

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member for Policy and Resources
<b>Date:</b>	14 April 2010
<b>Title:</b>	Planning for the Future of the Basingstoke Canal
<b>Reference:</b>	1476
<b>Report From:</b>	Director of Culture, Communities and Rural Affairs,

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#### 1. Executive Summary

1.1. The purpose of this report is to explain the current condition of that part of the Basingstoke Canal which is owned by Hampshire County Council. It seeks to acknowledge that, whilst the Canal is a tremendous asset, it also represents a significant risk for the County Council and is in need of capital investment. The report provides detailed information on the risk profile for the Canal, the results of the recent detailed condition survey, and need for urgent capital investment to address the repairs specified.

#### 2. Contextual Information

- 2.1. The Basingstoke Canal is a 32 mile long engineered structure, running from Greywell, Hampshire to Woodham, Surrey, where it joins the River Wey Navigation close to the M25. A map of the Canal is enclosed as Appendix 1.
- 2.2. The Canal was first built in the late 1700's and was operated as a commercial private concern until its decline into disuse in the 1960s. After a period of neglect, the Canal was restored from the early 1970's by the Surrey and Hampshire Canal Society. The restoration was a major achievement, due largely to the efforts of many volunteers. Following restoration, the Canal was purchased by Surrey and Hampshire County Councils, on 25 January 1980, and these Councils now own the stretches of the Canal within their respective counties. The Canal was re-opened for navigation in 1991.
- 2.3. Outdoor recreation and leisure are the foremost reasons why people value the Basingstoke Canal. In total, it is estimated that Canal receives over 1 million visitors each year (more detailed figures are provided in the attached

Appendix 2). It is one of the very few waterways in Hampshire where people can enjoy water based pursuits such as canoeing or exploring an area by narrow boat. The towpath is very well used by anglers, walkers and cyclists, providing a safe, off-road alternative for dog-walkers, runners and a route for people to get from 'A' to 'B'. There are a number of commercial enterprises which operate directly on, or from, the Canal, such as those offering boat trips, as well as many other local businesses which prosper as a result of the use of canal and the towpath.

- 2.4. The Basingstoke Canal, together with associated flashes and heathland, is nationally important for aquatic plants and invertebrates. It has an extremely diverse flora, containing approximately half (87) of Britain's native aquatic higher plant species, including 5 nationally scarce species, and is\* botanically the most species-rich aquatic system in England.
- 2.5. The Canal is managed on behalf of the two county councils by the Basingstoke Canal Authority (BCA). This is run as a local authority partnership through a formal Joint Management Committee (JMC), the details of which are given in section 3 below. The BCA's 16 staff, including a Canal Director, are employed by Hampshire County Council as part of HCC's Countryside Service. The Canal rangers undertake or oversee minor repairs and maintenance; provide 24/7 emergency cover; and support volunteer groups and waterway users. The remaining staff are employed at the Canal Centre at Mytchett, managing visitor services, income generation, events and support services.

### **3. Partnership Funding**

- 3.1. The total annual revenue expenditure for the Canal is £748k with an annual income of approximately £180k, derived mostly from wayleaves, boat licences, garden and gate licences and through visitor events and attractions. Staffing costs account for £516k of the expenditure.
- 3.2. The annual revenue costs associated with the Canal are funded principally by the two County Councils, each contributing £160k. The six riparian district councils, which, in Hampshire, are Hart and Rushmoor, together annually contribute approximately £250k through Service Level Agreements. For the year 2009/10 Hart DC contributed £66,773 and Rushmoor £44,244. The formally constituted Joint Management Committee (JMC) for the Canal includes elected members from these partner authorities.
- 3.3. Expenditure exceeds the budget. For the year 2009/10, this deficit was £25,698 and was mainly due to increased staff costs and emergency repairs. The effect on reserves has been to reduce the balance to just £33,620.
- 3.4. Over the years, the Canal has benefited from the work of local volunteers who help maintain its basic infrastructure. In particular, the Surrey and Hants Canal Society, an independent charity and campaign group, have contributed hugely towards the restoration and on-going maintenance. It is estimated that this time amounted to an equivalent contribution of £69,330 for last financial year.

- 3.5. There are some opportunities for generating greater income from the Canal's assets. Some of these will be dependent upon people having the confidence that the Canal is in good condition. The Canal Visitor Centre and adjacent campsite, (owned by Surrey County Council), can, with improvements, be attractive facilities and a means of generating further income. Opportunities to derive Developer Contributions through the planning process are another, albeit, limited, source of funding. In addition, a review of the staffing and risk management regime of the Canal is currently underway with the aim of providing greater flexibility for the use of revenue funding.
- 3.6. Alternative ways of managing and financing the Canal in the longer term are actively been considered and are described in the 'Next Steps' below.

#### **4. Legal Implications**

- 4.1. As owner of the Hampshire section, the County Council has a duty to keep the Canal in reasonable repair. This is as provided by the Basingstoke Canal Act 1778 and by case law. The leading case of Rylands v Fletcher (although concerning a reservoir) imposed strict liability on the owner of land for damage caused by the escape of any non-natural matter held on the land. Counsel's Opinion obtained in the past has expressly stated that the collection of water in the Canal is such a non-natural user and it is for the Canal owner to prevent the escape of water, whether the escape may be by means of seepage or a more serious breach. It follows that the County Council, as owner of the Hampshire section, would be likely to be held liable for damage caused as a result of the escape of water from the Hampshire section of the Canal and would be faced with claims for compensation should this occur.
- 4.2. The Canal is designated a Site of Special Scientific Interest. As such Section 28G of the Wildlife and Countryside Act (as amended by the Countryside and Rights of Way Act), is particularly relevant as it imposed a new duty on public authorities to take reasonable steps, consistent with the proper exercise of their functions, to further the conservation and enhancement of SSSIs.

#### **5. The Canal as a Watercourse**

- 5.1. The Canal also plays a crucial role towards flood alleviation in the area by providing a safe, controlled waterflow and drainage facility through major built-up areas along its course. This function has to be carefully controlled by staff and a "24/7" emergency procedure is in place for risk management purposes. The canal is spring fed and intimately tied into the local drainage system.
- 5.2. The whole length of the Canal is designated as a SSSI with a wider variety of aquatic plants than any other waterbody in the country. The County Council has a statutory duty of care in relation to this designation and seeks to adopt sensitive and integrated management practices in response to it.

- 5.3. It has become increasingly evident that the condition of the Canal is in decline to the extent that it is undermining its use and function as a waterway.

## **6. Condition Survey Results and Financial Implications**

- 6.1. In response to this deterioration, the two County Councils have commissioned survey work to address the condition of the Canal's locks and embankments. (An extract from the survey report describing the aims and the overall conclusion of the survey is enclosed as appendix 5.)
- 6.2. All but one of the locks are along the Surrey section of the Canal and therefore fall within the remit of Surrey County Council. Many of the issues relating to the condition of the embankments are, however, on the Hampshire section and are therefore the responsibility of Hampshire County Council. It is important to recognise that the canal runs at height on embankments in major areas or population such as Fleet. At the time of construction there would have been little or no development in such areas but now many hundreds of properties run right up to the toe of these embankments.
- 6.3. The survey of these earth bank structures was commissioned by HCC Engineering Consultancy and has been undertaken by the environmental consultants White Young and Green. The results of the survey have recently been presented to the HCC Engineering Consultancy and, with the advice of the Consultancy, estimated costings have been assigned to the works necessary to tackle the most immediate risks. An Asset Management Plan is being prepared for the whole length of the Canal, although the works programme content of the Plan will, of course, be dependent upon the level of investment available for the overall Canal infrastructure. The recommended measures for the Hampshire section are set out in Appendix 3 of this report.
- 6.4. A report on the Asset Management Plan is due to be presented to the Basingstoke Canal Joint Management Committee on 25<sup>th</sup> June 2010. As a consequence of these survey findings and recommendations, Surrey County Council have allocated £899k over three years to attend to the issues identified on the Surrey section, with work commencing in April 2010.
- 6.5. The embankment survey identifies 10 particularly weak areas along the embankments where an investment of capital is necessary to ensure the safe operation of the Hampshire section of the Canal. The County Council's Engineering Consultancy has estimated the total cost for this, and other essential work, including the associated fees, at approximately £870,000 over three years. Further detailed work will be required prior to identifying the full extent and costing of individual contracts within the programme. The immediate risks are highlighted in the table at Appendix 4. The total proposed costs of attending to these immediate risks within the first year is £383k with the remaining work being undertaken in years 2 and 3.
- 6.6. When considering the investment committed by Surrey County Council, and the scale of the investment required within Hampshire, there may be scope

to consider a joint procurement option for the whole programme. While the more immediate repairs are currently underway, urgent discussions will take place with Surrey County Council to investigate the potential for such an approach. Every effort will be taken to secure the best value possible in terms of works commissioned.

- 6.7. Beyond attending to the immediate risks, an annual repair and replacement programme would be required to fund a regular programme of maintenance works.

## **7. Risk**

- 7.1. Using the agreed corporate methodology the Basingstoke Canal is rated as the highest operational risk within the Culture Communities and Rural Affairs Department. Although the methodology has not changed, over the last couple of years the way strategic risks are reported has changed. Corporate risks are now categorised as those areas of activity that cut across all departments, rather than those risks whose outcome score, in both impact and likelihood are ranked the highest. Under previous reporting the Basingstoke Canal was ranked as the highest corporate strategic risk for the County Council.
- 7.2. Due to the impact that a failure of the structure could have upon the adjacent area, the risk for the Basingstoke Canal has always been in the 'red' zone, however, this year the likelihood part of the scoring methodology has also increased into the red zone. This is mainly due to the findings of the recent surveys which identified locations where the embankments are weak and that existing controls, that had previously thought to mitigate the impacts, were no longer robust enough to remain in the amber or "high" risk category. Control measures are in place to mitigate the risk but it still remains high and any significant delay of key works is likely to heighten the risk. The specific levels of risk for each location, based upon the condition survey information presented by the consultants, are listed in appendix 4.
- 7.3. In 2006, a culvert running under the canal near Dogmersfield collapsed causing a significant breach and loss of water from the Canal. In this case, the water loss was noticed early and the response was quick and effective, preventing a significant flood event.
- 7.4. The condition of the Canal continues to be a concern for members of the Joint Management Committee. The need for capital investment in the Canal has also been raised in feedback received from users.

## **8. The West Hart Embankment – February/March 2010.**

- 8.1. In August 2009 the condition survey of the canal embankments highlighted the particularly "High" risk associated with the West Hart Embankment near Crookham. Specialist geotechnical surveys were employed in September to ascertain the precise cause of the problem and to recommend a solution. A solution was agreed and was due to be undertaken, commencing with a short-term measure in March 2010. The planned work would have reduced the flood risk through the installation of an over-sized High Density

Polyethylene (HDPE) cover at the weak area. This work was superseded due to the extreme weather which was forecast for the last weekend in February 2010.

- 8.2. Urgent emergency action was required by staff from across the County Council due to the poor condition of the bank coupled with this forecast of extreme weather. This resulted in urgent precautionary measures being deployed with support from the County's Emergency Planning Unit. In this instance, whilst measures were quickly and successfully taken to contain the risk, over 150 householders were warned that their properties were at risk from flooding.
- 8.3. Immediate action is being taken to commission the necessary permanent repair to this section of the Canal.
- 8.4. The installation of 'stop' gates, as proposed in the three year capital works programme (shown in Appendix 3), would reduce such flood risks by closing off the affected section and thereby limiting the water loss to the section of the Canal between the sets of gates.

## **9. Timelines / Next Steps**

- 9.1. The risk is being monitored, assessed and controlled in line with corporate policy and will continue in line with the condition survey findings. However the conditions survey clearly highlights the need for immediate action and recent events have highlighted that requirement.
- 9.2. A full review has been undertaken of the future management options for the Canal, including Trust status. Further work will be undertaken during 2010/11 exploring the possibility of Trust status. However, all options are predicated by the need to provide a sound basic infrastructure and a secure financial footing. It is also improbable that any Trust could secure insurance against the risks associated with this undertaking. Within this context, responsibility for the fundamental infrastructure of the canal will remain with the two County Councils.
- 9.3. In looking at the options for the future of the Canal, the implications of closure or partial closure of the Canal have been considered. Such action would not relieve the County Council of its legal obligations towards maintaining the Canal's infrastructure, including the embankments, and the Canal would have to continue its role as an established part of the local drainage system for the safe, controlled flow of water. Closing the Canal to boating would also mean the loss of the intrinsic value and appeal it has to the local community. Such action is also likely to be subject to legal challenge by both local and national campaign groups. Added to this, there would be a clear risk to the reputation of the County Council given, over the last 30 years, the huge investment of time, money and volunteer effort by the local community to restore and maintain the Canal. The potential savings associated with such action are questionable and are likely to be more than off-set by the impacts outlined.
- 9.4. In order to oversee and manage a major programme of works a cross-departmental Project Team would be established. This Group would act as

the client group to oversee the detailed allocation of the expenditure and the commissioning and management of works in accordance with an agreed plan. Both the Directors of Environment and Property, Business and Regulatory Services have indicated their support for this approach. The programme of work would, wherever possible, be managed as a partnership with Surrey County Council in order to maximise the benefits to be gained through joint procurement, joint project management and the sharing of staff expertise. A letter seeking active joint support for this approach has been sent to the Chief Executive of Surrey County Council

- 9.5. Letters have also been sent to the Chief Executives of the riparian District Councils in Hampshire setting out the current position, including the background to the condition surveys and the main issues identified. The letter seeks the active support of each district towards the important issues highlighted by the Condition Survey through their contribution to the Canal partnership.
- 9.6. The Joint Management Committee for the Canal last met on 19 February 2010. Much of the focus of the meeting was upon the response of the two landowning Councils to the outcome and recommendations of the condition surveys that have been undertaken. The Canal's commercial operators and user representatives are becoming increasingly concerned about the commitment of the Councils to the future of the Canal and this was a clear line of questioning at this public meeting. The Canal Director and his team are being put under considerable pressure, as are the Counties, to identify the necessary resources to keep the Canal open and to sustain its safe operation.

## **10. Conclusion**

- 10.1. The Basingstoke Canal provides both a major asset in terms of public access and quality of life and a significant liability in terms of its position as one of the Council's biggest risks. Since its purchase in 1980, and during subsequent phases of restoration, there has been limited capital investment in what is a major civil engineering structure. Extensive and professionally led condition survey investigations, undertaken jointly by both County Councils, have clearly demonstrated the current level of risk posed by the condition of the canal. This has highlighted the need for a programme of prioritised capital investment to secure the structure in a safe and sustainable state for the future.

## **11. Recommendations**

That the Executive Member:

- (a) considers the implications and risks highlighted in this report and in particular as they relate to the completed condition survey and recent events at the West Hart embankment.
- (b) agrees allocations to a three year funding programme of £383k for 2010/11, £339k for 2011/12 and £150k for 2012/13 in response to the

condition survey undertaken, with the source of the funding to be determined when the capital programme is next reviewed.

- (c) fully endorses efforts to develop of joint working and procurement with Surrey County Council on the basis of a formally agreed joint commitment to the funding and implementation of a three year programme of priority works.
- (d) agrees to an on-going annual repair and replacement programme for the Basingstoke Canal in support of the Asset Management Plan developed from the condition surveys.
- (e) fully endorses efforts through the Canal Partnership to maximise support for the sustainable management and future of the canal;

**CORPORATE OR LEGAL INFORMATION:**

**Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	yes
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	yes
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	yes
Corporate Improvement plan link number (if appropriate):	

<b>Section 100 D - Local Government Act 1972 - background documents</b>	
<p>The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)</p>	
<u>Document</u>	<u>Location</u>
None	

**IMPACT ASSESSMENTS:**

**1. Equalities Impact Assessment:**

1.1. No impact

**2. Impact on Crime and Disorder:**

2.1. No impact.

**3. Climate Change:**

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

No impact

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

These works contribute to a maintenance and management regime compiled in response to the need to alleviate flood risk and manage local drainage effectively.