
- 9 SCHEME OF CHARGES 2024/25** (Pages 33 - 38)
- The existing scheme of charges have been reviewed and adjustments made either in line with inflation or by considering local market forces. A new visiting boat licence charge is proposed to attract live-aboard boaters continuously cruising on other waterways in need of a winter mooring.
- 10 FORECAST OUTTURN 2023/24, FORWARD BUDGET 2024/25** (Pages 39 - 52)
- The purpose of this report is to present the forecast outturn for the year ending 31 March 2024 as at September 2023, and the Forward Budget for the year ending 31 March 2025 to the Joint Management Committee for approval.
- 11 BASINGSTOKE CANAL FUTURES** (Pages 53 - 60)
- This report sets out the work that has been undertaken to consider options for how a more sustainable financial future for the Canal could be delivered, with associated risks and implications.
- It proposes resultant changes to the operations and governance of the Canal, for which Joint Management Committee (JMC) members are invited to provide feedback.
- 12 DATE OF THE NEXT MEETING**
- The next meeting of the Basingstoke Joint Management Committee will be held on 6 June 2024.

**Joanna Killian**  
**Chief Executive**

Published: Friday, 10 November 2023

## **MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE**

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The use of mobile devices, including for the purpose of recording or filming a meeting, is subject to no interruptions, distractions or interference being caused to any Council equipment or any general disturbance to proceedings. The Chairman may ask for mobile devices to be switched off in these circumstances.

Thank you for your co-operation.

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**MINUTES** of the meeting of the **BASINGSTOKE CANAL JOINT MANAGEMENT COMMITTEE** held at Mytchett Canal Centre, Mytchett Place Road, Mytchett, Surrey, GU16 6DD on 07 June 2023.

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

## MEMBERS

### **Hampshire County Council**

Councillor Jonathan Glen  
Councillor Rod Cooper  
Councillor Stephen Parker  
Councillor Timothy Davies

### **Surrey County Council**

Councillor Marisa Heath  
Councillor Riasat Khan  
Councillor Paul Deach  
Councillor Saj Hussain

### **Hart District Council**

Councillor Peter Wildsmith  
Councillor Tim Southern

### **Rushmoor Borough Council**

Councillor Akmal Gani  
Councillor Paul Taylor

### **Fleet Town Council**

Councillor Ellie May

### **Guildford Borough Council**

To be confirmed

### **Runnymede Borough Council**

Councillor Steve Ringham

### **Surrey Heath Borough Council**

To be confirmed

### **Woking Borough Council**

Councillor Kevin Davis  
Councillor Rob Leach

### **Special Interest Groups**

#### **Basingstoke Canal Society**

Mr Ian Moore/Mr John Turner

#### **Hart District Association of Parish Councils**

Councillor David Jackson

#### **Basingstoke and Deane Borough Council**

Councillor Kate Tuck

### **Natural England**

Mr Adam Bates

#### **Inland Waterways Association**

Mrs Verna Smith

#### **Basingstoke Canal Canoe Club**

Mr Bill Hansell

#### **Galleon Marine**

Mr Arthur McCaffrey

**1/23 ELECTION OF CHAIRMAN AND VICE-CHAIRMAN [Item 1]**

Jonathan Glen was elected as Chairman of the Basingstoke Canal JMC and Paul Deach was elected as Vice-Chairman of the JMC. Both roles would continue for the next 2 years. The previous Chairman, Marisa Heah was thanked for her service to the JMC.

**2/23 APOLOGIES FOR ABSENCE [Item 2]**

Apologies were received from Peter Wildsmith, Tim Southern, Kate Tuck and John Turner.

**3/23 MINUTES OF PREVIOUS MEETING: 3 NOVEMBER 2023 [Item 3]**

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

The Strategic Manager for the Canal stated that a letter had been sent to the Chief Executive of Rushmoor Borough Council regarding funding. A letter had been received stating that the council would not reconsider their position on funding.

Saj Hussain joined the meeting at 11:15

**4/23 DECLARATIONS OF INTEREST [Item 4]**

There were none.

**5/23 QUESTIONS AND PETITIONS [Item 5]**

One question had been received from Arthur McCaffrey. A response to the question was tabled at the meeting and is attached to these minutes.

The Chairman stated that once the findings of the Mace report were in the public domain he would be open to holding a special session with members to review the findings. Cllr Marisa Heath confirmed that the findings were advisory and any future changes to the canal would be agreed with all stakeholders. The findings would be shared with the JMC at its November meeting.

**6/23 ACTIONS TRACKER AND FORWARD WORK PROGRAMME [Item 6]****Key points raised during the discussion:**

1. The Strategic Manager for the Canal provided an update on the actions tracker. The following update was provided:
  - A3/19- an invite to visit the canal centre was sent to the Leader of Surrey Heath Borough Council but no response was received. It was explained that a new Leader had been elected and a new invite should be sent out to the new Leader.
  - A1/22- officers had not been in a position to prioritise this.
  - A3/22-The canal society had produced an information sheet on the benefits of the canal.

- A8/22- Partner sessions had not been organised due to elections but it was agreed that sessions with partner council's to highlight issues facing the canal were vital and should be prioritised moving forward.

**Resolved:**

The JMC agreed the action tracker and forward work programme.

**7/23 FINAL ACCOUNTS 2022/23, REVISED BUDGET 2023/24, FORECAST OUTTURN 2023/24 [Item 7]**

**Officers:**

Jenny Wadham, Honorary Treasurer

Katie McDonald, Natural Capital Group Manager

James Taylor, Strategic Manager – Basingstoke Canal

Jo Heath, Assistant Director, Recreation, Information and Business Services

**Key points raised during the discussion:**

1. The report was introduced by the Honorary Treasurer who explained that the final outturn position for the year to 31 March 2023 is a draw from reserves of £149,094 being the net expenditure on revenue activities. The £149,094 draw represented a significant increase on the £82,000 budgeted draw, primarily as a result of unplanned maintenance works, energy price inflation, the impact of the summer drought which negatively affected both visitor income and energy usage, and a reduction in partner contributions. Additional donations from the Basingstoke Canal Society and Crookham Village Parish Council totalling £92,000 had funded towpath works, spot dredging and the purchase of a weed cutter that would not otherwise have been possible.
2. After the forward budget had been approved, the Basingstoke Canal Strategic Manager was notified of a further reduction of £22,000 in Partners' contributions for the 2023/24 financial year.
3. The members from Woking Borough Council noted that due to financial issues facing their council, funding for the canal would be reduced which has been agreed by government commissioners.
4. The Chairman agreed it would be positive for the JMC to write to Woking Borough Council thanking them for their funding towards the canal but also encouraging them to continue with their contributions to the canal.
5. The Assistant Director, Recreation, Information and Business Services explained that work was being undertaken for a presentation in November to review the financial management of the canal. It was felt that a long term financial plan for the canal was required, including the contributions from all partners.
6. The Inland Waterways Association representative asked if there was enough funding available if there was a breach on the canal. Officers stated that funding for a breach on the canal would be covered by both Surrey and Hampshire County Councils as land owners and not Basingstoke Canal Authority (BCA) reserves.
7. It was queried if funding for the canal could be raised via local businesses and developers. The Strategic Manager for the Canal explained that CIL and S106 funding was available but this funding

could not be used to pay for staffing. The Basingstoke Canal Society liaised with businesses on behalf of the BCA and had raised £4-5k in 2022.

8. The Assistant Director, Recreation, Information and Business Services explained that work was being undertaken for a presentation in November to review the financial management of the canal. It was felt that a long term financial plan for the canal was required, including the contributions from all partners.

**Actions/ further information to be provided:**

Action A1/23- For the Strategic Manager for the Canal to write to all partner organisations thanking them for their funding towards the canal but also encouraging them to continue with their contributions towards the canal.

**Resolved:**

1. The committee approved the final accounts for the 2022/23 financial year.
2. The committee approved the revised budget for the 2023/24 financial year.
3. The committee approved the forecast outturn for the 2023/24 financial year.
4. The committee approved the proposal that a minimum unallocated reserve balance of £200,000 be added to the reserves policy.
5. The Committee noted the forward look position.

**8/23 CANAL MANAGEMENT REPORT [Item 8]**

**Declarations of interest:**

None

**Officers:**

James Taylor, Strategic Manager – Basingstoke Canal

**Key points raised during the discussion:**

1. The Strategic Manager explained that there had been a major pollution incident in Woking town centre where a delivery truck hit a bollard and ruptured its fuel tank, with the spillage of approximately 650 litres of diesel transferring through the storm drain system into the Basingstoke Canal. The Environment Agency initially led on the clean-up operation, with support from Basingstoke Canal Authority, Woking Borough Council and Thames Water, working to contain the spill by placing oil booms in strategic locations. This was then taken over by a specialist company working on behalf of the polluter. The clean-up took 7 weeks. The incident has damaged the ecology, as well as BCA income and reputation. It was explained that the Basingstoke Canal Society had put in an insurance claim as the spillage had affected their work on the canal. Liability had been admitted and parties were progressing with insurers.
2. Crookham Parish Council had provided grant funding of £21,000 to improve the towpath surface from Malthouse bridge through to Zebon Copse Swing bridge and a small section under Poulter's bridge.

3. The Basingstoke Canal Manager, Fiona Shipp would be leaving her role at the end of June and had spent 11 years at the BCA. Members thanked her for all her hard work with the BCA and wished her all the best for the future.

Saj Hussain left the meeting at 12:30

**Actions/ further information to be provided:**

None

**Recommendations:**

The canal management report was noted.

**9/23 BASINGSTOKE CANAL SOCIETY UPDATE [Item 9]**

**Officers:**

Ian Moore, Basingstoke Canal Society

**Key points raised during the discussion:**

1. It was explained that the Basingstoke Canal Society (BCS) had contributed over 280,000 (28k hours £10 in kind in the last 12 months towards the operation of the Basingstoke Canal. In hard cash terms the BCS contributed £12,000 to the Basingstoke Canal Authority to help out their training budget, over 20,000 for the spot dredging programme around Odiham, and over £50,000 for the purchase of a brand new Conver weedcutter launched on 17<sup>th</sup> May from Spantons Wharf in Woking.
2. The BCS was planning £175,000 spend on a new electric trip boat (with disabled access) for 2024 along with environmentally friendly electric points along the canal.
3. The BCS launched a Campaign to help 'Keep our Canal Alive' and was steadily targeting businesses and councillors.
4. The BCS was thanked for their donations towards the canal and for promoting the canal via social media.
5. The BCS was encouraged to undertake member briefings in partner authorities around the canal and the work of the BCS.

**Actions/ further information to be provided:**

None

**Resolved:**

The JMC noted the report.

**10/23 DATE OF THE NEXT MEETING [Item 10]**

The Committee noted the date of the next meeting.

Meeting ended at: 12:47

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**Chairman**

**BASINGSTOKE CANAL JOINT MANAGEMENT COMMITTEE**  
**7 JUNE 2023**

**PROCEDURAL MATTERS**

**Member Question**

**Question (1) – from Arthur McCaffrey**

Will there be a report from MACE, the consultants who carried out a review on the canal? If not, can a question be tabled to ask about any outcome from this consultancy. Thank you.

**Response:**

In late 2022, Hampshire County Council and Surrey County Council commissioned Mace to undertake a review of Basingstoke Canal’s current operating model. All members of the Joint Management Committee were interviewed or surveyed as part of the exercise and we thank you for your contributions.

We have now received the final report from Mace, and both authorities are now reviewing the findings and the implications, including financial, that could follow any future changes. In addition, we are taking further legal advice on our duties towards the Canal.

Both authorities are committed to securing the long-term management and maintenance of Basingstoke Canal. There is a balanced budget in place for the current financial year (2023-2024), which includes contributions from the Canal’s reserves. We will aim to bring a report to the next Joint Management Committee in November. For now, it is business as usual and there is plenty to do as always.

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**BASINGSTOKE CANAL JOINT MANAGEMENT COMMITTEE  
20 NOVEMBER 2023**

**PROCEDURAL MATTERS**

4

**Member Question**

**Question (1) – from Ellie Ann May**

As we are not members of the Rivers and Canals Trust, will the Basingstoke Canal be introducing the ban of electric scooters on canal towpaths?

**Response:**

There are approximately 25 inland navigation authorities within the UK, each have different powers and rules governing the navigations they cover. Canal & River Trust are the largest of these authorities but have their own unique circumstances just like the others; they also cover some city centre locations such as London, Birmingham and Manchester where high levels of towpath use can lead to inter-user conflict.

The Basingstoke Canal is primarily governed by the National Parks & Access to the Countryside Act 1949 and an identical (except for geographic location) set of bylaws made by Surrey and Hampshire County Councils in 1995 under that Act.

E-scooters are currently classed as a “motor vehicle” within the meaning of the Road Traffic Act 1988 – it is an offence to ride them on any public road or pathway, or on private land without the landowner’s express permission. A number of limited trials of public hire e-scooters have been given special licence to operate in certain cities on a 2-year trial basis, but these do not cover the geographic extent of the Basingstoke Canal. The Basingstoke Canal’s bylaws further make it a specific offence to ride motorcycles or motor vehicles on Canal property with “reasonable excuse”.

It is therefore already an offence, under the Road Traffic Act and the Canal Bylaws, to ride an e-scooter on Basingstoke Canal property.

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## **Basingstoke Canal Joint Management Committee**

**20 November 2023**

### **Actions Tracker and Forward Work Programme**

1. The Committee is asked to review its Action Tracker and provide comment as necessary.
2. The Forward Work Plan is attached for the Board's reference.

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#### **Report contact:**

Joss Butler Committee Manager, Democratic Services SCC

#### **Contact details:**

Email: [joss.butler@surreycc.gov.uk](mailto:joss.butler@surreycc.gov.uk)

#### **Annexes**

- Annex 1 - Actions Tracker
- Annex 2 - Forward Work Programme

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## Annex 1

### Basingstoke Canal JMC 2023 ACTIONS AND RECOMMENDATIONS TRACKER

The recommendations tracker allows Committee Members to monitor responses, actions and outcomes against their recommendations or requests for further action. The tracker is updated following each Committee meeting. Once an action has been achieved and reported to the Committee meeting it will be removed from the tracker.

| KEY |                      |                    |                  |
|-----|----------------------|--------------------|------------------|
|     | No Progress Reported | Action In Progress | Action Completed |

| Date of meeting | Item  | Action Ref: | Recommendations/Actions   | Achieved/Outstanding?   | Responsible Cabinet Member/Member/Officer        |
|-----------------|---|-------------|---|---|--|
| 26 June 2019    | Invitation to the Canal Centre                      | A3/19       | The Committee agreed that an invitation to the Canal Centre would be sent to the new leader of Surrey Heath Borough Council.  | <p>2019 - Completed, letter sent 8 July 2019.</p> <p>November 2019 - Members noted that the Leader of Surrey Heath Borough Council had not yet responded to an invitation to visit the Canal Centre. The Committee agreed to resend the invitation as an email and include Cllr Paul Deach and Cllr Sarah Jane Croke.</p> <p>November 2020 - The new Leader of Surrey Heath Borough Council was happy to accept the invitation however the visit has been delayed due to the coronavirus pandemic.</p> <p>June 2023 – an invite to visit the canal centre was sent to the Leader of Surrey Heath Borough Council but no response was received. It was explained that a new Leader had been elected and a new invite should be sent out to the new Leader.</p> | Strategic Manager – Basingstoke Canal / Chairman |
| 15 July 2022    | Potential funding sources for the Canal Partnership | A1/22       | To revisit the Planning Guidance document with support from Planning Officers at Hampshire County Council / Surrey County Council, to assist in gaining Seciton106 / Community Infrastructure Levy funds from developers. | <p>November 2022 – No current progress due to other priorities</p> <p>June 2023 – No current progress due to other priorities</p>   | Strategic Manager – Basingstoke Canal            |

| KEY |                      |                    |                  |
|-----|----------------------|--------------------|------------------|
|     | No Progress Reported | Action In Progress | Action Completed |

|            |  |              |   |   |                                       |
|------------|--|--------------|---|---|---------------------------------------|
| 3 Nov 2022 | Revised Budget 2022/23, Forecast Outturn 2022/23, Forward Budget 2023/24 | <b>A7/22</b> | To organise a meeting in March 2023 to discuss the outcome of the consultation.   | June 2023 – topic to be considered in November 2023.  | Strategic Manager – Basingstoke Canal |
| 3 Nov 2022 | Revised Budget 2022/23, Forecast Outturn 2022/23, Forward Budget 2023/24 | <b>A8/22</b> | That the Chairman send an invitation to all Partner council Leaders and relevant executive Members to attend a face-to-face meeting to highlight the issues currently facing the Basingstoke Canal. It was further agreed that officers and representatives from the Basingstoke Canal Society (BCS) attend the meeting to provide a presentation highlighting the importance of the Basingstoke Canal and its maintenance. All relevant Joint Management Committee members were asked to encourage their respective leaders and executive Members to attend the meeting. | June 2023 – Partner sessions had not been organised due to elections but it was agreed that sessions with partner council's to highlight issues facing the canal were vital and should be prioritised moving forward. |                                       |

| KEY |                      |                    |                  |
|-----|----------------------|--------------------|------------------|
|     | No Progress Reported | Action In Progress | Action Completed |

|             |  |       |   |  |                                       |
|-------------|--|-------|---|--|---------------------------------------|
| 7 June 2023 | Final Accounts 2022/23, Revised Budget 2023/24, Forecast Outturn 2023/24 | A1/23 | For the Strategic Manager for the Canal to write to all partner organisations thanking them for their funding towards the canal but also encouraging them to continue with their contributions towards the canal. |  | Strategic Manager – Basingstoke Canal |
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# Basingstoke Canal Joint Management Committee

## Forward Work Programme

| Basingstoke Canal Joint Management Committee – June 2024 |                               |   |             |
|--|-------------------------------|---|-------------|
| Date of Meeting  | Item                          | Description   | Method      |
| Standing Item  | Financial Update              | To present the financial situation of the Basingstoke Canal Authority to the Committee.   | Agenda Item |
| Standing Item  | Risk Register Update          | To provide an update of the Basingstoke Canal Authority's key risks   | Agenda Item |
| Standing Item  | Canal Society Report          | To provide the Committee updates on the work of the Basingstoke Canal Society.  | Agenda Item |
| Standing Item  | Canal Management Report       | To update the Committee on actions taken by the Strategic Manager and BCA Canal Manager in managing, maintaining and operating the Canal. | Agenda Item |
| Standing Item  | Capital Works Projects Report | To update on the forward programme of capital works funded by Surrey and Hampshire County Councils.                                       | Agenda Item |

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## November 2023 Basingstoke Canal Society (BCS) Report to JMC



## Executive Summary

*The Basingstoke Canal needs all Councils to play their part in maintaining this wonderful world class asset for residents and visitors to continue to enjoy now and in the future. The BCS is actively doing our part - and plan to do more, for example we are actively seeking ways we can minimise the shortfall on the revenue budget but it must be in ways which the Society are comfortable with. The councils need to play their part*

The Canal Society's work in the last year includes:

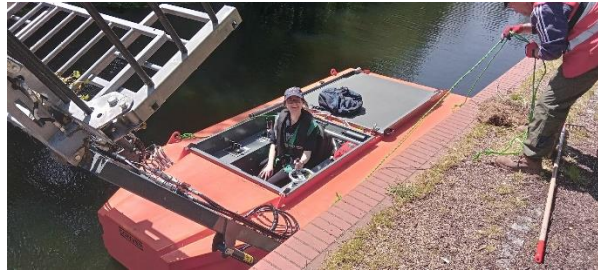
- 1) Volunteer support. The BCS has, in terms of volunteers, has once again, contributed over **£280,000** (28k hours @ £10) in kind in the last 12 months towards the operation of the Basingstoke Canal. This labour, includes vegetation management, lock gate painting, graffiti removal, ongoing maintenance engine repairs to the BCA workboats and weedcutter etc.
- 2) A subset of the volunteering effort has been a dramatic increase (over 2022) in the number corporate working parties, totaling 21 events with 240 participants delivering over 1,300 hours of work equivalent to **£13,000**. These groups are all organized and led by BCS volunteers. In quite a few cases the corporates do give up to £1,000 in donations to the BCS, which we then use to buy new electric power tools for the BCA.
- 2) Hard cash: In hard cash terms we will contribute £6,000 to the Basingstoke Canal Authority (BCA) to help out their training budget.

Therefore, the Canal Society we will have **donated over £6,000 of hard cash** by year end.

In addition, we have signed a contract with Brayzel Boats to build a brand new £175k electric trip boat (with fully accessible toilet) for operations in 2024 along with environmentally friendly electric points along the canal. A big part of our funding has come from SCC and Your Fund Surrey, so a huge thanks to all involved, BCA officers, SCC officers and BCS volunteers plus all those who have given cash donations.

- 4) Our trip boats safely carried approximately 7,000 passengers in the 2023 season – Although we note that passenger numbers did dip on Kitty this year, probably caused by the oil spill delaying the start of the season. However, we were reimbursed over £1,300 by the loss adjusters for lost revenue. So in broad terms net income will be similar to the previous year.





### Conver weedcutter in Woking has cleared the waterway

5) The volunteer members of the BCS also provide a source of committed and industry experienced experts in planning, health and wellbeing, marketing and event management, that supplements the BCA's own internal staff and helps avoid the costs of engaging outside consultants and contractors.

6) We work with Surrey Police and local residents in the development of a Canal Watch for the Woking stretch, main aim is to monitor anti social behavior and track/remove graffiti on the bridges. And keep an eye on the less affluent members of the community who use the canal corridor.

### Proactively launched a Campaign to help 'Keep our Canal Alive'

The BCS are the "Guardians of the Canal" and the original instigators of the project to reopen and rejuvenate the Basingstoke Canal and **address the real risk caused by some local councils reducing their funding (which in itself has not been inflation adjusted for the last 10 years)**

So despite the action of some councils, our commitment is to protect the canal for the benefits of all users and the community **notably the hundreds of thousands of local council taxpayers who use the canal**

And let's not forget the real benefits the Canal brings. It is rated as 13<sup>th</sup> in the top 100 waterways in the world – an outstanding achievement. It brings significant benefits:

- Health and Well Being: with the pressures on the NHS and Mental Health, the canal is a vital amenity. We cannot put it at risk and put more pressure on the NHS. Over the last couple of years the numbers using the Canal for recreation have in some cases tripled and caused a degradation of the towpath surface in some areas. Various University studies have demonstrated that access to the waterway network across the whole of UK delivers over £1bn of mental health benefits to the NHS.
- Environment: the canal has SSSI status in view of its unique plant life. Residents value this

**The Basingstoke Canal Society**

**KEEP YOUR CANAL ALIVE!**  
Help safeguard your and your neighbourhood's health and habitat

**Find out more on donating or become a member of the Basingstoke Canal Society**

**Feel healthier!**  
Use the 'green gym' where you can walk, run or cycle for free, taking care of your physical and mental health.

**Feel happier!**  
Study shows spending time by a canal can make you feel happy, whether on the footpath or navigating the water.

**Feel connected!**  
An opportunity to meet people, make new friends or volunteer to make a difference.

**Appreciate nature!**  
Support the biodiversity and the variety of nature the canal brings to your doorstep for future generations to enjoy.

[www.basingstoke-canal.org.uk/keep-your-canal-alive](https://www.basingstoke-canal.org.uk/keep-your-canal-alive)

- Social: it is used by walkers, cyclists, canoeists, paddleboarders - and frankly people just wanting to find a local place to relax
- Quite simply it is highly valued by the majority of local residents

**Our action - The BCS Campaign objectives:**

- 1) To raise major funds to support agreed projects.**
- 2) To work with councils to ensure they realise the benefits to their Council Tax payers and actively support the canal.**
- 3) To raise awareness in the local community of the risks and need to support the canal the canal through donations and membership - and the associated risks if we do not.**

Already we have:

- launched the Campaign via Facebook and other Social Media channels, plus posters..... it will be actively promoted through work parties and all contacts with members of the local public.
- the main thrust was essentially if you, the public, are passionate about the environment and use the canal please put your hand in your pocket and help us help the BCA look after this world class asset.

**What we now remind the local councils to....**

- continue to financially support the Canal at the agreed level under the Canal Partnership Agreement
- recognise the wider real benefits, economic, social and health to the local community
- promote the Canal as a recreational attraction and a source of health and wellbeing through Councils websites and marketing activities at every opportunity

**Finally, other BCS achievements this year**

**-Strong working relationship with BCA.** An important plank of the Society work is continuing with a more structured working relationship with the BCA. This includes regular monthly meetings for Canal Operations and a separate Strategy meeting to agree a joint projects list.

- Sustain our membership numbers at over 1,000 and reach over 20,000 people a week on Facebook along with 5500 Followers on social media sites

- as noted we have already led over 20 Corporate Volunteer teams delivering over 1,300 hours of labour on Hydrocotyle weed removal, graffiti removal, vegetation management, etc. We have been working with CMMP, CSR officers of some local councils and Voluntary Services. All done in collaboration with the BCA team. Many of these companies give a donation of upwards of £1,000 towards the day – which is fed through to the BCA in due course.

- we plan to purchase defibrillators for installation on all the boats in the BCS and BCA fleet, currently only John Pinkerton has one, as does Dawn (an Accessible Boating Association vessel)

- supported a series of events, for example, Fleet Coronation Festival, Odiham Raft Race and many more in the pipeline for 2024

- appointing a health & wellbeing volunteer to lobby for the medical benefits that the Canal brings to local residents and users.

- dedicated planning team supporting the BCA to identify and where applicable, secure s106 / CIL funding contributions to mitigate the impact of new developments on / near the Canal and / or to develop new facilities on the Canal.



**Volunteers painting Zebon Copse swing bridge**



**Removing Hydrocotyle near Lock 1**



**Removing trolleys (yet again)**

### Key projects for 2024/25

- working with the campaign team to deliver a presentation programme to each riparian Council to improve their understanding of the benefits of the Canal to local residents and to market the Canal as a source of recreation and health and wellbeing to residents at every opportunity
- BCS volunteers continue to help BCA maintenance team maintain and improve the towpath and waterway
- Work with various partners, BCA, Whitbread, SCC, WBC and UKPN to install electric power infrastructure into Woking
- operate a new £175k all-electric trip boat at Woking. This will reduce our carbon emissions in an urban environment by nearly 4 tonnes.
- Ensure a resolution to the Swan Cutting navigation issue to mitigate the impact on Accessible Boating/John Pinkerton II trips to King John's Castle.
- Support the BCA in mutually agreed projects, for example we are actively seeking ways we can minimise the shortfall on the revenue budget but it must be in ways which the Society are comfortable with.

***To close: The Basingstoke Canal needs all Councils to play their part in maintaining this wonderful and world class asset for residents and ratepayers to continue to enjoy in the future. The BCS is actively doing our part - and by working together we will do a lot more***

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## BASINGSTOKE CANAL JOINT MANAGEMENT COMMITTEE

Date: Sept 2023

### Canal Management Report

Lead Officer: James Taylor

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Email: [james.taylor2@hants.gov.uk](mailto:james.taylor2@hants.gov.uk)

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### Key Issue

To inform the Committee of actions taken by the Strategic Manager and BCA Canal Manager in managing, maintaining and operating the Canal since the preceding meeting, to look forward to work likely to happen in the 2nd half of 2023; and to report the work of the Conservation Steering Group.

### Officer's Recommendation

That the Committee note the content of the report

### Operation & Maintenance

#### BCA Operations & Inspection Works

- Length Inspections, Supplementary Inspections, Reservoir Surveillance Inspections have all been carried out as planned.
- The Waterway Inspector has completed the General Inspection of all embankments, something that has not been achieved previously – highlighting the reason that a ranger role was remodelled as an Inspector, to lead on inspections. General Inspections are a more detailed inspection by asset type, conducted mainly at annual intervals.
- The General Inspection of Locks is underway and will be completed in early October.
- A leak has been found at the Aqueduct over the River Whitewater – this is a reoccurrence of a similar issue and appears to be linked to poor quality reconstruction work in the 1970s. The BCA and Canal Engineer are investigating options for repair.
- There was a further minor pollution incident in Woking town centre – thought again to have come from road drainage. There was minor disruption to the canal for a few days whilst the BCA cleaned this up.
- Water levels have been maintained across the canal allowing for an uninterrupted boating season, although powered boat use is lower than in previous years without water related interruptions.
- The St John's back-pumping system failed mid-season, requiring creative water management to allow continued navigation between Lock 7 and 28. A major overhaul of the system was overdue, and the BCA have procured a major overhaul/repair from SCC capital funding.
- Although beneficial for water management perspective the unsettled weather resulted in multiple fallen trees and branches. These were all cleared by the ranger team or, when under 3<sup>rd</sup> party ownership, contact and arrangements made with the owners to ensure timely clearance therefore avoiding unnecessary expenditure from the canal budget.

- The ranger team, with assistance from weekly volunteer team, spent the summer ensuring the towpath remained unhindered by vegetation, despite good growing conditions.
- Works to relocate badger setts under licence from Natural England sited on a high risk embankment in Fleet remain ongoing, as the badgers seem determined to dig the embankment – badger setts pose a significant risk of breach.
- The BCA team has also had to spend time repairing and upgrading security arrangements at Ash Lock Depot following a break in that resulted in the loss of £12,000 worth of tools, including some donated by the BCS. Due to the age of some tools, insurance cover will only refund about £5,500 resulting in a budget pressure. The Police were made aware that the break in was in progress but did not attend.
- Rangers worked with the Environment Agency and volunteers to clear highly invasive Floating Pennywort (*Hydrocotyle ranunculoides*) from isolated areas within Fleet, which we believe may have been introduced by persons unknown. The BCA and volunteers will continue to keep a very close eye out for further plants and take steps to immediately remove if located. The BCA are also planning to post information notices to local residents in collaboration with the Environment Agency.

### Staffing

- A new Lock Keeper joined the team in June bringing the Ranger team up to full strength.
- The Canal Operations Manager left in July, but despite a recruitment exercise a replacement has yet to be found. The Strategic Manager, Senior Ranger and Canal Centre Manager have all been covering elements of the Canal Manager's duties during the vacancy.

### Events/Visitor Services

- Santa Cruise event tickets went on sale on 25 Sept and all 164 trips were sold out in just 2 days.
- On social media our number of followers (as of 5 October 2023) are:  
Facebook – 9029 (Sept 2022 - 8367) Followers,  
Instagram – 1334 (Sept 2022 -1237) Followers,  
Twitter / X – 1829 (Sept 2022 – 1864) Followers
- The campsite and summer visitor activities are nearly at their income targets in September, despite a wet summer, and 4 traveller incursions on to the campsite.
- The Visitor Services team are working with HCC colleagues on developing the online booking system for camp site, there have been a series of technical issues in getting the system to work as intended.
- Due to the huge support from our Skipper and Crew volunteers, *Rosebud* public trips sales have been very strong, with a majority of trips being sold out. The Cream tea trips have also been extremely popular this year, with all but 3 trips sold out.
- The Visitor Service Team now have three volunteers helping out in the Office and reception.

### Conservation

- The Conservation Management Steering Group meeting was held on 25 October.
- Monitoring of the areas dredged last winter has continued, with volunteers undertaking a bathymetric survey of these areas.
- We are awaiting results of a dragonfly survey which has been undertaken across the Canal this summer – this is the first survey in 10 years.
- The 4-yearly botanical survey required in the Conservation Management Plan is due in 2024.

### Volunteers

- Volunteering continues to be an essential part of making the Canal work effectively – Volunteering encompasses a wide range of activities and is not just the practical tasks undertaken by the BCA's Tuesday Group and the Canal Society's Weekend Workparty.
- Volunteers from the Tuesday Group have been working on towpath vegetation, regular painting and maintenance of the Deepcut Lock flight, and carried out a joint conservation working party with the Blackwater Valley CMP volunteers at Claycart Flash.

- In the financial year to date 10,565 hours have been logged by volunteers, of which 5435 was in quarter 1 and 5130 in quarter 2. This is very similar to last year's figures.
- The Canal Society volunteers have organised and led over 22 corporate teams who have contributed 1,316 hours of work delivered by 237 personnel. Some of the companies have also contributed £1,000 per event to the Society.

## Management Actions

**Partnership finance** – there are still major pressures on the BCA's partnership budget, and this has only been compounded by the withdrawal of funding with immediate effect by Woking Borough Council notified in September, owing to that Council's financial position. Savings are being sought to cover at least part of the £53,000 pressure within the 2023/24 budget, rather than increasing the draw on reserve. The 2023/24 financial position is further referred to in the Finance Report and Risk Register Report.

The costs of inflation on supplies, services and contractor's costs alongside the withdrawal of partner funding is not a sustainable position – the Canal Futures workstream has been looking at this and is referred to in other reports to this Committee.

The Strategic Manager, with the Project Officer and Canal Engineer, has been working on the following matters:

- **Tree Inspections** – SCC arborists completed a survey of the Hampshire half of the Canal in May, and this has resulted in a significant number of trees requiring safety related work. The most urgent matters (109 instructions) are currently being dealt with – further works are expected to be required before the end of the financial year, placing an additional pressure on the BCA revenue budget.

As a result, the Strategic Manager has been reviewing the corporate tree policies of Surrey and Hampshire and working on a tree management plan that will fit with both policies, fit within legal requirements for tree safety set by case law and also potentially reduce costs. A draft is currently with the Canal Senior Management Team for review.

- **Mytchett Lake Reservoir** – The independent Inspecting Engineer carried out the 10-year assessment of the reservoir last November, reporting in April 2022; he has directed a series of Measures in the Interest Of Safety (MIOS) – it is a legal requirement for these to be carried out. Further work has been ongoing with these items, along with monitoring and developing a plan for remediation of a leak which has developed in the mitre between the canal and railway embankments.

Surrey County Council, as the formal undertaker for the reservoir, has changed the independent Supervising Engineer due to lack of continuity of staff and increasing prices from the previous supplier. The new supplier already provides similar services to SCC for other reservoirs on its estate and has tendered a much more competitive price for this service.

- **Regular Liaison Meetings** – Basingstoke Canal Society (BCS), Boat User Group, Basingstoke Canal Angling Association, and regular meetings with a number of commercial/quasi-commercial operators.

## Asset Management Programme

The following works from the County Councils' "capital" asset management programme have been undertaken from the 2023/24 programmes, or as most works have to be conducted in winter, are being developed or procured:

### Surrey

- **Deepcut Towpath Improvement** – The requirement to gain planning consent has slowed implementation by 12 months due to the number of pre-application surveys and supporting documents that are required. These are currently being progressed with a planning application expected to be made in around December. Construction is still expected in summer 2024.

- **Lock gate cyclical replacement programme** – two sets of new lock gates are being procured for installation by the BCA this winter – these will be at Lock 10 and Lock 21. This keeps the lock gate stock refreshed in a cycle, so that there is not a sudden deterioration of many sets of gates, as occurred previously in 2009.
- **Mytchett Lake (MIOS)** – a new set of stop plank groves are planned for Mytchett Lake Road bridge as required by the Inspecting Engineer. The design is with the Inspecting Engineer for approval.
- **Mytchett Lake** – exploratory works are required at the upstream end of the embankment in relation to leakage in the mitre between the railway and canal embankments. This may influence works required in the 2024/25 year if as suspected, the canal edge needs to be completely rebuilt under the railway bridge.
- **Towpath surface** – the BCA have been allocated £30,000 from the SCC capital programme to upgrade two areas of deteriorating towpath surface in well used areas at Brookwood and Pirbright.
- **Lock 25 paddle chambers** – following two years of severe difficulties in being able to pass water downstream at Lock 25 throughout that last couple of years, the upper paddle chambers are both scheduled to be reconstructed. The ability to quickly control water levels between Locks 26 and 25 is considered an important safety measure due to the proximity of the main London Southwestern railway line.
- **Pumping systems overhaul** – the Woodham and St John's pumping systems are overdue for an overhaul. The BCA have now been reallocated this work after SCC's Land and Property team were unable to provide a workable solution. The replacement of the St John's pump is procured and awaiting installation.

### *Hampshire*

- **Swan "cutting", North Warnborough** – The Canal Manager and Strategic Manager together with Engineering and other professional colleagues at Hampshire County Council continue to work on this project. Hampshire County Council engineers are currently tendering for early contractor involvement so that the technical design can be fine-tuned into a buildable scheme. The contractor's methodology will affect what consents may be required.
- **Weirs and Sluices** – three new dual leaf weir penstock gates have been purchased for North Warnborough, Farnborough Road, and Norris sluices as outlined in previous reports – this is to overcome defects, improve make water management and operator safety. Installation for North Warnborough is procured with installation expected at the beginning of November. The installation of Farnborough Road was delayed due to concerns over budget, but tendering is now progressing. Additional consents are required from the EA for Norris sluice – these are being progressed. It is now expected that Norris and Farnborough Road will be installed in Feb/March 2024.
- **Towpath repairs** – The BCA have been allocated £15,000 to repair and area of Tarmac path that is defective in the Fleet area.

### *Both counties*

- **Culvert Principle Inspections** – around 1/3 of the culvert stock has been inspected by a specialist contractor, with three outstanding. The survey reports have been passed to the Canal Engineer for analysis and specification of any works required arising. The works budget will be drawn from the 2024/25 capital programmes.

The Committee is reminded that the culvert survey was divided into three tranches due to cost (which are drawn from the BCA partnership budget) with only the highest risk culverts being selected for inspection in 2023/24. Surveys of the remaining culverts will be required in future years.



## Basingstoke Canal Joint Management Committee

### BCA Risk Register

Date: 20 November 2023

Lead officers: James Taylor

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### Key Issue

To inform the JMC of the key risks associated to the BCA Canal Partnership after annual review and to ensure risks are mitigated as far as possible.

### Summary

A Risk Register is maintained highlighting that the key risks relate to the partnership ceasing to function properly through partners withdrawing funding, or if the BCA fail to inspect critical infrastructure correctly. The annual review has highlighted a significant increase in risk especially surrounding funding levels.

### Officer's recommendation

That the JMC note the annual revision of the Risk Register

#### 1 Introduction & background

- 1.1 A Risk Register was prepared and reported to Committee in June 2015, building on a register prepared by Officers in 2011.
- 1.2 The register has now been updated following its annual review by the Strategic Manager.

#### 2 Discussion

- 2.1 The highest risk remains around funding of the partnership (BCA 44) with funding partners being unable to continue revenue support. Officers' concerns noted in previous editions of this report place that there is an imminent risk of some partners withdrawing some or all of the funds are now taking place with Rushmoor and Woking Borough's having withdrawn all their funding in the last 12-month period. This coupled with rising costs means that the BCA is in a financially unsustainable position and drawing on its reserve to provide a cut back service. A solution is addressed in other reports on the JMC agenda.
- 2.2 A further seven (7) risks have got worse or have become more likely in the past 12 months. For the first time one of these, the risk associated with delivering the BCA's Business Plan (BCA31) is now a **red risk**; as the prospect of growing income to replace declining partner contributions is no longer considered an achievable option - as investment in the Canal Centre has proved impossible and the gap due to withdrawn contributions too wide. Proposals to address this are also contained elsewhere on the agenda.
- 2.3 Of the other 6 risks that have increased, three are due to external forces, these relate to the management of animals (eg: signal crayfish) [BCA 18], theft of equipment [BCA 3] and pollution [BCA 5].

The Invasive Non-Native Species Order 2019 has made trapping North American Signal Crayfish increasingly difficult, so that it is no longer economically viable for crayfish trappers to operate. A cost-effective method of controlling crayfish is no longer available, and this has led to the signal crayfish population increasing and as a result damaging infrastructure. There appears to be no easy solution to this – the BCA have previously made both the EA and Natural England aware of the unintended consequences of this legislation. Similarly, the two pollution incidents in Woking earlier in the year have highlighted the interconnection of the canal with local drainage networks and highlighted its vulnerability to road-based pollution incidents. Without wholesale changes to the drainage network away from the canal there appears to be little that can be done about this.

- 2.4 The other 3 risk that have worsened all relate to the inability to recruit a suitable replacement Canal Operations Manager in the current job market and the worsening financial position of the BCA – these risks are around staffing levels [BCA 15], implementing the Conservation Management Plan [BCA 41] and Emergency Plan [BCA 28]. These risks are likely to decline once a suitable level of staff is employed and the financial position of the BCA is stabilised.
- 2.5 For the first time since the inception of this register no risks have improved or declined in likelihood in the last 12 months.

### **3 Equalities & diversity implications**

- 3.1 The risks associated with reduced funding and increasing income may make it more likely that those on low incomes feel less able to use Canal facilities as more charges have to be made.
- 3.2 Any reduction in revenue maintenance for facilities may impact on the provision of facilities, well maintained level towpath, for less able people.

### **4 Crime & disorder implications**

- 4.1 The risks associated with Crime & Disorder on the Canal are not significant, and there are no associated risks in the risk register.
- 4.2 Reducing funding and therefore Canal staffing further would make the on the ground presence even less than at present, with anti-social behaviour and associated crimes, such as graffiti or vandalism, likely to rise.

### **5 Conclusion and recommendation**

- 5.1 The highest risk therefore remains around funding, which has reached a critical point. Expenditure and programmes have been scaled back, but costs are continuing to rise, and partners are withdrawing funding support - the BCA continues to have to draw on its reserve to offer a declining service with only 2 or maybe 3 years of resource remaining.
- 5.2 The JMC asked officers to address this at their June 2023 meeting, and proposals are contained in other reports on the agenda.
- 5.3 The Strategic Manager recommends that:
- That the JMC note the annual revision of the Risk Register

### **6 What happens next**

- 6.1 JMC Members note the risks and consider the other reports on the agenda which propose mitigations.

| Risk ref. | Risk Description  | Risk Owner                        | Impact |         |        |       |       |        | Total risk score | Mitigation   | Action by who                                   | Revised L'hood | 2022 Mitigated Risk Score | 2023 Mitigated Risk Score | Date of review | Movement of risk since previous assessment | Notes  |
|-----------|---|-----------------------------------|--------|---------|--------|-------|-------|--------|------------------|--|---|----------------|---------------------------|---------------------------|----------------|--|--|
|           |   |                                   | Fin    | Service | Safety | Rep'n | Total | L'hood |                  |  |   |                |                           |                           |                |  |  |
| BCA 44    | The current financial state of local government may lead to a reduction or cessation in funding from partners resulting in inability to safely manage the canal with sufficient staff and therefore meet statutory obligations and compromise public safety | JMC                               | 3      | 3       | 3      | 4     | 13    | 4      | 52               | Raise political profile of Canal and awareness of AMP / CMP / (BP) to secure adequate funding to meet statutory responsibilities whilst owners review future management options. Analysis undertaken as to cuts in service required at reduced levels of funding | JMC Members                                     | 4              | 52                        | 52                        | Oct-23         | ➡  | Risk unmitigated - partners are withdrawing funding. Only 2 years reserve funding remains. See other reports   |
| BCA 21    | Failure of earthworks, due to extreme weather, falling trees, etc., leads to loss of service, flooding, death or injury.  | SCC and HCC                       | 4      | 4       | 4      | 4     | 16    | 3      | 48               | Adhere to robust inspection monitoring and recording protocols in AMP. Implement a prioritised maintenance programme (partially implemented). BCA to develop prioritised 5 year work programme   | James Taylor                                    | 3              | 48                        | 48                        | Oct-23         | ➡  | Impacted by rising costs and reducing budgets. Costs of surveying at Principal Inspection level will lead to reduced knowledge of asset condition.             |
| BCA 31    | Failure to effectively implement a Canal-wide Business Plan leads to inability to finance the management of the canal in the event of revenue grant cuts  | JMC                               | 3      | 3       | 2      | 3     | 11    | 4      | 44               | Business Plan developed to demonstrate how the BCA can decrease reliance on Revenue Grants and replace it with income.   | James Taylor / SCC                              | 4              | 33                        | 44                        | Oct-23         | ✖  | Unmitigated risk - relates to inability to grow Canal Centre business opportunity due to lack of investment from owners or external grants. See other reports. |
| BCA 53    | Failure to adequately manage culverts leads to loss of service, flooding, death or injury.  | SCC and HCC                       | 4      | 3       | 4      | 3     | 14    | 3      | 42               | Inventory completed. Set up, maintain and record adequate monitoring, inspection. Prioritised maintenance programme partial complete.  | James Taylor / BCA                              | 3              | 42                        | 42                        | Oct-23         | ➡  | Impacted by rising costs and reducing budgets. Costs of surveying at Principal Inspection level will lead to reduced knowledge of asset condition.             |
| BCA 18    | Failure to manage animals (rats, crayfish etc) leads to breach of embankments resulting in damage to property, injury and death   | BCA                               | 3      | 3       | 4      | 3     | 13    | 3      | 39               | Implement length inspection regime in AMP. Carryout regular trapping of crayfish to reduce population.   | Jon Green                                       | 3              | 13                        | 39                        | Oct-23         | ✖  | Invasive Non-Native Species Order has made crayfish trapping much more difficult to carryout.  |
| BCA 37    | Failure to comply with the Reservoirs Act could lead to enforcement orders and prosecution  | SCC                               | 3      | 3       | 2      | 4     | 12    | 3      | 36               | Works in the interest of public safety completed. Regular inspections conducted by Inspecting Engineer.  | James Taylor                                    | 3              | 36                        | 36                        | Oct-23         | ➡  | Step change in Reservoir Safety following Toddbrook Reservoir incident means that timescales and engineering demands more strict.                              |
| BCA 15    | Failure to employ sufficient adequately trained staff leads to inability to provide agreed levels of service (including inspection data and emergency cover) and difficulties in implementing the various business plans.                                   | BCA                               | 2      | 3       | 4      | 3     | 12    | 2      | 24               | BCA to recruit staff in accordance with HCC policies and systems.  | James Taylor                                    | 3              | 24                        | 36                        | Oct-23         | ✖  | Unable to recruit replacement Operations Manager in current job market.  |
| BCA 17    | Failure to adequately manage trees leads to adverse impact on water quality, potential embankment breach, third party damage and loss of habitat resulting in injury and prosecution  | BCA                               | 3      | 3       | 3      | 2     | 11    | 3      | 33               | Set up and maintain an adequate monitoring and inspection regime. Implement a prioritised maintenance programme in conjunction with the Conservation Management Plan ..  | James Taylor / Jon Green / SCC / HCC            | 3              | 33                        | 33                        | Oct-23         | ➡  | Revised tree management plan drafted - to be agreed by HCC and SCC. Affordability of the volume of tree safety work remains concerning                         |
| BCA 32    | Lack of investment in the camp site leads to loss of potential additional income and inability to fulfil aims of Business Plan  | SCC (BCA)                         | 3      | 1       | 1      | 3     | 8     | 4      | 32               | SCC to implement Canal Centre redevelopment or support BCA in making sustainable improvements  | SCC   | 4              | 32                        | 32                        | Oct-23         | ➡  | Proposal no longer appears to command support. Planning consent lapsed. See separate proposals   |
| BCA 20    | Failure to adequately manage bridges leads to structural failure and loss of service, flooding, death or injury   | SCC and HCC / BCA / third parties | 4      | 3       | 4      | 3     | 14    | 2      | 28               | Liase with County Council bridge clients to ensure Highway and Rights of Way bridges are maintained in accordance with engineering best practice. Ensure the AMP inspection regime is up to date.  | SCC & HCC Bridge clients / James Taylor         | 2              | 28                        | 28                        | Oct-23         | ➡  | ome evidence that bridge stock is deteriorating, and costs are now being placed on BCA which previously were allocated elsewhere.                              |
| BCA 25    | Failure to adequately manage canal boundaries can lead to loss of canal estate which impacts on the ability to maintain the canal.  | BCA                               | 2      | 1       | 1      | 2     | 6     | 4      | 24               | SCC & HCC Estates / Legal to confirm accurate boundaries. BCA to inform HCC and SCC when encroachments are noted   | James Taylor / SCC & HCC Estates                | 4              | 24                        | 24                        | Oct-23         | ➡  |  |
| BCA 41    | Failure to effectively implement the Conservation Management Plan leads to adverse impact on the SSSI and potential for prosecution   | BCA / HCC & SCC                   | 2      | 2       | 1      | 3     | 8     | 3      | 24               | BCA to report actions to Conservation Steering Group and JMC   | James Taylor                                    | 2              | 16                        | 24                        | Oct-23         | ✖  | Inability to recruit suitably trained staff, and rising costs of engineering resources have resulted in less time and expenditure on Conservation Management   |
| BCA 28    | Failure to prepare and implement a comprehensive emergency plan leads to loss of service, closure of the canal, death or injury, and/or prosecution under H&S law.  | BCA / HCC & SCC                   | 3      | 3       | 3      | 3     | 12    | 2      | 24               | Keep Emergency Response Plan up to date and ensure Emergency Planning Teams have the most up to date copy  | James Taylor                                    | 2              | 12                        | 24                        | Oct-23         | ✖  | Plan revision behind schedule due to lack of staff resources   |
| BCA 5     | Third party pollution incidents lead to damage to wildlife and habitat.   | BCA / Environment Agency          | 1      | 1       | 3      | 3     | 8     | 3      | 24               | BCA to inform EA and Natural England (Emergency Planning) promptly. Ensure pollution doesn't spread.   | James Taylor / EA / Emergency Planning officers | 3              | 8                         | 24                        | Oct-23         | ✖  | Vulnerability of the Canal from road drainage highlighted in Woking pollution incidents  |
| BCA 23    | Failure to maintain or operate sluices effectively leads to flooding and third party damage   | BCA                               | 4      | 2       | 2      | 3     | 11    | 2      | 22               | Implement and review winter, summer and extreme weather protocols. Ensure telemetry system is installed and working correctly  | Jon Green                                       | 2              | 22                        | 22                        | Oct-23         | ➡  |  |
| BCA 30    | Failure to adequately manage capital maintenance programme leads to problems with delivery creating disruption, increased costs and potential prolonged closure of the canal and loss of service  | SCC & HCC                         | 3      | 3       | 2      | 3     | 11    | 2      | 22               | Ensure capital works are planned in advanced and delivered in accordance with the financial standing orders of HCC / SCC.  | James Taylor                                    | 2              | 22                        | 22                        | Oct-23         | ➡  |  |
| BCA 3     | Loss of equipment through failure to maintain or theft from buildings, stores and vans results in loss of service and increased costs.  | BCA                               | 2      | 1       | 3      | 1     | 7     | 3      | 21               | BCA to maintain inventory of equipment and keep up to date maintenance schedules in accordance with HCC systems. Store valuable equipment securely in accordance with Police advice. CCTV and alarms installed.  | James Taylor / Jon Green / Dean Wall            | 3              | 12                        | 21                        | Oct-23         | ✖  | Theft of machinery from Ash Lock Depot, reveals no site is ever fully secure against a well prepared thief.  |
| BCA 24    | Failure to carry out length inspections in an appropriate manner results in initial signs of leaks being missed leading to a breach of the canal  | BCA                               | 2      | 3       | 3      | 2     | 10    | 3      | 30               | Set up and maintain an adequate monitoring and inspection regime.  | James Taylor / Jon Green                        | 2              | 20                        | 20                        | Oct-23         | ➡  |  |
| BCA 47    | Leakage from canal creates problems for adjacent land owners.   | BCA / SCC & HCC                   | 3      | 2       | 2      | 3     | 10    | 2      | 20               | BCA to comply with AMP robust inspection regime (BCA 24) and develop 5 year prioritised works programme  | Jon Green                                       | 2              | 20                        | 20                        | Oct-23         | ➡  |  |
| BCA 26    | Unauthorised intervention by third parties (vandalism terrorism etc) causes damage to canal infrastructure creating leaks and possible loss of service, flooding, injury or death   | HCC and SCC                       | 3      | 2       | 2      | 2     | 9     | 3      | 27               | Implement and monitor BCA compliance with the Emergency Response Plan including test exercises.  | James Taylor / Emergency Planning Officers      | 2              | 18                        | 18                        | Oct-23         | ➡  | Test exercise held in May 2023   |

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| Risk ref. | Risk Description  | Risk Owner      | Impact |         |        |       |       |        | Total risk score | Mitigation   | Action by who                               | Revised L'hood | 2022 Mitigated Risk Score | 2023 Mitigated Risk Score | Date of review | Movement of risk since previous assessment | Notes  |
|-----------|---|-----------------|--------|---------|--------|-------|-------|--------|------------------|--|---|----------------|---------------------------|---------------------------|----------------|--|--|
|           |   |                 | Fin    | Service | Safety | Rep'n | Total | L'hood |                  |  |   |                |                           |                           |                |  |  |
| BCA 45    | Failure to provide consistent navigation opportunities due to prolonged maintenance activities leads to reduction in income from boat users and potential closure of the Canal.   | JMC             | 2      | 2       | 1      | 3     | 8     | 4      | 32               | Priority maintenance carried out 2011-17 generally much improved asset conditions. Managed navigation policy improves access to Canal year round   | James Taylor / Jon Green                    | 2              | 16                        | 16                        | Oct-23         | ➡  | Maintenance carried out in winter  |
| BCA 10    | Failure to effectively implement and monitor the HCC Safety Manual or BCA documentation leads to death or injury and prosecution.   | BCA             | 4      | 2       | 4      | 4     | 14    | 1      | 14               | BCA to be regularly assessed for compliance with standards   | James Taylor                                | 1              | 14                        | 14                        | Oct-23         | ➡  | Improved level of engagement with HCC H&S team leading to proactive improvements   |
| BCA 12    | Failure to adequately manage school visits, events (including santa cruises) and camp site leads to death or injury and prosecution   | BCA             | 4      | 2       | 4      | 4     | 14    | 1      | 14               | Complete and implement adequate risk assessments.  | Dean Wall                                   | 1              | 14                        | 14                        | Oct-23         | ➡  | School visits largely not happening  |
| BCA 19    | Failure to adequately manage lock walls, bywash culverts, wing walls leads to structural failure and loss of service, flooding, death or injury   | SCC and HCC     | 4      | 3       | 4      | 3     | 14    | 3      | 42               | Adhere to robust inspection monitoring and recording protocols in AMP. Implement a prioritised maintenance programme (partially implemented). BCA to develop prioritised 5 year work programme | James Taylor                                | 1              | 14                        | 14                        | Oct-23         | ➡  | 2020 saw the completion of the cycle of Principle Inspection for Locks with all major defects remedied. Reinspection not due until 2025.         |
| BCA 22    | Failure of lock gates or ancillary equipment leads to loss of service, flooding, death or injury  | SCC and HCC     | 4      | 3       | 4      | 3     | 14    | 3      | 42               | Inventory completed. Priority maintenance carried out. AMP cyclical maintenance regime adopted. Ensure AMP inspection regime continues to be   | James Taylor / Jon Green                    | 1              | 14                        | 14                        | Oct-23         | ➡  | Cyclical replacement being funded and actioned.  |
| BCA 38    | Failure to comply with Client responsibilities of CDM Regulations and other Health and Safety legislation leads to injury or death and/or prosecution by HSE  | BCA / SCC & HCC | 4      | 3       | 4      | 3     | 14    | 2      | 28               | Ensure all works are conducted in accordance with CDM Regulations including the keeping of records and ensuring staff and volunteers are suitably qualified for the tasks they undertake.      | James Taylor / Jon Green / Steve Williamson | 1              | 14                        | 14                        | Oct-23         | ➡  | Additional training undertaken by key staff  |
| BCA 11    | Failure to adequately manage the children's play area or picnic site leads to death or injury and prosecution   | BCA             | 4      | 2       | 4      | 3     | 13    | 2      | 26               | Complete and implement adequate risk assessments.  | Dean Wall                                   | 1              | 13                        | 13                        | Oct-23         | ➡  |  |
| BCA 1     | Loss of Canal Centre through fire, flooding or other major event leads to inability to manage the BCA.  | BCA / HCC & SCC | 3      | 3       | 3      | 3     | 12    | 2      | 24               | Implement HCC Business Continuity Plan. SCC to carryout repairs quickly and efficiently  | James Taylor / Dean Wall / SCC Estates      | 1              | 12                        | 12                        | Oct-23         | ➡  |  |
| BCA 13    | Failure to adequately manage the volunteer work force leads to death or injury and possible prosecution   | BCA             | 4      | 1       | 4      | 3     | 12    | 2      | 24               | Follow HCC H&S policies to adequately risk assess and supervise works.   | Jon Green / Dean Wall                       | 1              | 12                        | 12                        | Oct-23         | ➡  | Improved level of information available about volunteers due to improved database  |
| BCA 42    | Failure to effectively implement the overall Asset Management Plan, Conservation Management Plan, Emergency Response Plan and Business Plan leads to weak management of the canal, ineffective use of resources and inability to manage risk. | JMC             | 3      | 3       | 2      | 3     | 11    | 2      | 22               | JMC to review officer's actions through monitoring reports offered to the JMC.   | James Taylor                                | 1              | 11                        | 11                        | Oct-23         | ➡  |  |
| BCA 2     | Loss of workshop or store through fire, flooding or other major event leads to loss of maintenance capacity and / or archive material.  | BCA / HCC & SCC | 2      | 2       | 3      | 2     | 9     | 1      | 9                | Implement HCC Business Continuity Plan. SCC or HCC to carryout repairs quickly and efficiently   | James Taylor / HCC and SCC Estates          | 1              | 9                         | 9                         | Oct-23         | ➡  |  |
| BCA 14    | Failure to adequately implement HCC HR policies leads to staffing issues and reduced level of service   | BCA             | 2      | 1       | 2      | 3     | 8     | 1      | 8                | BCA to adhere to HCC HR policies. Implementation of IBC means staff recruitment is uniform (if   | James Taylor                                | 1              | 8                         | 8                         | Oct-23         | ➡  |  |
| BCA 27    | Disruption to canal navigation and towpath use caused by external maintenance works leading to loss of income and reputation  | HCC & SCC / BCA | 2      | 2       | 1      | 3     | 8     | 3      | 24               | Ensure works agreements are entered into with third parties doing work on Canal property, and contain penalties for extensions to agreed programmes of work.                                   | James Taylor / HCC & SCC Estates Officers   | 1              | 8                         | 8                         | Oct-23         | ➡  |  |
| BCA 29    | Failure to provide a robust and resilient ICT system leads to loss of service and increased costs.  | HCC             | 2      | 2       | 2      | 2     | 8     | 2      | 16               |  | HCC IT                                      | 1              | 8                         | 8                         | Oct-23         | ➡  |  |
| BCA 36    | Excessive use of back pumping system could lead to prosecution by the Environment Agency.   | BCA / SCC       | 2      | 1       | 1      | 4     | 8     | 1      | 8                | BCA to ensure compliance with Abstraction Licence and make statutory returns. Implement telemetry system to semi-automate pump control.  | Jon Green                                   | 1              | 8                         | 8                         | Oct-23         | ➡  | Risk previously deleted - but reinstated as it is reduced but not eliminated 2 out of 3 pumping schemes no longer require licensing / reporting. |
| BCA 39    | Failure to adequately manage works in vicinity of the fibre optic cable leads to claim and financial difficulties   | BCA / SCC & HCC | 3      | 1       | 2      | 2     | 8     | 2      | 16               | Ensure all works comply with CDM Regulations (BCA 38) and safe working practices   | Jon Green                                   | 1              | 8                         | 8                         | Oct-23         | ➡  |  |
| BCA 51    | Failure to effectively manage media, including website, leads to loss of reputation, funding and complaints from user groups.   | BCA             | 2      | 2       | 1      | 3     | 8     | 2      | 16               | BCA to develop a Marketing Strategy, branding and extensive use of social media  | James Taylor / Dean Wall                    | 1              | 8                         | 8                         | Oct-23         | ➡  |  |
| BCA 34    | Failure to maximise the potential use of volunteers leads to reduction in levels of service and increased costs   | BCA             | 2      | 2       | 2      | 1     | 7     | 2      | 14               | BCA to ensure good relations with user groups and volunteers through regular meaningful engagement   | James Taylor / Dean Wall / Jon Green        | 1              | 7                         | 7                         | Oct-23         | ➡  |  |
| BCA 4     | Failure to control fly tipping and litter on the towpath damages boats, wildlife and habitat and could result in loss of SSSI status  | BCA             | 2      | 1       | 2      | 2     | 7     | 2      | 14               | Implementation of volunteer lengthsman scheme  | Jon Green                                   | 1              | 7                         | 7                         | Oct-23         | ➡  |  |
| BCA 48    | Failure to adequately maintain water levels in certain pounds leads to stability problems with house boats and claims from owners.  | BCA             | 2      | 1       | 2      | 2     | 7     | 2      | 14               | Comply with water level protocols in AMP / CMP / ERP. Carryout regular maintenance of weirs and sluices. Install telemetry system  | Jon Green                                   | 1              | 7                         | 7                         | Oct-23         | ➡  |  |
| BCA 49    | Prolonged maintenance works requiring closure of tow path creates disruption for recreational users.  | BCA / HCC & SCC | 1      | 2       | 1      | 3     | 7     | 2      | 14               | Legal requirement to keep towpath closures as short as possible. Maintenance works to be properly planned and comply with relevant standards and procedures.                                   | James Taylor / Jon Green                    | 1              | 7                         | 7                         | Oct-23         | ➡  |  |
| BCA 6     | Failure to manage invasive species leads to additional costs and potential for prosecution  | BCA             | 2      | 1       | 1      | 3     | 7     | 1      | 7                | BCA to comply with CMP   | James Taylor / Jon Green                    | 1              | 7                         | 7                         | Oct-23         | ➡  |  |
| BCA 43    | Conflict of interest between various user groups (recreation / conservation / navigation) leads to failure to effectively manage the canal  | BCA             | 1      | 1       | 1      | 2     | 5     | 2      | 10               | BCA to ensure good relations with user groups through regular meaningful engagement  | James Taylor / Dean Wall / Jon Green        | 1              | 5                         | 5                         | Oct-23         | ➡  |  |



## Basingstoke Canal Joint Management Committee

### Scheme of Charges 2024/25

Date: 20 November 2023

Lead officers: James Taylor

Telephone: 01252 370073

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#### Key Issue

To seek approval of the JMC for a scheme of charges for 2024/25 financial year.

#### Summary

The existing scheme of charges have been reviewed and adjustments made either in line with inflation or by considering local market forces. A new visiting boat licence charge is proposed to attract live-aboard boaters continuously cruising on other waterways in need of a winter mooring.

#### Officer's recommendation

That the JMC approve the scheme of charges for 2024/25 and approve the BCA officers to offer 6-month winter visitor licences for vessels registered with other waterways with immediate effect.

### 1 Introduction & background

- 1.1 A number of activities on the Canal, and Canal Visitor Centre are not covered by statutory rights of use and therefore command a charge. The scheme of charges has been in place for more than 30 years, subject to an annual review – this has usually been considered within the Finance Report setting the forward years' budget. A part of the BCA business plan has been to ensure that realistic market charges are made of these services, which now contribute approximately 30% of the total revenue budget – the proportion of directly generated income has grown from just 5% of budget in 2011.
- 1.2 The scheme of charges has now been updated following annual review in consultation with the Hon. Treasurer and is presented for approval by the JMC.

### 2 Discussion

#### *Canal use charges*

- 2.1 A revised scheme of more commercially aware navigation licensing and mooring fees was introduced in 2013, with navigation licensing being overhauled again in 2020 to reflect the possible types of boat navigating the canal. Both schemes envisaged that navigation licences and mooring charges would increase annually using the CPI index. All existing charges are therefore increased by CPI – rounded to the nearest 50p.
- 2.2 Similarly, a scheme of charging for third party events which exceed the right to wander on canal property has been in place for a number of years, with the rationale that large numbers using the

property cause additional wear and tear. These event charges are now increased in line with the CPI index.

- 2.3 *Table 1* sets out charges for use of the Canal that will increase in line with inflation and documents the change in fee from 2023/24 to the proposed 2024/25 year.

**Table 1 - Canal Charges (CPI inflation)**

| Item  | 2023/2024 | 2024/2025 |
|---|-----------|-----------|
| Large towpath based events - up to 50-100 participants                | £56.50    | £60.50    |
| Large towpath based events - up to 101-499 participants               | £116.00   | £124.00   |
| Large towpath based events - up to 500-999 participants               | £232.00   | £248.00   |
| Large towpath based events - over 1000 participants                   | £464.50   | £496.00   |
| Undertaking searches, etc per hour (inc VAT)                          | £61.00    | £65.00    |
| Mooring fees - Private (per m/pa)                                     | £92.00    | £98.50    |
| Mooring fees - Standard (per m/pa)                                    | £159.50   | £170.50   |
| Mooring fees - Premium (per m/pa)                                     | £183.50   | £196.00   |
| Annual lock usage fee   | £122.00   | £130.50   |
| Pay As You Go lock flight - Woodham                                   | £12.00    | £13.00    |
| Pay As You Go lock flight - St Johns                                  | £12.00    | £13.00    |
| Pay As You Go lock flight - Deepcut & Brookwood                       | £24.00    | £25.50    |
| Private boat annual navigation fee - Above lock 15*                   | £193.00   | £206.00   |
| Private boat annual navigation fee - Below lock 15*                   | £96.00    | £102.50   |
| Hire boat navigation licence - annual (resident craft)*               | £578.50   | £618.00   |
| Cargo boat licence - annual (resident craft)*                         | £482.00   | £515.00   |
| Passenger boat licence - annual per passenger place (resident craft)* | £46.50    | £49.50    |
| Workboat licence - annual (resident craft)*                           | £85.00    | £91.00    |
| Unpowered boat - day  | £5.50     | £6.00     |
| Unpowered boat (large) - day  | £8.00     | £8.50     |
| Unpowered boat - week   | £16.50    | £17.50    |
| Unpowered boat (large) - week   | £25.50    | £27.00    |
| Unpowered boat - annual   | £45.50    | £48.50    |
| Unpowered boat (large) - annual                                       | £68.00    | £72.50    |
| Club unpowered licence - annual                                       | £18.00    | £19.00    |
| Hire-boat unpowered licence - day                                     | £14.50    | £15.50    |
| Hire-boat unpowered licence - annual                                  | £113.00   | £120.50   |
| Commercial unpowered boat - week                                      | £63.50    | £68.00    |
| Commercial unpowered boat - fortnight                                 | £92.50    | £99.00    |
| Commercial unpowered boat - month                                     | £142.00   | £151.50   |
| Commercial unpowered boat - annual                                    | £170.50   | £182.00   |
| Model boat licence - day  | £5.50     | £6.00     |
| Visiting trail boats - daily use charge*                              | £11.50    | £12.50    |
| Visiting trail boats - registration fee                               | £16.50    | £17.50    |
| Visiting boat licence - week*   | £51.00    | £54.50    |
| Visiting boat licence - fortnight*                                    | £73.50    | £78.50    |
| Visiting boat licence - month*  | £113.00   | £120.50   |
| Cargo boat visiting licence - week*                                   | £127.50   | £136.00   |
| Cargo boat visiting licence - fortnight*                              | £184.00   | £196.50   |

|   |         |         |
|---|---------|---------|
| <b>Cargo boat visiting licence - month*</b>                             | £283.50 | £303.00 |
| <b>Passenger boat visiting licence per passenger place - week*</b>      | £16.00  | £17.00  |
| <b>Passenger boat visiting licence per passenger place - fortnight*</b> | £23.00  | £24.50  |
| <b>Passenger boat visiting licence per passenger place - month*</b>     | £35.50  | £38.00  |
| <b>Workboat licence - month*</b>  | £28.50  | £30.50  |
| <b>Houseboat transit licence - month*</b>                               | £45.50  | £48.50  |

- 2.4 A small number of Canal use charges are not set to increase and remain at the previous level these are set out in *table 2* below.

**Table 2 - Canal Charges (no change)**

| <b>Item</b>   | <b>2024/2025</b> |
|---|------------------|
| <b>Large towpath based events - up to 49 participants</b> | FREE             |
| <b>60% discount for charity boat operators</b>            | 60%              |

- 2.5 The remaining charges relate to items which are neither staying the same nor rising in line with inflation.
- 2.6 A new navigation charge is proposed, building on the existing scheme of navigation – with immediate effect for the winter of 2023/24 if approved. This relates to a **6-month winter visitor licence** primarily for those craft who register craft as continuously cruising on other waterways, the existing scheme of mooring fees at the appropriate rate would then be charged in addition to the winter visitor licence.
- 2.7 The Basingstoke Canal bylaws, rules of navigation, infrastructure and planning controls do not allow for the use of the waterway by permanently residential boaters, except for the 22 moorings specifically designed for houseboats in the Surrey section of the canal. Yet elsewhere there has been a rapid growth in demand for use of boating as low-cost accommodation, especially in big cities and amongst younger generations. The lack of moorings for permanent residential use nationally mean that many such owners who use their craft for residential purposes register as “continuous cruisers” on EA or Canal & River Trust networks – moving around those networks and mooring only for short periods to comply with the terms of licensing. Whilst this is possible in summer conditions, winter floods on rivers and work programmes on canals frequently require these live-aboard boaters to moor up for longer periods in winter.
- 2.8 The BCA are mindful in the shift in focus from purely leisure use of the waterways towards more residential use, especially in London and other big cities, and now propose to offer 6-month visitor licence and mooring agreements for winter months to continuous cruiser vessels registered with other navigation authorities. The BCA office have received several enquiries as to availability of such moorings and believe that there is an untapped market for this type of mooring.
- 2.9 Such moorings would initially be offered only at the Canal Visitor Centre, Mytchett and Holland Moorings, Farnborough on existing mooring infrastructure. They will be for a maximum of 6 months to ensure there are no issues with planning consent being required for permanent residential moorings. These moorings are not fully serviced, but are close to water points and waste disposal facilities. However, as existing mooring facilities there are no issues with ecology or increased boat use.
- 2.10 It is not expected that the moorings will be fully let in the first year – however if for example 8 average length craft were to moor for 6 months the BCA may be able to generate an additional £8,600 in revenue.
- 2.11 In addition to the new 6-month winter visitor licence, the scheme of car parking charges for Reading Road car park, Fleet is set by Hart District Council under our agreement with them to manage charging at this site.

Table 3 - non-CPI charges

| Item                          | 2023/2024         | 2024/2025         |
|-------------------------------|-------------------|-------------------|
| Car park charges              | As Hart DC scheme | As Hart DC scheme |
| Winter Mooring Navigation Fee | £140.00           | £150.00           |

### Canal Visitor Centre Charges

- 2.12 There are no Canal Visitor Centre charges set to rise with inflation in the 2024/25 year.
- 2.13 The majority of Visitor Centre charges are not set to rise in 2024/25 – this is primarily because they were reviewed last year, and comparison to other similar offers in the market would suggest that rises would not be sustainable. These are set out in *table 4* below.

Table 4 - Visitor Centre - no change

| Item   | 2024/2025 |
|--|-----------|
| Camping charge per person per night (under 5 yrs)  | FREE      |
| Camping - Tent 1-3 berth per night   | £8.00     |
| Camping - Tent 4-6 berth per night   | £9.00     |
| Camping - Tent 7+ berth per night  | £11.00    |
| Camping - Motorhome or caravan per night   | £10.50    |
| Camping rallies per unit per night   | £11.50    |
| Yurt hire - Peak   | £70.00    |
| Yurt hire - Off peak   | £60.00    |
| Bell Tents per night - peak  | £70.00    |
| Bell Tents per night - off peak  | £60.00    |
| Pond dipping - per hour hire   | £6.00     |
| Boat hire - pedalo per 30 minutes  | £10.50    |
| Boat hire - canadian canoe per hour  | £15.00    |
| Boat hire - canadian canoe per 1.5 hours   | £22.50    |
| Boat hire - single kayak per hour  | £13.00    |
| Boat hire - single kayak per 1.5 hours   | £19.50    |
| Boat hire - double kayak per hour  | £14.00    |
| Boat hire - double kayak per 1.5 hours   | £21.00    |
| Boat hire - rowing boat per hour   | £16.00    |
| Boat hire - rowing boat per 1.5 hours  | £24.00    |
| Public boat trips - Child (under 1 yrs) per trip   | FREE      |
| Public boat trips - Child (1-12 yrs) per trip  | £4.00     |
| Public boat trips - Adult over 13 yrs) per trip  | £6.50     |
| Public boat trips - Family (2 adults + 2 children) per trip                              | £20.00    |
| Public boat trips - cream tea experience per trip to Deepcut - per person                | £15.00    |
| Public boat trips - charter hire whole boat per hour (daytime)                           | £60.00    |
| Public boat trips - charter hire whole boat per hour (evening)                           | £70.00    |
| Public boat trips - Hot Cross Buns experience per trip to Great Bottom Flash - per child | £6.50     |
| Public boat trips - Hot Cross Buns experience per trip to Great Bottom Flash - per adult | £9.00     |

|   |        |
|---|--------|
| Public boat trips - Hot Cross Buns experience per trip to Deepcut - per child                   | £7.50  |
| Public boat trips - Hot Cross Buns experience per trip to Deepcut - per adult                   | £11.50 |
| Public boat trips - Mother's Day - per child (under 1 yrs) per trip                             | FREE   |
| Public boat trips - Mother's Day - per child (1-12 yrs) per trip                                | £4.00  |
| Public boat trips - Mother's Day - per adult (over 13 yrs) per trip                             | £6.50  |
| Public boat trips - Mother's Day - per family (2 adults + 2 children) per trip                  | £20.00 |
| Canal Centre function room - per hour - weekends etc  | £15.50 |
| Canal Centre function room - per hour - weekdays etc  | £12.00 |
| Public boat trips - Autumn Colours - Canal Centre - per child (under 1 yrs) per trip            | FREE   |
| Public boat trips - Autumn Colours - Canal Centre - per child (1-12 yrs) per trip               | £4.00  |
| Public boat trips - Autumn Colours - Canal Centre - per adult over 13 yrs) per trip             | £6.50  |
| Public boat trips - Autumn Colours - Reading Road - per child                                   | £5.00  |
| Public boat trips - Autumn Colours - Reading Road - per adult                                   | £8.50  |
| Public boat trips - Autumn Colours - Canal Centre - per family (2 adults + 2 children) per trip | £20.00 |
| Public boat trips - One way transit between Mytchett and Fleet - per person                     | £12.00 |

- 2.14 A small number of Visitor Centre charges are set to rise by more than inflation – this is primarily because they were not increased last year, market forces would indicate an increase is justified and therefore have two years' worth of inflation to be added – rounded to the nearest 50p. These are set out in *table 5* below.

**Table 5 - Visitor Centre fees - non-CPI increases**

| Item   | 2024/2025 | 2023/2024 | Justification   |
|--|-----------|-----------|---|
| Camping charge per person per night (13 yrs +) | £5.00     | £4.50     | To match market forces & not increased for 2 years and does not exceed CPI combined for 23/24 and 24/25       |
| Camping charge per person per night (6-12 yrs) | £3.00     | £2.50     | To match market forces & not increased for 2 years and does not exceed CPI combined for 23/24 and 24/25       |
| Seasonal trails - per trail                    | £4.00     | £3.50     | Inflation (cost of prizes) and not increased for 2 years and does not exceed CPI combined for 23/24 and 24/25 |
| Santa cruise - Band A per person               | £18.50    | £18.00    | Inflation (cost of fuel)  |
| Santa cruise - Band B per person               | £17.50    | £17.00    | Inflation (cost of fuel)  |
| Santa cruise - Band C per person               | £14.50    | £14.00    | Inflation (cost of fuel)  |

### **3 Equalities & diversity implications**

- 3.1 The majority of Canal use charges are rising in line with inflation; boating is a relatively expensive hobby and the rising costs may discourage less affluent people from owning a boat, however, this needs to be offset against rising costs for operation of the waterway.
- 3.2 Conversely the creation of a seasonal winter mooring for live-aboard boaters is likely to attract those using boating as a lower cost residential solution, this reflects the shifting use of the waterways particularly from younger working people who are struggling to enter the housing market for other reasons.
- 3.3 The majority of Visitor Services prices are not set to rise – those that are rising will increase by less than the inflated cost since the last revision. The Visitor Services charges for recreational activity has been reviewed with the local marketplace and considered good value.

### **4 Crime & disorder implications**

- 4.1 The inclusion of residential boat units on the moorings at the Canal Centre or Holland Moorings, may help discourage low levels of anti-social behaviour sometimes encountered, as there will be more people around to keep watch on activity. The BCA have robust terms and conditions surrounding boat use – so it is not anticipated that there should be issues with overstaying or abuse of canal property.
- 4.2 There are no other major crime and disorder implications of the charging scheme.

### **5 Conclusion and recommendation**

- 5.1 The scheme of charges is in the main reviewed to rise by inflation or less, this reflects the additional costs of operating the Canal and Visitor Centre, whilst also keeping track of local market forces in terms of the prices of similar services.
- 5.2 The revision of the scheme of charges as set out in this report has been supported by the Hon Treasurer and have been incorporated into the 2024/25 draft budget contained in the Finance Report.
- 5.3 The Strategic Manager recommends that:
  - That the JMC approve the scheme of charges for 2024/25 and approve the BCA officers to offer 6-month winter visitor licences for vessels registered with other waterways with immediate effect.

## HAMPSHIRE COUNTY COUNCIL

### Report

|                         |  |
|-------------------------|--|
| <b>Committee/Panel:</b> | Basingstoke Canal - Joint Management Committee     |
| <b>Date:</b>            | 20 November 2023                                   |
| <b>Title:</b>           | Forecast Outturn 2023/24, Forward Budget 2024/25   |
| <b>Report from:</b>     | Report of Honorary Treasurer and Strategic Manager |

**Contact name:** Jenny Wadham, Honorary Treasurer, Hampshire County Council  
James Taylor, Strategic Manager Basingstoke Canal

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### Purpose of this Report

1. The purpose of this report is to present the forecast outturn for the year ending 31 March 2024 as at September 2023, and the Forward Budget for the year ending 31 March 2025 to the Joint Management Committee for approval.

### Recommendations

2. That the Committee notes the forecast outturn for the 2023/24 financial year.
3. That the Committee approves the forward budget for the 2024/25 financial year.

### Executive Summary

4. The net revenue costs of the Basingstoke Canal are incurred on behalf of the Joint Management Committee by Hampshire County Council (HCC) and financed through partner contributions from Hampshire and Surrey County Councils (SCC) and the riparian district councils. Capital expenditure is funded by Hampshire and Surrey County Councils for specific repairs and improvements.
5. A revised budget for the 2023/24 financial year was presented for approval to reflect extra works agreed for 2023/24 at the previous Board meeting on 7 June. This increased the budgeted draw from reserves for 2023/24 from £nil to £99,000.
6. The forecast outturn for the year to 31 March 2024 is now a £192,000 draw on reserves, £93,000 higher than the revised budget draw. Income is forecast to be £93,000 lower than planned, largely as a result of the poor weather over summer and loss of partner contributions

due to a section 114 notice. However, expenditure is forecast to budget, with savings on staffing vacancies and utilities offset by the higher expenditure on tree works and other services.

7. The proposed forward budget for the 2024/25 financial year is for a £140,000 draw from reserves. Pressures arising from inflation on both pay and non-pay costs, combined with challenges earning income and falling partner contributions mean that despite savings being made where possible, the current model is not financially sustainable in the long term.
8. The balance held in reserves for the Basingstoke Canal as of 31 March 2023 was £673,263, comprising of £593,263 held in the general reserve and £80,000 allocated for Wellesley. The total reserves balance is forecast to decrease to £515,487 by 31 March 2024, with a £140,000 budgeted draw from the reserves in the year to 31 March 2025.
9. Given the agreed minimum unallocated reserve balance of £200,000, should the financial position stay at the 2024/25 budgeted level, the unallocated reserve would fall below the minimum balance during the 2025/26 financial year.

## 2023/24 Forecast Outturn

10. The current forecast shows the Canal will draw £192,000 from the reserves, £93,000 more than the revised budgeted draw of £99,000, as shown in Appendix 1.
11. An unplanned reduction in partner contributions and a wet summer with only a small surplus on recovered costs to offset it, has resulted in a reduction of forecast income of £93,000. Expenditure is forecast to budget with savings due to vacancies and lower electricity bills offset by the cost of tree works and other supplies and services.

### Expenditure

12. Expenditure is forecast to the revised budget of £898,000. The planned Principal Inspections of culverts have been completed this year at the budgeted cost of £30,000.
13. Staff vacancies (one lock keeper post and visitor services assistant posts held vacant all year, and the canal manager and another lock keeper being vacant part of the year) have resulted in forecast savings of £42,000. The public sector pay award is included in this forecast based on the current offer.
14. Reduced electricity costs are leading to a forecast £16,000 underspend on Premises costs. This is from lower usage due to little requirement for back pumping during the wet summer and the St John's pump being broken further reducing the electricity used.
15. Transport costs are forecast to be £2,000 under budget, with maintenance and fuel costs slightly lower than expected.
16. Canal Maintenance is expected to cost £43,000 more than planned, primarily due to a higher than anticipated quantity and price of tree work required in the Hampshire section of the Canal. This was after several years without inspections and therefore spend in future years is expected to be less. There were also some works in the Surrey section that had been missed by the contractor last year. £20,000 of works have been postponed until next year due to these

works and are included in the budget in 2024/25. This budget was increased by £45,000 in the approved revised budget in June, and so this overspend represents a further increase.

17. Supplies and services are expected to overspend by £17,000 due to the balance of Countryside Access Management System (CAMS) implementation work still outstanding, increased contracted cleaning costs and higher credit card charges associated with income collection.

#### Income

18. Income is forecast to be £706,000, £93,000 below the budgeted £799,000 primarily due to lost partner funding and the cold and wet weather over summer reducing demand for all the Canal's facilities. There also appears to be an element of return to pre-Covid levels of usage, with some activities having seen an increase during Covid. This is only slightly offset by £12,000 surplus on other contributions.
19. Partner contributions are forecast at £427,000 which is £53,000 below the budgeted £480,000 as a result of Woking Borough Council being unable to pay their planned contributions following the section 114 notice.
20. This is in addition to the further reduction in Partner contributions highlighted at the previous Board meeting which were accounted for in the increased budgeted reserves draw. Furthermore, three Partners were already making contributions at less than the previously agreed rate, as shown in Appendix 2.
21. General Fees and Charges income is predicted to under achieve by £19,000. The campsite has lost income due to bad weather and three traveller incursions. The function room use reduced after COVID-19 but has declined further this year, which is thought to be due to the cost-of-living crisis reducing demand. Boat licensing has also fallen due to bad weather and the lease to the local canoe club (which generates £1,000 per year) has transferred to Surrey County Council, who own the asset. £14,000 of income is still outstanding from the Canoe Club as a one-off payment to reimburse the costs of works undertaken on the canoe club cottage, however, due to uncertainty over when this income will be received, it is not included within the forecast.
22. An £18,000 sales income shortfall is forecast because of poor weather reducing demand for boat trips and unpowered boat hire. Traveller incursions and low campsite demand will also have reduced sales income as a secondary effect.
23. Whilst advertising for the Holland and Barn Bridge moorings is generating enquiries, these are not leading to realised demand yet, and many moorings remain empty. The forecast for rental income is £13,000 under budget as a result.
24. There is a £10,000 surplus on other contributions due to recharges from the project officer and higher than expected cost recovery of utility costs for the tearoom.

#### **2024/25 Forward Budget**

25. Due to increasing pressures on both expenditure and income, the proposed Forward Budget is a draw on reserves of £140,000, as shown in Appendix 3. The Forward Budget has been prepared on the basis of the current operating model and is therefore before any potential adjustments resulting from the separate review of possible alternative operating models to

ensure the long term sustainability of the Canal. However, it should be noted that the proposed budget reflects a further deterioration in the financial position of the canal.

26. This is largely due to inflationary pressures on pay and non-pay costs, no inflationary increases to Partner contributions for several years representing a real term cut, as well as an actual reduction in Partner contributions; and income targets being realigned to reflect what has been achieved in previous years.

### Expenditure

27. The proposed expenditure budget has been increased by a net £12,000. Savings in staffing costs and from a lower maintenance and transport budget have been made to limit the impact of inflationary increases in staffing costs and supplies and services costs, and the increased requirement for Principal Surveys in 2024/25.
28. It is proposed to increase the staffing budget by a net £10,000, as below:
- Pay awards for 2024/25 have been budgeted at 3%, increasing all salary, hourly rates and allowances. This is expected to cost £23,000.
  - £11,000 increase in casual staff expenditure due to the pay increases and agency fees from Connect2Hampshire (the agency framework used by Hampshire County Council).
  - £24,000 will be saved by not filling the second lock keeper position and part year costs of the visitor services assistant post. Both are budgeted for in 2023/24 and this will offset some of the rising costs from the pay award.
  - The forward budget includes a Canal Manager at the top of the F grade scale. A review is currently underway as to whether this post should be regraded upwards, taking into account the current scope of the role and similar roles within Hampshire and Surrey County Councils' countryside services, which could further increase the cost of running the Canal.
29. The budgeted spend on Canal Maintenance has been reduced by £25,000 to £127,000, which is also considerably less than the £195,000 spend forecast for 2023/24. As highlighted above, the Hampshire section works being completed in 2023/24 are higher than usual as inspections had not been completed for several years. The 2024/25 budget includes works on the Surrey section, which are expected to cost less as this section has been surveyed more recently and therefore less work should be needed.
30. The Principal Surveys budget includes provision for the principal inspections of the second tranche of culverts at £30,000, for Tree Surveys at £20,000, and £5,000 for footbridges totalling £55,000. This is a £25,000 increase from last year, which only included culverts.
31. An increase of £12,000 for Supplies and Services.
32. An increase for Transport of £2,000 to £37,000 is proposed to cover inflation.
33. A £12,000 decrease is proposed to the Premises budget to reflect falling utility costs and usage, to £40,000.

### Income

34. The proposed overall income budget has been reduced by £29,000, reflecting the further reduction in Partner contributions and income budgets being adjusted to reflect current levels of demand reducing these sources of income by £76,000. This is partially offset by an expected £47,000 per year from recharging time spent by the project officer to capital projects funded by Hampshire and Surrey County Councils, and other recovered costs.

35. The Partner contributions budget has been reduced by £53,000 to £427,000 to reflect the complete withdrawal of funding from Woking Borough Council. Despite every effort being made to generate income to support the Canal's activities, the Partner contributions element of the budget remains vital. Previously Partner contributions made up approximately two thirds of the budgeted income, but now constitute just over half, hence the significant pressure on the budget. Not only has there been no inflationary increase to Partner contributions in recent years, equating to a real term cut, but budgeted Partner contributions are now £121,000 less than the original agreement.
36. A net reduction of £10,000 is proposed to the General Fees and Charges budget to £139,000 and a £13,000 reduction has been made to the sales budget to £75,000. This is a result of targets being set based on recent demand rather than levels they could potentially stretch to. This is despite CPI being applied to some General Fees targets in line with price rises at 6.8%.
37. It is expected that four fifths of the project officer's time will be spent on capital projects and will therefore be recharged to Hampshire and Surrey County Councils as landowners, generating £36,000 of additional revenue income for the Basingstoke Canal Authority.
38. Finally, the proposed Grants and Contributions budget are being increased by £11,000 to £23,000, with the previous loss from the cessation of the Higher Level Stewardship agreement only partially offsetting increased recovery of utility costs from the tea room. No change has been made to the rental income budget.

## Capital Expenditure Programme

39. Appendix 4 shows the projected capital outturn for 2023/24 and the budgeted expenditure for 2024/25.
40. Capital expenditure for the Canal is managed as two separate capital programmes by Hampshire County Council (HCC) and Surrey County Council (SCC).

### Hampshire County Council

41. HCC manages its capital programme for the Canal through periodic allocations of funding to cover capital works, with any remaining capital balance rolling forward each year until fully spent. In 2017 £1.5m capital funding was allocated as three instalments of £500,000 per annum, with the third and final instalment received in 2020/21. Due to the complex nature of the schemes in the HCC programme, as at 31<sup>st</sup> March 2023, £961,000 remained of this funding.
42. A further £1m capital funding was approved by Full Council as part of the Medium Term Financial Strategy on 29<sup>th</sup> September 2022, covering expected works in the 2023/24 and 2024/25 financial years. Again, this will be payable in £500,000 instalments for each of those two years.

### 2023/24 Hampshire Forecast Outturn

43. At the beginning of the 2023/24 financial year £1.08m was budgeted to cover the necessary works at "Swan Cutting". However, it is now forecast that only the design, engineering fees,

permissions and early contractor involvement expenditure amounting to £110,000 will be spent in 2023/24 and the main expenditure for construction will be incurred in 2024/25.

44. Other planned capital expenditure for 2023/24 is as follows:

- £99,000 for the installation of three new sluice gates at Aldershot, North Warnborough and Fleet (the new stainless-steel gates themselves having been purchased in the 2022/23 year).
- £15,000 has been allocated to make improvements to tarmac areas of the towpath.
- £30,000 is allocated to the repair of culverts following the delayed Principal Inspection of Culverts – engineers are currently assessing the results of the survey.

45. Total expenditure for the Hampshire Capital Programme in 2023/24, including contingency provision, is expected to be £273,000 with a carry forward of £1,188,000.

#### 2024/25 Hampshire forward plan

46. In 2024/25 it is planned to spend £1.17m on the repair of the Canal Banks – this includes the balance of the £1.08m allocated to Swan Cutting. The remainder will be spent on bank repairs where natural erosion processes threaten canal integrity or interfere with public access.
47. £84,000 is to be spent on water management projects (including dredging and replacing the upper gates at Ash Lock), £70,000 is to be spent on renewing and repairing structures, and £55,000 on public access maintenance (such as path surfaces).
48. At the end of the year it is expected that there will be expenditure of £1.446m with a carry forward of £242,000.

#### Surrey County Council

49. The Surrey County Council capital programme for 2023/24 is allocated £150,000 plus a carry forward from 2022/23 of £82,000, and carry forward from 2021/22 of £33,000, giving a total of £242,000.

#### 2023/24 Surrey Forecast Outturn

50. The primary expenditure in 2023/24 is expected to be £110,000 on works to canal structures including a new set of stop plank grooves required by the independent Reservoir Inspecting Engineer at Mytchett Lake.
51. £76,000 is allocated to water management (including lock gate replacement and overhaul of the back pumping systems). £30,000 is allocated to public access repairs and £15,000 on bank repairs.
52. No carry forward is forecast – indeed a further £3,000 is required if all projects are completed at the current budgeted amounts, savings will be made to keep this within budget.

53. From 2024/25, the annual allocation by Surrey County Council will be reduced to £100,000 per annum to the end of their current Medium Term Financial Plan in 2025/26.
54. In 2024/25 a total of £331,000 is projected to be required to complete the planned programme, leaving a shortfall of £230,000 – further funds are being sought from SCC to cover this.
55. As planned the programme includes £130,000 on bank repairs including those under the statutory direction of the Reservoir Engineer. £103,000 is allocated to water management including lock gate and sluice replacement, and £52,000 is allocated to canal structures including any repairs required following the Principal inspection of Culverts.
56. No carry forward is forecast at the end of 2024/25.

## **Special Projects**

57. In addition to the main revenue budget for the Basingstoke Canal there are often special projects with ringfenced budgets related to the Canal.

### Odiham Castle

Funding of £514 remains from the historic Heritage Lottery Fund project to restore Odiham Castle, with this balance available to refresh the signs and paths. This is planned to be spent in the 2023/24 financial year on replacing the interpretation boards, bringing an end to this project.

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## **Reserves**

58. The Basingstoke Canal reserves consist of two reserve funds as follows:
  - Unallocated Reserve – the general reserve to hold annual revenue surpluses.
  - Wellesley Reserve – established from a commuted sum from the Ministry of Defence and Grainger (Aldershot) Ltd specifically for keeping the improved area of towpath between Aldershot and Farnborough in repair.
59. At the Committee meeting of 7 June 2023, it was agreed that a minimum balance of £200,000 should be retained within the unallocated reserve to cover any exit costs (including possible redundancy costs) in the event of the Partnership being dissolved, given the financial position of the Canal and the expected draws from reserves. However, the aim would continue to be to maintain the unallocated reserves at a higher level to also provide suitable contingency for unexpected expenditure or an unexpected drop in income.
60. The total reserves for the Basingstoke Canal Authority were £673,263 as of 31 March 2023, and are projected to decrease to £515,487 by 31 March 2024. A detailed breakdown of the reserves is shown in Appendix 5.
61. The Unallocated Reserve was originally budgeted to reduce by £99,000 to £510,037 by 31 March 2024, however with the worsened financial position, but allowing for interest receivable,

the balance is now projected to decrease to £435,487. This equates to under six months budgeted expenditure, just over three months after factoring in the £200,000 minimum unallocated reserve balance.

62. The 2024/25 proposed budget plans for a £140,000 draw from the Unallocated Reserve, however, recent increases to the Bank of England base rate (which at the time of writing this report has risen to 5.25%) will result in a reasonable addition to the reserve for interest receivable on the balance, resulting in an expected balance of £322,550 by 31 March 2025.
63. There is no draw planned from the Wellesley reserve in either the current or next financial year, and the balance is therefore expected to remain at £80,000.

## Conclusion

64. The forecast for the 2023/24 financial year is a £192,000 draw from reserves (£93,000 higher than the revised budgeted draw of £99,000) with the wet weather over the summer months and a further reduction in Partner Contributions severely impacting income.
65. Although the excess rain is hoped to be an exceptional situation, last year there was a loss of income and increased expenditure due to the hot dry summer, and there may come a point where what would previously have been regarded as exceptional weather conditions and a corresponding exceptional reduction in income, should be seen as the new normal under climate change.
66. Recurring pressures have arisen from the cumulative effect of no inflationary increases in Partners' Contributions, exacerbated by the recent high levels of inflation and the knock-on impact on staff pay in particular, over which the Canal Authority has no control. Furthermore, actual reductions in Partner contributions have significantly worsened the position.
67. The Forward budget has been set as a £140,000 draw, meaning annual expenditure is having to be funded from finite reserves unless increased funding can be found. This is despite addressing the recurring pressures highlighted above as far as possible, with savings being made by removing vacant posts and reducing planned maintenance expenditure to a minimum.
68. Whilst the Surrey Capital Programme has progressed largely as planned, significant parts of the Hampshire Capital Programme have been delayed due to the complexity of the projects and previous lack of staffing to deal with them. These are now proceeding as expected, albeit with a later start and finish than originally planned.
69. The total balances within reserves are projected to decrease from £673,406 as of 31 March 2023 to £402,550 by 31 March 2025, reflecting the worsening financial position. The projected balance within the Unallocated Reserve equates to only five months of budgeted expenditure. Additionally, the requirement to set the expenditure budgets at a minimum level in order to balance the budget means there is no capacity to absorb unexpected pressures outside of the Canal Authority's control, leading to increased likelihood of unplanned draws from reserves.
70. In light of the above, the current funding model is not sustainable over the long term.

## Appendix 1 – Forecast Outturn for the Year Ending 31 March 2024

|                                     | Revised<br>Budget<br>2023/24<br>£'000 | Forecast<br>Outturn<br>Sep-23<br>£'000 | Over/<br>(Under)<br>Budget<br>£'000 |
|-------------------------------------|---------------------------------------|--|-------------------------------------|
| <b><u>Expenditure</u></b>           |                                       |  |                                     |
| Employees                           | 568                                   | 526                                    | (42)                                |
| Premises                            | 52                                    | 36                                     | (16)                                |
| Canal Maintenance                   | 152                                   | 195                                    | 43                                  |
| Principal Survey Work               | 30                                    | 30                                     | 0                                   |
| Transport                           | 35                                    | 33                                     | (2)                                 |
| Supplies & Services                 | 61                                    | 78                                     | 17                                  |
| <b>Total Revenue Expenditure</b>    | <b>898</b>                            | <b>898</b>                             | <b>0</b>                            |
| <b><u>Income</u></b>                |                                       |  |                                     |
| General Fees & Charges              | 149                                   | 130                                    | (19)                                |
| Grants & Contributions - Partner    | 480                                   | 427                                    | (53)                                |
| Grants & Contributions - other      | 12                                    | 22                                     | 10                                  |
| Rental Income                       | 70                                    | 57                                     | (13)                                |
| Sales Income                        | 88                                    | 70                                     | (18)                                |
| <b>Total Revenue Income</b>         | <b>799</b>                            | <b>706</b>                             | <b>(93)</b>                         |
| <br>Contribution from/(to) Reserves | <br><b>99</b>                         | <br><b>192</b>                         | <br><b>93</b>                       |
| <b>General Reserves</b>             |                                       |  |                                     |
| Opening Balance                     | (673)                                 | (673)                                  | 0                                   |
| Contribution from/(to) Reserves     | 99                                    | 192                                    | 93                                  |
| Interest on Balances                | (15)                                  | (34)                                   | (19)                                |
| <b>Closing Balance</b>              | <b>(589)</b>                          | <b>(515)</b>                           | <b>74</b>                           |

## Appendix 2 – Forecast Partners Contributions for the Year Ending 31 March 2024

|                                    | Contributions<br>per the<br>Original<br>Agreement<br>£ | Notified<br>Contributions<br>£ | Variance<br>£    |
|------------------------------------|--|--------------------------------|------------------|
| <b>Partner Contributions</b>       |  |                                |                  |
| Hampshire County Council           | 153,188  | 153,188                        | 0                |
| Surrey County Council              | 153,188  | 153,188                        | 0                |
| Guildford Borough Council          | 39,076   | 39,076                         | 0                |
| Hart District Council              | 30,924   | 30,924                         | 0                |
| Runnymede Borough Council          | 16,869   | 8,000                          | (8,869)          |
| Rushmoor Borough Council           | 42,246   | 0                              | (42,246)         |
| Surrey Heath Borough Council       | 26,282   | 10,000                         | (16,282)         |
| Woking Borough Council             | 53,276   | 0                              | (53,276)         |
| Church Crookham Parish Council     | 6,750  | 6,750                          | 0                |
| Crookham Village Parish Council    | 3,048  | 3,048                          | 0                |
| Dogmersfield Parish Council        | 240  | 240                            | 0                |
| Fleet Town Council                 | 18,309   | 18,309                         | 0                |
| Odiham Parish Council              | 4,036  | 4,036                          | 0                |
| Winchfield Parish Council          | 250  | 250                            | 0                |
| <b>Total Partner Contributions</b> | <b>547,682</b>   | <b>427,009</b>                 | <b>(120,673)</b> |

## Appendix 3 – Proposed Forward Budget for the 2024/25 Financial Year

|  | Revised<br>Budget<br>2023/24<br>£'000 | Forecast<br>Outturn<br>September<br>£'000 | Increase /<br>(Decrease)<br>to Budget<br>£'000 | Proposed<br>Budget<br>2024/25<br>£'000 |
|--|---------------------------------------|---|--|--|
| <b>Expenditure</b>                       |                                       |   |  |  |
| Employees                                | 568                                   | 526                                       | 10   | 578                                    |
| Premises                                 | 52                                    | 36  | (12)   | 40                                     |
| Canal Maintenance                        | 152                                   | 195                                       | (25)   | 127                                    |
| Principal Survey of Sluices & Weirs      | 30                                    | 30  | 25   | 55                                     |
| Transport                                | 35                                    | 33  | 2  | 37                                     |
| Supplies & Services                      | 61                                    | 78  | 12   | 73                                     |
| <b>Total Expenditure</b>                 | <b>898</b>                            | <b>898</b>                                | <b>12</b>                                      | <b>910</b>                             |
| <b>Income</b>                            |                                       |   |  |  |
| General Fees & Charges                   | 149                                   | 130                                       | (10)   | 139                                    |
| Partner Contributions                    | 480                                   | 427                                       | (53)   | 427                                    |
| Other Grants & Contributions             | 12                                    | 22  | 11   | 23                                     |
| Recharges to Capital                     | 0                                     | 0   | 36   | 36                                     |
| Rental Income                            | 70                                    | 57  | 0  | 70                                     |
| Sales Income                             | 88                                    | 70  | (13)   | 75                                     |
| <b>Total Income</b>                      | <b>799</b>                            | <b>706</b>                                | <b>(29)</b>                                    | <b>770</b>                             |
| <b>Contribution from / (to) Reserves</b> | <b>99</b>                             | <b>192</b>                                | <b>41</b>                                      | <b>140</b>                             |
| <b>General Reserves</b>                  |                                       |   |  |  |
| Opening Balance                          | (673)                                 | (673)                                     | (158)  | (515)                                  |
| Contribution from/(to) revenue           | 99                                    | 192                                       | 41   | 140                                    |
| Interest on balances                     | (15)                                  | (34)                                      | (12)   | (27)                                   |
| <b>Closing Balance</b>                   | <b>(589)</b>                          | <b>(515)</b>                              | <b>129</b>                                     | <b>(402)</b>                           |

## Appendix 4 – Basingstoke Canal Capital Programme 2023/24 and 2024/25

|                                     | Surrey<br>County<br>Council<br>Programme<br>£'000 | Hampshire<br>County<br>Council<br>Programme<br>£'000 | Basingstoke<br>Canal<br>Total<br>£'000 |
|-------------------------------------|---|--|--|
| <b>Balance as at 31 March 2023</b>  | 82  | 961  | 1,043                                  |
| <b>Funds in:</b>                    |   |  |  |
| Core capital contribution           | 150   | 500  | 650                                    |
| C/fwd from 2021/22                  | 33  | 0  | 33                                     |
| C/fwd from 2022/23                  | 82  | 961  | 1,043                                  |
| <b>Total Funds in</b>               | <b>265</b>  | <b>1,461</b>   | <b>1,726</b>                           |
| <br>                                |   |  |  |
| Bank works                          | (15)  | (110)  | (125)                                  |
| Canal structure                     | (110)   | (30)   | (140)                                  |
| Water Management                    | (76)  | (99)   | (175)                                  |
| Public Access                       | (30)  | (15)   | (45)                                   |
| Contingency + Fees                  | (37)  | (19)   | (56)                                   |
| <b>Total Funds out</b>              | <b>(268)</b>                                      | <b>(273)</b>   | <b>(541)</b>                           |
| <br>                                |   |  |  |
| <b>Further Funds being sought</b>   | <b>3</b>  |  | <b>3</b>                               |
| <br>                                |   |  |  |
| <b>Balance as at 31 March 2024</b>  | <b>0</b>  | <b>1,188</b>   | <b>1,188</b>                           |
| <b>Funds in:</b>                    |   |  |  |
| Core capital contribution           | 100   | 500  | 600                                    |
| C/fwd from 2022/23                  | 0   | 1,188  | 1,188                                  |
| <b>Total Funds in</b>               | <b>100</b>  | <b>1,688</b>   | <b>1,788</b>                           |
| <br>                                |   |  |  |
| Bank works                          | (130)   | (1,173)  | (1,303)                                |
| Canal structure                     | (52)  | (70)   | (122)                                  |
| Water Management                    | (103)   | (84)   | (187)                                  |
| Public Access                       | 0   | (55)   | (55)                                   |
| Contingency + Fees                  | (45)  | (64)   | (109)                                  |
| <b>Total Funds out</b>              | <b>(330)</b>                                      | <b>(1,446)</b>                                       | <b>(1,776)</b>                         |
| <br>                                |   |  |  |
| <b>Further funding being sought</b> | <b>230</b>  |  | <b>230</b>                             |
| <br>                                |   |  |  |
| <b>Balance as at 31 March 2025</b>  | <b>0</b>  | <b>242</b>   | <b>242</b>                             |

## Appendix 5 – Basingstoke Canal Budgeted Reserves

|   | Unallocated<br>Reserve<br>£ | Dredging &<br>Silt Disposal<br>£ | Wellesley<br>Reserve<br>£ | Reserves<br>Total<br>£ |
|---|-----------------------------|----------------------------------|---------------------------|------------------------|
| <b>Balance as at 31<sup>st</sup> March 2023</b> | <b>(593,263)</b>            | <b>0</b>                         | <b>(80,000)</b>           | <b>(673,263)</b>       |
| Income (Interest on Balances)                   | (34,224)                    | 0                                | 0                         | <b>(34,224)</b>        |
| Transfers From/(To) Reserves                    | 192,000                     | 0                                | 0                         | <b>192,000</b>         |
| <b>Balance as at 31<sup>st</sup> March 2024</b> | <b>(435,487)</b>            | <b>0</b>                         | <b>(80,000)</b>           | <b>(515,487)</b>       |
| Income (Interest on Balances)                   | (27,063)                    | 0                                | 0                         | <b>(27,063)</b>        |
| Budgeted Transfers From/(To) Reserves           | 153,000                     | 0                                | 0                         | <b>140,000</b>         |
| <b>Balance as at 31<sup>st</sup> March 2025</b> | <b>(309,550)</b>            | <b>0</b>                         | <b>(80,000)</b>           | <b>(402,550)</b>       |

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## Basingstoke Canal Joint Management Committee

### Basingstoke Canal Futures

Date: 20 November 2023

**Lead officers:** Jo Heath (HCC) / Katie McDonald (SCC)

**Telephone:**

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### Summary

This report sets out the work that has been undertaken to consider options for how a more sustainable financial future for the Canal could be delivered, with associated risks and implications.

It proposes resultant changes to the operations and governance of the Canal, for which Joint Management Committee (JMC) members are invited to provide feedback.

### Drivers for Change

Drivers for change were acknowledged by JMC members in June 2023, when they asked officers to report back on how the long-term Management and Operation of the Canal could be secured. The key drivers are as follows:

- The current model for managing the Canal is not financially sustainable. In 2022/23 a draw from reserves of £149k was required to balance the budget. The 2023/24 budget provides for a £99k draw from reserves, however the current forecast is for a draw from reserves of £192k, and the provisional budget for 2024/25 includes a £140k draw.
- The balance in reserves at 31 March 2023 was £673k (£593k unallocated, and the remaining £80k ringfenced to Wellesley). In June 2023 the JMC agreed that a minimum unallocated reserve balance of £200k should be maintained to cover any exit costs, should the partnership be dissolved. Based on the current delivery model, the reserves are projected to fall below the minimum level in the 2025/26 financial year and be fully depleted during 2026/27.
- Partnership contributions have not increased with inflation and therefore each year the gap between the costs of running the BCA and Partnership contributions gets wider. Some Partners have either reduced or withdrawn partnership contributions altogether, which has significantly impacted financial sustainability, with total contributions from the other riparian local authorities (i.e. all partners other than Hampshire and Surrey County Councils) now at half the original agreement levels and covering just 13% of proposed budgeted expenditure for 2024/25.
- At the time of the last JMC meeting in June 2023, this included reductions of £42k from Rushmoor Borough Council; £16k ongoing reduction from Surrey Heath; £9k from Runnymede Borough Council; and a reduction of £27k from Woking Borough Council. We have since received confirmation that Woking Borough Council will not be able to provide any of their £53k contribution for this year. Assurances were given by members of the JMC that contributions would be reinstated in the future, but a date for this is not set.
- Increased income from commercial activity has been generated to cover approximately one third of expenditure, but scope for further increases in income is limited (with future opportunities requiring significant investment).

- Furthermore, the BCA as it stands has no legal or corporate identity, and the JMC no longer reflects the input from partners.

### **MACE Report & Recommendation**

Having identified emerging issues around financial sustainability, Hampshire County Council (HCC) and Surrey County Council (SCC) commissioned Mace Ltd to review management of the Canal and recommend a sustainable operating model.

Mace were directed to prioritise delivery of each County Council's statutory obligations, to:

- Provide for Safe operation of the Canal;
- Fulfill Conservation duties in relation to the SSSI
- Ensure the Health and Wellbeing of residents – public rights of access and navigation.

MACE undertook a detailed review of costs and considered a range of options. Whilst they were not able to identify a new and secure source of income to support operations, they were able to consider the impact of slimming the role of the BCA to focus on legal and statutory duties.

Mace therefore recommended an operational model under which:

- The Canal Partnership continues to deliver Statutory Obligations and Leisure Navigation; but
- no longer delivers discretionary activities such as boat hire, camping, visitor centre and events.

At the time this model was proposed, the savings generated would have brought the costs for the BCA down sufficiently to be in line with current funds that were committed to by the partnership.

However, as a result of the confirmed withdrawals of funding from key partners, implementing this option will still result in the partnership needing to use reserves to cover lost funding, until it is reinstated.

Based on the revised responsibilities of the BCA under Mace's recommendation, the forecast draw on reserves for 2024/25 is £100k (this gap would have been covered by the contributions of £53k from Woking and £42k from Rushmoor had they not been withdrawn)

It is important to restate that, based on the current draw on reserves, levels will reach the £200k limit in 2025/26. Therefore, we will be approaching partners over the next two months, to confirm their contributions during this period, and to forecast when those who are not currently contributing will be in a position to reinstate their contributions.

In response to the situation described above, and to Mace's recommendations this report sets out changes to the Canal's Operating Model and Governance, including an associated change to the operation of the Canal Centre at Mytchett.

### **Officer's recommendation**

JMC members are invited to feedback on proposals. The decision to introduce proposed changes will then be made via Executive Member decisions at the respective landowning authorities.

## 1 Introduction & background

- 1.1 There are significant drivers for change to the management and operation of the canal.
- 1.2 These include considerable financial drivers:
  - The current operation of the Canal is not currently financially sustainable: In 2023/24 costs will require a projected draw of £192k on existing reserves to cover a shortfall in income.
  - Some Basingstoke Canal Partnership members have either reduced or withdrawn partnership contributions: The financial implications of changing relationships with partners are significant. If all funding partners had maintained previous (index linked) contributions, financial sustainability would not be an issue.
  - Commercial activity is also limited: Over a number of years in the 2010s there was significant growth in income from 5% to 30% (operating budget). However, growth plateaued at the time of the Covid '19 pandemic; and further growth opportunities are now limited and would require significant investment.
- 1.3 There are also drivers relating to the inadequacy of current governance arrangements:
  - The Basingstoke Canal Authority (BCA) has no legal or corporate identity.
  - The MOA with riparian partners is outdated given the change in partner contributions and how decisions are made.
  - The JMC is a key element of governance but is not effective in its current form: with operational decisions made by the Canal Management Team (HCC&SCC officers) and strategic decisions by landowning authority governance structures.
- 1.4 In response to these drivers Surrey County Council and Hampshire County Council commissioned MACE to review the management of the Canal, with the aim of developing proposals for how the Canal Partnership could achieve financial sustainability, while ensuring statutory duties for the canal are delivered as a priority:
  - Safe operation of the Canal
  - Conservation value
  - Health and Wellbeing
- 1.5 MACE were asked to produce:
  - An analysis of the statutory and non-statutory responsibilities of each County Council in relation to their ownership of the canal and respective assets.
  - An assessment of the key risks associated with each responsibility
  - A prioritised list of responsibilities for each County Council
  - A review of the key activities the BCA and the County Council carry out in relation to the management of the canal, a summary of the total costs and income
  - Background research into alternative delivery models, recommendations for the governance and delivery structures
  - Detailed summary of the management options in terms of cost, operational structure, transfer of risks and responsibilities and legal governance arrangements.
  - Report all the options considered setting out the advantages / disadvantages for each one.

Recommended model for future delivery which considers the findings of the review and liaison with officers throughout the review.
- 1.6 A number of management options for the canal were explored by MACE, including the use of third parties, the dissolution of the BCA and its sale. However, the recommended and preferred option set

out was that the Canal Partnership should continue to deliver statutory requirements plus navigation for maximum financial viability. It also set out recommendations for changes in the governance of the canal.

- 1.7 The recommendations have been considered and agreed by the two land owning authorities in principle for implementation by April 2024. Discussions at JMC on the 20<sup>th</sup> November will be minuted, and considered as part of the decision making by respective cabinet members of the County Councils.
- 1.8 Under this preferred option, the BCA will no longer deliver non-statutory activities such as boat hire, camping, running the visitor centre and events.
- 1.9 This report describes how the preferred option will be implemented, and the impact upon operations and governance of the Canal.

## 2 Changes to Operating Model

- 2.1 The revised operating model for the Canal is summed up as follows:
  - **The Basingstoke Canal Authority will be retained** as the delivery agent for the management of the Canal (on behalf of SCC and HCC);
  - **The BCA will no longer deliver visitor service activities** and will instead focus on meeting statutory obligations in managing the Canal, including leisure navigation.
  - **A new agreement between the two landowning authorities will be established** to regularise the working relationship and contributions made by both authorities.
  - **Capital funding will continue to be required from both landowning authorities** to safely manage the Canal assets.
  - **The riparian partners are to be encouraged to continue to contribute to the Canal** and a new MOA or partnership agreement will secure the contributions for a minimum period and set out the governance arrangements.

## 3 Financial Implications

- 3.1 As previously alluded to, the financial sustainability of the Canal is a significant driver for change.
- 3.2 If the landowning authorities were to “do nothing” (an option considered and rejected by the MACE report, it is projected that Canal Reserves would fall under the minimum unallocated reserve balance of £200k, by 2025/26; and run out in 2026/27.
- 3.3 At the time of the MACE work, the approach set out in this report improved the financial sustainability and significantly delayed the point at which reserves would be fully utilised. Since then, the financial position of the Canal has deteriorated with a further reduction in partner contributions meaning that, based on current projections, the approach would only delay the point at which reserves are depleted by one year.
- 3.4 However, the approach still minimises the ongoing annual deficit in providing statutory services; reduces the risk involved from income generation needed to offset the c£200k per annum gross costs of running the Visitor Centre; and, has been assessed by officers as providing the greatest opportunity to move towards financial sustainability, particularly if partner contributions are reinstated (as has been indicated as a possibility).
- 3.5 Furthermore, removing the Visitor Centre from the BCA enables the opportunity for investment in the Visitor Centre that will not be made whilst it is part of the BCA, and enables the governance arrangements of the BCA to be put on a firmer footing as detailed later in this report.

## 4 Changes to the Canal Centre at Mytchett

- 4.1 Visitor Services Activity run by the BCA on the Canal are currently undertaken from the Canal Centre at Mytchett.

- 4.2 The Centre is owned by SCC and it is within their gift to decide upon its future (with HCC being actively kept informed). As part of the changes to the Operating Model to the Canal, the direct management of the Canal Centre will revert to SCC.
- 4.3 The BCA will continue to be based at the Mytchett Centre and the workshop at Deep Cut Lock.
- 4.4 SCC are committed to "continuity of Service" at the Canal Centre and propose to transfer the operation of the Mytchett facilities and associated activities from the BCA to Surrey County Council. Some services may be reduced to ensure the centre's operations break even in the short term. SCC will be reviewing the options for investment in the site to enhance the visitor experience and encourage more visitors to benefit from the canal. SCC will work closely alongside partners in taking this forward.

## 5 Staffing Implications

- 5.1 The proposed changes to the Operating Model and, in particular, the changes to the Visitor Centre will have implications for BCA staffing.
- 5.2 The BCA employs eleven staff to manage canal operations (alongside employing additional casual staff). For HR & Administrative purposes, these eleven staff are managed as HCC employees.
- 5.3 Most BCA employees will not be impacted by the change to Operating Model – the exception is the 3 members of staff most closely associated with Visitor Services Activity.
- 5.4 As SCC are going to take the management of the Canal Centre back in hand, it is proposed that these three staff TUPE across to SCC on their current terms and conditions.
- 5.5 This proposal is subject to ongoing consultation with the impacted staff; which commenced on 10 November to coincide with the publication of this report being made public; and will continue until 10 December (i.e one month).
- 5.6 HR staff from HCC and SCC are engaged in the process, and will ensure that it is effectively managed process, on behalf of the three staff, the BCA, and both authorities.

## 6 Changes to Canal Governance

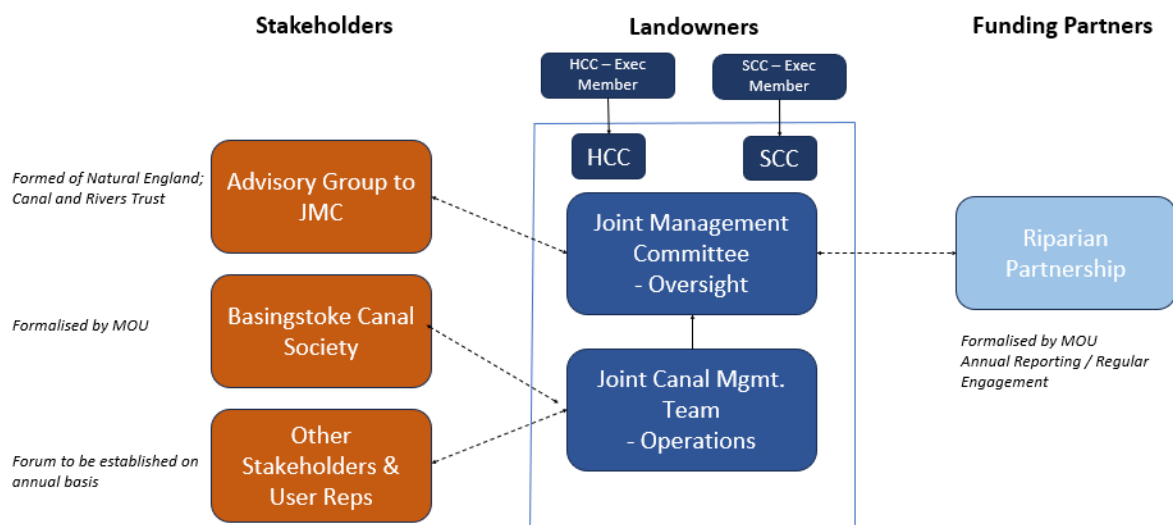
- 6.1 Proposed new governance arrangements for the Canal reflect the reduced remit of the BCA and how decisions are made. It provides greater clarity on working arrangements between partners and those bodies that are accountable for liabilities. It is founded upon the following bodies:
- 6.2 A **Joint Canal Management Team** – responsible for operational management of the Canal, and made up of Senior responsible officers and finance from SCC and HCC.
- 6.3 A **Joint Management Committee** – made up of HCC & SCC elected Members only, to reflect the partnership agreement between SCC and HCC as landowning authorities. This body will provide oversight of the management of the Canal and will make recommendations to the Executive Member for decision at the respective authorities. It will meet on a quarterly basis.
- 6.4 An **Advisory Group to JMC** – invitees to include regulatory and expert bodies including Natural England; and the Canal and Rivers Trust.
- 6.5 The **Basingstoke Canal Society (BCS)** - with the intention of agreeing a memorandum of understanding with both landowning authorities, that in turn sets out the working relationships between BCS and BCA. This partnership will be facilitated by two meetings a year, including a site visit, alongside regular ongoing engagement.
- 6.6 A **wider partnership of riparian authorities** – with an updated MOA demonstrating commitment from all partners, including HCC, SCC and funding partners. This partnership will be facilitated via two meetings a year - an annual report and meeting, and a separate site visit for funding partners, alongside regular ongoing engagement.

- 6.7 Other **stakeholders and user representatives** , including non-funding riparian partners, user groups and other partners will be invited to annual meeting; to raise awareness of the canal, share information on current performance and future plans, and create a forum for their feedback on this.
- 6.8 The proposed governance model is shown in **Appendix A**.

## **7 What happens next**

- 7.1 SCC and HCC will undertake consultation with BCA staff impacted by changes to the operation of the Visitor Centre.
- 7.2 All JMC members are invited to provide comment on the proposed changes by 30<sup>th</sup> January 2024 via the dedicated inbox [JMC.Feedback@surreycc.gov.uk](mailto:JMC.Feedback@surreycc.gov.uk).
- 7.3 SCC and HCC will seek confirmation of the contribution by the riparian owners and BCS, via letter to the Chief Executive of each organisation (seeking responses by mid-January), and will review the financial plan accordingly.
- 7.4 Subject to the completion of the consultation, and the confirmation of funding levels, changes to the governance and operation of the Canal will be formalised by Exec Member decisions by both landowning authorities to be made in March 2024.
- 7.5 Updated governance documents including the MOA with riparian partners and the MOU with the BCS will be sent for agreement by 01 April 2024 and a schedule of future meetings will also be in place by that date.
- 7.6 The management of the Canal Centre at Mytchett will transfer from the BCA to SCC by 01 April 2024. Continuity of service will be maintained, although some services may be reduced.

## Proposed Operating Model - Governance



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