

Key Issue

Proposal to Transfer Net Income from the Houseboats to the Basingstoke Canal Authority (BCA)

Officer's recommendation

Update report for Information

1 Introduction & background

2 There are 22 Houseboats on Basingstoke Canal located at Woodham and at Hermitage Bridge. The Houseboats are managed by Surrey County Council's Property Service. The intention of the County Council is to see all the income from Canal properties allocated to the Basingstoke Canal Business Plan. All these properties do need to be managed and so any gross income will be transferred net of the costs to manage the property.

3 In the last two years all the Houseboats have been moved onto new leases and an agreement for transferring the net income to the Basingstoke Canal Authority (BCA) can now be progressed.

4 Discussion

5 Property Services at Surrey County Council have been managing the property on the Surrey stretch of the Canal. Some of the income from those properties already comes to the BCA, however the income from the houseboats was not transferred because of the outstanding work to renew all the leases. This work has now been completed and an in principle agreement made that the net income could be transferred.

6 The exact level of those costs has yet to be finalised but will include a contingency to ensure that in the years of peak costs, for example when the rents are reviewed any negative figure is not also transferred. Therefore if the costs exceed the income in a given year SCC would not be seeking a payment from the BCA. The gross income in the year at the current rental level is £90,000 per annum with an expected cost for management of £31,500, not including the contingency that is yet to be agreed.

7 Financial and value for money implications

8 Details still need to be worked out but this proposal will ensure the BCA has the net income from the houseboats added to its budget providing additional income at a time when there is increasing pressure on their budgets.

9 Equalities & diversity implications

10 There are no direct impacts of the proposal

11 Crime & disorder implications

12 There are no direct impacts of the proposal.

13 Conclusion and recommendation

14 This is a report updating members of the Committee. The Committee will be informed once the final agreement has been reached with SCC Property Services.