
REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	11 OCTOBER, 2001	CATEGORY: DELEGATED
REPORT FROM:	CHIEF EXECUTIVE DEPUTY CHIEF EXECUTIVE	OPEN PARAGRAPH NO:
MEMBERS' CONTACT POINT:	RICHARD GROVES (EXT. 5738) DAVID SOANES (EXT. 5714)	DOC: (c:\myfiles\richard\committees\F&M1\doc)
SUBJECT:	DERBY AND SANDIACRE CANAL RESTORATION PROPOSAL	REF:
WARD(S) AFFECTED:	ASTON	TERMS OF REFERENCE: DS11

1.0 Recommendations

1.0 Members views are requested, bearing in mind that no budgetary provision has been made for this purpose and that there will be an opportunity cost for any contribution agreed.

2.0 Purpose of Report

2.1 To obtain a member resolution with regard to the further funding of the Derby and Sandiacre Canal Project Officer post.

3.0 Detail

3.1 Members may recall that this matter was previously considered at Urgency Sub Committee on 19 June 2000 (minute US/13 refers). The Canal Trust requested assistance from this authority, Derbyshire County Council, Derby City Council and Erewash Borough Council toward the cost of employing a Project Officer for the year 2000/01 to be responsible for the administration of the canal restoration scheme.

3.2 Erewash Borough Council was requested to provide office accommodation, telephones and some consumables for use by the Project Officer, whilst the other authorities were to share the cost of the salary by each contributing £5,500. Members resolved to make a contribution of £1000 from the Community Partnerships Fund and to review the matter in 2001/02 in the context of the Council's financial situation. A further contribution of £4500 was made towards the end of the financial year, taken from the Economic Development budget, although no specific allocation had been made for this. Derby City Council and Derbyshire County Council also provided funding in the amount requested.

3.3 The four local authorities are now being requested to support the Project Officer post for the current financial year. Erewash Borough Council has continued to provide an office and related facilities, Derbyshire County Council has contributed £4625 and Derby City Council has made budgetary provision for a contribution of £4000.

- 3.4 At the request of the local authorities, the Canal Trust earlier this year presented a Business Plan intended to demonstrate the practical feasibility of the scheme. However, the Chief Executive of Derby City Council has since expressed serious concern that the question of capital funding for the project, now costed at approximately £40 million, has not been properly addressed. In response, the Canal Trust has commissioned the preparation of a funding report by the Waterways Trust, although this has not yet been made available to the local authorities.

4.0 Financial Implications

- 4.1 The Planning Service has never held a budget for this type of project and the Economic Development budget has made no provision for an on going contribution.

5.0 Corporate Implications

- 5.1 Implementation of the Canal restoration proposal has implications for the Economic Development and Leisure divisions of the Council in terms of benefits, and for the Planning Division in terms of controlling the use and development of land.
- 5.2 Recreation and Tourism Policy 7 of the South Derbyshire Local Plan protects disused canals from development which is likely to impair their continuity or restoration. This policy can be carried forward in the Local Plan review.

6.0 Community Implications

- 6.1 The restored canal will link with the Trent and Mersey Canal and the Erewash Canal forming a "cruising ring" thus creating benefits along established stretches of waterway including the section of the Trent and Mersey Canal which lies within South Derbyshire to the east of Swarkestone. Estimates of the benefits of restoration were published in a report in 1996, although these were in the form of totals for the entire length of canal and surrounding areas. It is anticipated that economic, environmental and recreational benefits will accrue to South Derbyshire, but these are difficult to quantify.
- 6.2 The majority of the route of the former canal lies within Derby City and Erewash, whilst those sections that lie outside the City also fall within the jurisdiction of Derbyshire County Council. In total, less than 1km of the 23km length of canal to be restored lies within South Derbyshire.

7.0 Conclusions

- 7.1 At this point it is anticipated that a contribution of at least £4000 is being requested by the Canal Trust. In light of the above, Members may feel that a more proportionate contribution in the order of £1000 is appropriate, but should bear in mind that there is no budget for this purpose and that there will be an opportunity cost for any contribution agreed. Current activities that would need to be curtailed in order to fund this project could include tourism advertising, contributions to organisations such as the proposed South Derbyshire credit union and inward investment advertising.

7.2 It should be borne in mind that further requests for the funding of the Project Officer post are likely to be submitted in coming years. Members may therefore wish to make clear that consideration of any future contributions must be dependent upon the presentation of viable proposals for the funding of the restoration scheme and that any such provision should be made in the context of the Council's annual budget review.

8.0 Background Papers

"Derby Canal Restoration Scheme –
Business Plan and Economic Benefits"

Derby and Sandiacre
Canal Trust 2001

"Benefits of Restoration Report"

Derby and Sandiacre
Canal Trust 1996

