
10.0 POST RESTORATION EXPENDITURE AND REVENUE

10.1 Canal Authority

It would appear most appropriate that a single organisation should be appointed to take responsibility for the operation and maintenance for the whole of the restored canal. It is likely that British Waterways, for example, would be interested in taking on the management role of the "canal authority". Other possibilities might be a joint committee of the three local authorities concerned, a joint venture between the local authorities and a commercial organisation, a charitable trust incorporating the voluntary sector, the Environment Agency (formerly the National Rivers Authority), the Bridgewater Canal Department of the Manchester Ship Canal Company or the Sankey Valley Initiative.

The degree to which individual external organisations would be interested in becoming the canal authority is likely to be determined by the extent to which additional benefits, such as cost savings or development opportunities, might accrue to their own organisation.

Whatever structure is adopted, the canal authority would be concerned over the balance between expenditure and revenue.

10.2 Expenditure

The main heads of expenditure would be:

- water supply
- maintenance
- operation

10.2.1 Water Supply

Under current legislation, The Water Resources Act, existing abstractors of water do not require consents for the purpose of maintaining navigation.

It is our understanding that no right of navigation presently exists for the St Helens Canal and that a Parliamentary Act would be required to restore this right. Many canals currently in use do not have a right of navigation and it should be recognised that this is not an essential prerequisite for the canal to be used by boats. Unless prior agreement on the matter of water abstraction for the canal were to be agreed

with the Environment Agency in advance of an application for the restoration of navigation rights, it would be likely that the Agency would oppose the application.

These matters require to be legally resolved and negotiations with the statutory bodies would be necessary.

It is our understanding that water supplies from the prime canal sources ie. Windle Brook and Black Brook would be supplied in a similar manner to the existing arrangements, which rely to some degree of cooperation with Pilkingtons and British Waterways respectively.

With respect to the release of water from Carr Mill Dam a charge could be levied by British Waterways, which would cover their annual costs at this asset. This could be expressed in terms of £/Ml of water released to the canal but British Waterways were unable to provide an indication of the scale of their likely charges and, hence, no specific water supply costs have been included in the annual expenditure budgets.

We assume that it would be British Waterway's preference to include a proportion of these costs within an overall management contract for the operation of the canal.

It has been demonstrated that, during prolonged periods of dry weather, the lower pound between Widnes and Bewsey Lock will require additional water supplies to make up for lockage and other losses. It is proposed that this additional water be obtained by direct abstraction from the River Mersey. The extent to which pumping may be required is almost totally dependent on weather conditions.

In years with average weather conditions it is unlikely that these pumps would need to operate and, therefore, no estimate of average pumping costs have been included in the annual expenditure. Unless the canal authority were to maintain a contingency fund for such occasional pumping operations, it would be necessary to place restrictions on the use of the lower pound and the river entrance locks.

As the securing of water supplies would require detailed negotiations between various interested parties, it is premature, at this stage, to attempt to put a cost to the provision of future water supplies to the restored canal.

10.2.2 Maintenance

It is anticipated that routine maintenance of the canal track, waterway and associated structures could be undertaken by a two-man mobile gang, supplemented occasionally

by assistance from contractors. On this basis, the annual maintenance cost of the restored canal has been estimated at £115,000 pa.

Additional maintenance costs may be incurred where bridges carrying public highways or railway lines have been altered to facilitate navigation. Usual practice by Highway Authorities would be to require a developer to pay a commuted sum to cover the additional costs of maintenance over a twenty year period. In the case of the canal, all the new crossings are proposed to be constructed using box culverts, which have low maintenance requirements and, with two exceptions, they are all replacements for existing structures. The additional maintenance costs are, therefore, likely to be marginal. The two exceptions, the crossings at Park Road and Boardmans Lane, are both within the area of St Helens MBC, which is also the highway authority and it is possible that by 1998 all three local authorities promoting the canal restoration will be responsible for the highways in their area. In these circumstances we consider it unlikely that full commuted sums would be required in respect of the replacement or new crossings and for the purposes of this feasibility study such costs have been excluded.

10.2.3 Operation

Operating costs will be incurred through the management and supervision of the canal as a navigable waterway, covering a range of activities:

- direct operation of locks. Whilst it is expected that all locks, with the exception of the river entrance locks, will normally be operated by boat users, there will be occasions, particularly in periods of drought, when direct operation or supervision of certain locks will be required to minimise water losses. This is likely to occur at New Double Lock and Park Road Lock, in addition to Ferry Lock and Widnes Lock.
- direct operation of moveable bridges. Similarly, it is expected that most moveable bridges will normally be operated by boat users. However, it is considered that this form of operation would not be appropriate for Liverpool Road Swing Bridge. This bridge is likely to be the subject of extensive discussions with the highway authority, currently Cheshire County Council, not least on the mode of operation. It appears reasonable to assume, at this feasibility study stage, that a full time operator will be required for this bridge. The operator need not be based permanently at the bridge but could operate on the basis of a call-up or booking system at quiet periods.

- monitoring of the back-pumping installation at Widnes Lock and of any temporary installations at other locks and the payment of electricity charges.
- supervising the closure of the canal when flood flows are such that navigation would be hazardous in sections of "main river" ie Rainford Brook or where the canal carries flood relief flows ie in the Hulme Lock/Bewsey Lock area.
- monitoring the use of the canal generally with particular reference to the safety of boaters, other canal users and the general public in specific areas such as moveable bridges, locks and tunnels.

On the assumption that boating activity would be confined to the normal hours of daylight, it is suggested that allowance should be made for two full time employees to supervise operation of the canal. When boating is at a low level or out of season these operatives could assist with maintenance work.

10.2.4 Annual Expenditure

On the basis of the above assumptions, the annual expenditure is estimated to be:

Water Supply (see text)	
Maintenance	115,000
Operation	<u>65,000</u>
Total	<u>£180,000</u> plus pa

10.3 Revenue

The main sources of revenue available to the canal authority are likely to be:

- Boat Licences
- Mooring Fees
- Angling Licences
- Income from Property
- Revenue from the existing marinas

10.3.1 Boat Licences

A typical licence for private boats based on the canals and rivers operated by British Waterways costs in the order of £320 per annum and this gives access to the national network. If the St Helens Canal were to be operated independently, the canal

authority would not be able to charge at anything approaching this level because of the limited cruising length available on the canal itself and the fact that boats would still require a British Waterways licence to travel elsewhere on the national system.

It is estimated that, after restoration, the St Helens Canal would attract an additional fifty private boats to be based on the canal. With a licence costing, say £150 per annum this would provide an income of some £7,500 pa to the canal authority.

Annual licences for hire boats and trip boats based on the canal and short term licences for visiting craft could add a further £5,000 pa.

It might be possible to negotiate reciprocal arrangements with British Waterways and Manchester Ship Canal Company for limited access to their waterways for boats based on the St Helens Canal. This would enable the annual licence for private boats to be set at a higher level but, most probably, would eliminate any income from visiting boats.

10.3.2 Mooring Fees

Typical charges for private boat moorings are 30p/ft/week. By providing suitable mooring facilities for the fifty additional boats anticipated as being attracted to the canal, the canal authority could expect an income in the order of £30,000 pa, assuming an average boat length of 38/40 ft.

10.3.3 Angling Licences

With the length of canal "in-water" being more than doubled and the water depth in existing sections being increased, the canal will become much more attractive to anglers.

If, say a total of 2500 anglers take out annual licences at £10 p.a. and visit ten times per year and a further 5,000 day licences at £2 are issued each year, the annual income from angling licences would be in the order of £35,000.

10.3.4 Income from Property

It is difficult to assess at this stage what the canal authority might earn from canal side property in its ownership but, for example, the rent for a boat yard/hire boat base might produce £5,000 pa income. It is likely that, to get such a venture

established, it would be necessary to offer a very low start-up rent or even a rent-free period.

10.3.5 Revenue from Existing Marinas

Restoration of the canal will provide increased flexibility of access between canal and estuary and other improved facilities for boating. The revenues from the existing marinas at Spike Island and Fiddler's Ferry are, therefore, likely to be enhanced through increased numbers of vessels and increased scale of charges.

With the canal operated as an entity, these revenues would accrue to the canal authority and it has been estimated by the local authorities that the combined income has the potential to reach £20,000 pa or more.

10.3.6 Annual Income

On the basis of the above assumptions the annual income is estimated to be:

	£	
Boat Licences	12,500	
Mooring Fees	30,000	
Angling Licences	35,000	
Income from Property	5,000	
Revenue from Marinas	<u>20,000</u>	
Total	£102,500	p.a

10.4 Balance of Expenditure and Revenue

It can be seen that there is likely to be a substantial deficit with expenditure exceeding revenue.

It may be possible to boost revenue above the levels suggested but it is probably sensible not to adopt an overly optimistic approach at this stage.

It would be possible to reduce expenditure by, for example, using the Sankey Valley Ranger service to undertake some of the routine operation and maintenance of the canal and by use of the voluntary sector to assist.

If it is decided to use an external organisation, such as British Waterways, to act as the canal authority it would be necessary to clearly define the respective responsibilities for operation and maintenance costs.

It may be a requirement of some funding agencies that the local authorities guarantee a minimum funding level to cover operation and maintenance costs.