

HAMPSHIRE COUNTY COUNCIL
Countryside Service Team

Officer Approval

Date considered:	31 August 2016	Item:
Title:	Basingstoke Canal Rapid Improvement Project: Bank protection works	
Directorate:	CCBS	
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1. Executive Summary

- 1.1. The purpose of this paper is to seek approval for expenditure for **bank protection projects** totalling £115,000 funded from the Basingstoke Canal Rapid Improvement Project capital budget.
- 1.2. This paper also seeks agreement for Surrey County Council [SCC] officers to assist in managing the projects on behalf of both owning authorities, and utilise the SCC Countryside Works Framework to procure the services of a suitable contractor.

2. Contextual information

- 2.1. In 2010 Hampshire County Council approved a budget of £780k for rapid improvements to the Basingstoke Canal which had been closed to navigation in parts because of lack of maintenance since summer 2008. A 3 year joint term contract was agreed with SCC (the other Canal owner), who had approved an identical budget.
- 2.2. In 2013 a further £2m budget was agreed by Hampshire County Council to continue the rapid improvement works; designed to improve the asset condition and thereby reduce corporate risks of the Canal breaching. SCC also agreed a 4 year £500k per year budget in its 2013 Medium Term Financial Plan to continue the works on the SCC half of the Canal.
- 2.3. Unfortunately, in March 2013, shortly before the reopening of the Canal to through navigation a large landslide occurred at Tundry Hill, Dogmersfield. Repairs to this complex situation are likely to exceed £750k plus engineering / legal costs absorbing nearly half of the HCC funding programme. This led to HCC and SCC deciding not to enter into a further joint term contract specifically for the Canal, but use individual existing contracts and frameworks to carryout their now different programmes independently.

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3. Issues / financial implications

Corporate risk

- 3.1. With the works to the Dogmersfield landslip and three high risk culverts prioritised (either carried out or programmed), it has become obvious that not all the works identified through the Canal's hierarchical inspection regime can be afforded under existing capital budget and thereby approach bringing the Canal's assets close to a "steady state".
- 3.2. Bank protection work, especially where the Canal is on raised embankment is seen as the next priority in the capital programme to reduce risk of an uncontrolled breach, and thereby reduce the corporate risk to HCC.
- 3.3. Bank protection work, is generally technically simple using standard designs, but is labour intensive and involves relatively large volumes of material and therefore ultimately quite costly.

Budget and spending approval

- 3.4. Rapid Improvement Programme project C60 covering repairs to Chorlton's Embankment (Asset ID: Embankment 22) at Winchfield to increase freeboard and replace towpath lost to erosion is estimated to cost £30k. This was a target site identified in the 2010 Principal Inspection of Canal Embankments by HCC Engineering Consultancy. This can be allocated from the 2016/17 capital budget.
- 3.5. Rapid Improvement Programme project C64 covers repairs of bank erosion identified during regular Length Inspections - the BCA have identified repairs to 2950m of towpath erosion, at current rates this estimated at £800k. Only a small proportion of this (£85k) can be allocated from the 2016/17 capital budget, a prioritised programme of these repairs has been prepared by the BCA. The remaining unfunded repairs will either be carried out by the BCA under their revenue maintenance budget over a period of several years, be the subject of a further capital bid, or third party funded (eg: donations in cash or kind from the Canal Society).
- 3.6. Approval is therefore sought for the expenditure of £115,000 from the existing Basingstoke Canal Rapid Improvement Project capital budget to undertake projects C60, and the highest priority sites identified within project C64.

Engineering costs

- 3.7. Surrey County Council are also engaged in the preparing a similar scheme of bank protection works during 2016/17 – their project C23. SCC's Countryside Service have employed a Basingstoke Canal Engineer directly on part time / zero hours contract to prepare designs, manage contracts and act as Principle Designer under the Construction Design Management Regulations 2015. The person employed was formerly the Service Manager allocated by SCC Engineering to manage the 2010-13 joint term contract; and therefore now has a number of years of familiarity in working on the Canal, as well as a

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varied civil engineering background.

- 3.8. Engineering costs are usually considered to be around 15% of a project; to date HCC Engineering Consultancy's fees have exceeded this, in some cases considerably, in the schemes they have managed for the Canal since 2013.
- 3.9. By sharing the SCC Canal Engineer for technical oversight of the contractor and acting as Principle Designer for these technically simple but high volume works the engineering costs can be reduced to approximately 2.5% of the scheme value – approximately £2,500. There is a clear economic case for utilising this resource, which is especially pertinent considering the lack of remaining funding.
- 3.10. Hampshire County Council is already engaged in an active partnership with SCC in managing the Canal. There is a precedent that both HCC and SCC employ staff who work on each other's Canal property.
- 3.11. HCC Engineering have already approved several standard designs for bank protection (e.g.: short sheet pile sections, soft bank protection details) for use in their own projects and those carried out by the BCA. HCC Engineers are content that no structural design process is required as these solutions are acting solely as water cut-off barriers and are not offering structural support to the Canal structures. Should any structural design be identified as being required at any specific site the SCC Canal Engineer would be instructed to gain approval from HCC Engineering colleagues before proceeding with that element of the scheme.
- 3.12. To ensure that all parties are clear of their responsibilities the [Basingstoke Canal - Bank Protection Works Protocol](#) has been prepared. This has been agreed with the SCC Canal Engineer and HCC Engineering.

Value for money

- 3.13. Surrey County Council's Countryside & Environmental Works Framework (Lot 1 – Countryside Works) 2016-20 extent includes works to any part of the Basingstoke Canal. It also includes a number of waterway specialist contractors, as well as general civil engineering firms who regularly work in the countryside environment. The SCC Framework allows a number of named authorities, including Hampshire County Council, to call off services under the Framework. There is no equivalent framework including waterway specialist contractors within HCC, a standalone tender would be required, or use a more generic contract and compromise on the contractor's familiarity with the environment.
- 3.14. Competitive pricing is ensured through the use of a call-off schedule of rates, or mini-competitions between contractors signed up to the framework. There would be a clear economy of scale in using one contractor to undertake the similar works in the Surrey and Hampshire sections of the Canal (e.g.: reduced set up costs, haulage of plant, etc).
- 3.15. There would be no procurement costs in using the existing SCC Framework – there is no fee charged by SCC for other authorities to use the framework due to its limited extent outside the geographic boundary of

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Surrey. The fact that HCC are a named party within the SCC Framework allows HCC to engage the contractors directly without having to transfer funds to SCC.

Equalities

- 3.16. There are considered to be no Equalities issues.
- 3.17. The works will improve availability to the Canal towpath, which is available to all free of charge, by restoring it close to the original width. It will also enable the BCA to undertake more regular vegetation management as it will be safe to use mechanised cutters on further areas of the towpath – this will improve countryside access for the less able.

Approaches considered and rejected

- 3.18. Not carryout the repairs – rejected as increases risk of Canal breach, which would be unacceptable from a corporate risk and public safety perspective.
- 3.19. The HCC/SCC Strategic Canal Manager acts as client and project manager for the works, and therefore has both Client and Principle Designer [PD] duties under CDM Regulations – rejected due to time resources for Strategic Manager, and no formal engineering training to adequately fulfil PD role.
- 3.20. Employ HCC Engineering Consultancy to let, supervise and manage the repair works and act as PD – rejected on grounds of cost and availability.
- 3.21. Not use SCC Countryside Works Framework – rejected, standalone contract required which would require lengthy procurement period due to value.

4. Timelines / next steps

- 4.1. Following approval of spend a mini-competition would be conducted by the SCC Canal Engineer and the Strategic Canal Manager to select a contractor available to carryout both the SCC and HCC package of bank protection works.
- 4.2. Works would commence in the early autumn 2016 depending on contractor availability.

5. Conclusion

- 5.1. Bank protection works are the next priority in moving the Canal's assets closer to a "steady state" and reducing the corporate risk to the owners. Not all works can be funded from the existing budget, and therefore the most cost effective means of delivering the works should be selected.

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6. Recommendations

- 6.1. Approval is therefore recommended for a scheme of works costing up to £115,000 from the existing Basingstoke Canal capital budget.
- 6.2. An economy of scale exists in using SCC's Engineer and their Countryside Works Contract. It is recommended HCC use the SCC dedicated Canal Engineer and call of the services available under the SCC Countryside Works Framework.

Approved by: -----	Date: 31 August 2016
John Tickle, Assistant Director of Culture & Recreation On behalf of the Director of Culture, Communities and Business Services	