



## **Basingstoke Canal Joint Management Committee - 18 November 2020**

### **Business Development Plan 2021 - 2025 - Decision Paper**

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#### **Key Issue**

To present the Basingstoke Canal Business Development Plan for the next 5 years. This has been compiled in response to the recommendations made in the Investment Strategy Phase 1 report produced by TriloByte Land Management in June 2020.

#### **Summary**

An investment strategy was commissioned in 2019 by Hampshire County Council and Surrey County Council in support of the Basingstoke Canal Authority. The aim of the strategy was primarily to identify projects and initiatives that would assist the Canal Authority in generating new income thereby reducing the reliance on the partnership funding.

Over the past 5 years the Canal Authority has successfully developed commercial activity and has managed to increase the income from 5% of operating costs to 30% met through income. This has enabled the Canal to operate safely without requiring additional funding from the funding partners. However, the Canal does not have a sustainable financial future without the continuation of local authority funding.

In compiling the Investment Strategy a number of workshops were held with a range of stakeholders and staff to create a list of potential business and investment opportunities that would contribute to the running of the Canal and that might be supported or delivered through the planning system or by other organisations.

The Basingstoke Canal Business Development Plan 2021 – 2025 reflects the priority projects that were identified by the Investment Strategy Phase 1 and indicates the timescales for delivery, the costs and benefits of each of the proposals. This Development Plan should form the basis of all projects that aim to generate income from the Basingstoke Canal and its assets irrespective of the lead organisation.

It is important to recognise that this does not include any of the business as usual activity or the capital work programme that are vital to the safe operation of the Canal.

#### **Officer's recommendation**

Officers recommend that the Committee:

- a) Agree the list of projects and the priority allocation.
- b) Authorise officers to identify any other projects and initiatives, especially those that other organisations will be leading on, that aim to generate an income and add them to the Plan.

- c) Recommend other sources of funding or resources that would assist with the delivery of the Business Development Plan.

## 1. Discussion

- 1.1. An investment strategy was commissioned in 2019 by Hampshire County Council and Surrey County Council in support of the Basingstoke Canal Authority. The aim of the strategy was primarily to identify projects and initiatives that would assist the Canal Authority in generating new income thereby reducing the reliance on the partnership funding, making the partnership more financially stable in the future as pressure grows on local authority budgets.
- 1.2. In compiling the Investment Strategy, a number of workshops were held with a range of stakeholders - this included neighbours, local businesses, voluntary groups and not least staff who have many years' experience of working on the Canal. This process showed that there was no single quick win scheme waiting to deliver a rapid return for the BCA but instead a range of more modest projects which may generate income. This generated a list of potential business and investment opportunities that would contribute to the running of the Canal and that might be supported or delivered through the planning system or by other organisations. The consultant analysed these and made some recommendations about which project should be prioritised.
- 1.3. This work was completed prior to the Covid 19 Pandemic. Changes to the pattern of use of the Canal and countryside sites in general as more people have stayed close to home during 2020 and seem set to do so during at least the early part of 2021 has suggested that some of the suggestions are re-ordered to take account of the upsurge of use.
- 1.4. **Appendix A** shows a draft Business Development Plan for the BCA – showing the list of projects which might be delivered within a 5-year time window of 2021-2025. The list does not currently include projects that might be delivered by partners such as the Basingstoke Canal Society, but before adoption it will be key to ensure that any such business development projects that support the business development of the Canal Partnership are included. It is essential that resources are not diverted onto projects that either do not fit the objective of the Canal owners or partnership, or do not deliver sufficient return given the limited property resources of the Canal.
- 1.5. This Business Development Plan also does not, nor is intended to, include the core business as usual activity of the Canal Authority in maintaining the waterway nor of the Canal owners' capital programmes for renewal of the built assets. These instead form part of the BCA's Operations Plan and Asset Management Plan.

## 2. Financial and value for money implications

Whilst the overall objective of the Business Development Plan is that the BCA generates more income to cover its operating costs, each of the development projects and initiatives identified will require a sound business case to demonstrate the value for money and return on investment.

## 3. Consultation

In the preparation of the Investment Strategy two workshops were held with stakeholders, staff, local authority partners, greenspace managers and planners and other partners. In addition, a short survey was sent to businesses along the Canal to test interest in being involved and develop ideas.

The findings from this consultation are included in the Investment Strategy that forms the basis of this report.

#### **4. Equalities & Diversity implications**

The aim of the Business Development Plan is to increase the financial sustainability of the Canal through the delivery of a range of projects and initiatives. Many are aimed at improving the customer/visitor experience or extending the current provision. Some of these will require further consultation and decisions regarding introducing new charges or charging structures if relevant.

#### **5. Crime & disorder implications**

There are no known crime and disorder implications to the proposed Business Development Plan; individual business cases will look at any crime & disorder issues.

#### **6. Conclusion and recommendation**

With increased stress on local authority resources it is important to ensure that the BCA can be more financially independent for the future. The Plan sets out to develop the canal, in the context of its vision, as a countryside attraction in a sensitive way building on its charm and unique character as a place of quiet enjoyment of the countryside. It is important to agree that all development opportunities on the canal estate are harnessed to ensure that they contribute directly to the operation of the canal and form part of the Plan.

Officers recommend that the Committee

- a) Agree the list of projects and the priority allocation.
- b) Authorise officers to identify any other projects and initiatives, especially those that other organisations will be leading on, that aim to generate an income and add them to the Plan.
- c) Recommend other sources of funding or resources that would assist with the delivery of the Business Development Plan.

#### **List of Appendices**

**Appendix A** - BCA Draft Business Development Plan 2021-2025

#### **Background Documents**

Basingstoke Canal Investment Strategy Phase 1 -Trilobyte Land Management Services

No	Action/Project	Description	Lead	Priority	Time Line	Outcome	Level of investment	Level of annual return	Comments
6	Campsite redevelopment	New facilities, hard standings, electric hook up and landscaping	BCA	Critical	2021- 2022	Increase income	£100k +	£31k - £100k	Awaiting decision on capital bids from both County Councils
1	Fleet Visitor Kiosk	New takeaway café and visitor facility	BCA	Important	2021- 2022	Increase income	£31k - £100k	£11k - £30k	Both Actions 1 & 2 would be delivered at the same time
2	Fleet Rowing Boat Hire	New rowing boat hire	BCA	Important	2021- 2022	Increase income	£11k - £30k	£11k - £30k	Both Actions 1 & 2 would be delivered at the same time
11	Winter short term moorings	Use of space at Canal Centre for winter mooring	BCA	Important	2021- 2022	Improves income	Under £10k	Under £10k	Add power to two moorings
16	Barley Mow Car Park refresh and pop-up facility	Refresh car parking design and include space for pop-up facilities	BCA	Important	2021- 2022	Improves visitor experience / increases income	Under £10k	Under £10k	In conjunction with #4, but 12 months earlier to take advantage of Covid "staycations"
9	Visitor signage	Visitor welcome and info signing	BCA	Desirable	2021- 2022	Improves visitor experience / promotes brand	£11k - £30k	Under £10k	BCS are leading on visitor info signs
12	New Houseboat moorings	Add moorings to existing	SCC	Desirable	2021- 2022				Will only add income if issues with SCC Corporate Landlord policy are resolved
3	Car Parking Charges (Scotland Bridge)	Car park refresh and introducing pay and display	BCA	Important	2022 - 2023	Increase income	£31k - £100k	£11k - £30k	
10	Dry Dock improvements	New cover, signage, handrails and electrical cabinet	BCA	Important	2022 - 2023	Improves visitor safety and promotes brand	£11k - £30k	Under £10k	
4	Car Parking Charges (Rural - Barley Mow, Colt Hill, Crookham, Coal Pens, L15)	Pay and display or pay by phone	BCA	Desirable	2022 - 2023	Increase income	£31k - £100k	£26k - £50k	
5	Car Parking Charges (Canal Centre)	ANPR?	BCA	Desirable	2024-2025	Increase income	£31k - £100k	£11k - £30k	
7	Canal Centre & café reprovision	New purpose-built visitor centre/café	BCA	Desirable	2024-2025	Increase income	£100k +	£31k - £100k	
8	Frimley Lock Cottage tearoom	Re-purpose cottage as visitor facilities and tearoom	BCA	Desirable	2024-2025	Increase income	£100k +	£11k - £30k	Will only add income if issues with SCC Corporate Landlord policy are resolved
14	Fleet Trip Boat	New passenger trip	BCA	Desirable	2024-2025		£31k - £100k	Under £10k	
17	Mytchett Lake	Acquire Lake from MoD then develop for canal water supply and residential boat use	SCC	Desirable	2024-2025	Improves canal availability, generates income	£100k +		Will only add income if issues with SCC Corporate Landlord policy are resolved
18	Ash Lock	Provide new offices for BCA and additional visitor info / facilities	HCC	Desirable	2024-2025	Improves visitor experience, removes functional element from Visitor Centre site			In conjunction with #7
13	Bike Hire								Towpath already has very high cycle use on narrow space. Pause pending review of access.
15	Refreshment Boat	Provision of floating refreshment facility				Improves income			Precise nature of offer to be firmed up. Franchise agreement with third party most likely. Pause unless third party steps forward.