

ECONOMY PDG

14TH MARCH 2019

REPORT OF THE HEAD OF PLANNING, ECONOMY AND REGENERATION

GRAND WESTERN CANAL AND DEVON AND EXETER RAIL PROJECT

Cabinet Member(s): Cllr Richard Chesterton

Responsible Officer: Jenny Clifford, Head of Planning, Economy and Regeneration

Reason for Report: To report to members on funding provided to two grant aided bodies under the Economy PDG.

RECOMMENDATION:

- a) That the contribution to the Devon and Exeter Rail Project be reviewed following formation of a new Rail Forum.
- b) That the Council continues to offer an annual grant of £45,000 for 2019/20 to the Grand Western Canal to support its maintenance.
- c) That an assessment be undertaken, in liaison with Devon County Council, prior to the financial year 2020/21 to inform decision making with regard to the level of future grant support for the Canal.

Financial Implications: The Council contributes £45,000 annually to the Grand Western Canal and £3,500 to the Exe Rail Project. Neither of these grants is subject to a formal funding agreement.

Legal Implications: Closer monitoring will give the Council better understanding of the Canal's financial situation and allow for periodic reviews of the level of grant funding.

Risk Assessment: By introducing more stringent monitoring the Council will be better aware of the budgetary pressures on the canal, allow it understand how the previous year's grant has been used, and help future budget setting.

Equality Impact Assessment: None anticipated.

Relationship to Corporate Plan: The activities of the Grand Western Canal and Devon and Exeter Rail Project support the Council's corporate objectives for the Economy, in particular 'Growing the tourism sector' and for the Environment, in particular 'Protecting the natural environment'.

1.0 Introduction/Background

1.1 This report summaries the position in relation to grant contributions to two external bodies, the Grand Western Canal and the Devon and Exeter Rail Partnership Working Group. These are aligned to the Economic priorities of the Council's Corporate Plan.

2.0 **Grand Western Canal**

- 2.1 The Grand Western Canal is owned and managed as a Country Park and County Wildlife Site by Devon County Council, in partnership with Mid Devon District Council. Since its acquisition in 1971, management costs for the canal have been covered jointly by Devon County Council and Mid Devon District Council (and its antecedents). Although this is a long established relationship, there does not seem to be any formal written agreement that governs this arrangement. The County Council employs a Canal Manager and two Rangers who manage and maintain the Canal and Country Park. They are supported by a band of willing volunteers who support the rangers from time to time with a variety of maintenance projects.
- 2.2 Mid Devon District Council currently provides £45k as an annual grant towards the running of the canal, representing 25% of the annual revenue budget, which currently stands at £180k. The District Council contribution has reduced from £54,700 to £45,000 since 2011. The County Council contribution is currently £76,000. The remainder is raised through income from parking, letting premises and sale of fishing and boating permits. The earned income has increased markedly over the last decade.
- 2.3 In addition to the revenue funding for core staff, routine maintenance and small scale improvements, the canal requires considerable capital investment to maintain its proper functioning, to maintain historic structures, and to add to the visitor experience. These capital costs are covered 'ad hoc' by a mixture of external grants, Devon County Council and contributions from various other partners. Between 2002 and 2008, most of the Canal was dredged at a cost of £624K (with £354k from DCC, £150k from MDDC and £103k from the EU's Interreg III programme and £17k from other sources). Between 2009 and 2013 all of the Canal's culverts were inspected, cleaned and repaired at a cost of £330k. The 2012 breach in the canal at the Swing Embankment, Halberton required over £3 million to restore the embankment and repair the breach which was funded through Devon County Council sources. In 2012 a new Canal Visitor Centre was completed at a cost of £246k from the Investing in Devon Fund. In 2013 a new silt trap and reed bed system was constructed near Burlescombe, at a cost of £341k. During 2017-18 a new play area has been constructed (£50,000) with major works on the retaining wall (£244k).
- 2.4 The Canal has a Joint Advisory Committee (JAC) with representatives from a wide range of user groups, canal-related businesses, and county, district, town and parish councils. The group meets 3 times per year and is chaired alternately by DCC and MDDC members. The current chairman is Cllr Colin Slade. The committee functions as a highly effective forum for discussing canal and countryside issues and advising DCC on its management of the canal. The JAC receives regular six-monthly reports on progress with the canal.
- 2.5 The Grand Western Canal Management Plan 2009-2014 (which is available at <https://new.devon.gov.uk/grandwesterncanal/management>) is currently being revised, and the JAC will be receiving a draft for their comment prior to their meeting in October.

- 2.6 The Canal provides an important economic, leisure and environmental asset for the District. In 2012 it was estimated that there were 6 businesses directly linked to the canal and a further 25 benefiting from their proximity to the canal creating between 60 and 120 full time equivalent jobs. It is an important visitor attraction with over 250,000 visitors annually, as well as providing an important leisure facility for local residents, who use the canal for walking, running, cycling, fishing and boating. It is also an important nature reserve and wildlife corridor.

	16-17	17-18	18-19 (provisional)
Total number of visitors	208,452	214,088	215,000
Total number of canal based businesses supported	6	6	6
Total number of school children visiting as part of arranged school visits.	273	80	300
Total number of volunteering hours provided (excluding the Friends of the Grand Western Canal).	4,016	3,176	3,400

- 2.7 Although there is a long-standing arrangement to support the running of the canal through an annual grant, the relationship is not formalised into a funding agreement. Reporting and monitoring is largely achieved through the Joint Advisory Committee, but this does not provide sufficient information to inform the Council's decision making with regard to the level of future grant support funding. Going forward, and in liaison with Devon County Council, the Council will ask for an annual report prior to budget setting process detailing progress on the previous year's objectives, current financial position and projected budget for the coming year. This will allow the Council to monitor the Canal's financial situation and allow for a periodic review of the level of grant.

3.0 Devon & Exeter Rail Project Working Group (Exe Rail Project)

- 3.1 The Devon & Exeter Rail Project Working Party (formerly the Exe Rail Project), has met twice a year to discuss issues relating to railway provision in Devon, and in particular the rail services that run in and out of Exeter. Up until recently the working group has been part of the County Council's formal committee structure, to which District Councillors from the relevant authorities have been invited. Cllrs Bob Deed, and Terry Snow currently represent Mid Devon District Council at these meetings.
- 3.2 Following changes to personnel, Devon County Council has decided it can no longer administer the group and at their last meeting in July 2018¹ it was decided to change the working group into a forum aligned to the Devon and Cornwall Rail Partnership with wider community involvement. The last formal meeting of the working group was on 18th January 2019.

¹ <https://democracy.devon.gov.uk/ieListDocuments.aspx?CId=181&MId=3105&Ver=4>

3.3 The Devon and Cornwall Rail Partnership² is one of a number of Community Rail Partnerships across the country, working for the interest of the rail network throughout Devon and Cornwall. Its stated aims are to

- Promoting the area's branch lines
- Engaging the community
- Supporting economic growth
- Helping deliver improvements
- Working in partnership.

The Devon and Cornwall Rail Partnership has been very successful in promoting the use of branch lines and the number passenger journeys on the Tarka Line have more than doubled since 2001.

3.4 The District Council has been contributing £3,500 annually to the Devon and Exeter Rail Project for a number of years. With the change of structure in the New Year, it seems appropriate to review the current arrangements and contributions for 2019-20 following the setting up of the new forum. A report will be brought to a further meeting of the Economy PDG for consideration, once the new forum is established.

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Circulation of the Report: Cllr Richard Chesterton, Leadership Team.

List of Background Papers:

² <http://www.dcrp.org.uk/our-work/working-in-partnership/>.