

CABINET

23 OCTOBER 2013

HOCKLEY VIADUCT – LONG TERM FUTURE

REPORT OF HEAD OF MAJOR PROJECTS

Contact Officer: Andy Hickman tel: 01962 848105

RECENT REFERENCES:

CAB1509 Hockley Viaduct - 19 September 2007.

CAB2167 National Cycle Network Route 23 and the Hockley Viaduct - 6 July 2011

CAB2241 National Cycle Network Route 23 and the Hockley Viaduct Progress report - 9 November 2011

CAB 2311 National Cycle Network Route 23 and the Hockley Viaduct Progress report and approval of tenders – 11 April 2012

CAB 2364 National Cycle Network Route 23 and the Hockley Viaduct Progress report and approval of tenders – 4 July 2012

EXECUTIVE SUMMARY:

This report proposes that a long term Lease be entered into between the City Council and Sustrans for the Hockley Viaduct. This will ensure that the Viaduct is inspected, maintained and repaired as required for a period of 40 years.

This is the last part of a long term project carried out in partnership with Sustrans and others, including Hampshire County Council, to repair the Viaduct and incorporate it into the National Cycling Network.

RECOMMENDATIONS:

1. That the Heads of Estates and Legal Services be authorised to finalise and enter into a Lease of Hockley Viaduct arrangement, as set out in this report.
2. That the capital programme be reduced by £83,000, in order to enable the General Fund revenue budget to be increased by £83,000 to £120,000 as part of the proposed revised budget 2013/14 within CAB2523. The source of funding will remain unchanged.

## CABINET

23 October 2013

### HOCKLEY VIADUCT – LONG TERM FUTURE

#### REPORT OF HEAD OF MAJOR PROJECTS

##### DETAIL:

#### 1 Introduction

1.1 On 6 July 2011, Cabinet confirmed its support in principle for the transfer of the freehold ownership and operational responsibility of Hockley Viaduct to Sustrans, subject to the conditions set out below, and authorised the Heads of Estates and Legal Services to progress discussions with Sustrans towards this end:

- a) when significant repairs had been effected by the Council, putting the Viaduct into a 'good state';
- b) with a 'dowry' of £100,000 to fund routine maintenance work;
- c) with the proviso that in the event that the Viaduct required major maintenance, Sustrans would reserve the right to close the route whilst it identified funding to pay for the repairs.

1.2 On 9 November 2011 Cabinet were informed that any legal agreement drawn up with Sustrans was likely to be in the form of a long term lease and negotiations have continued on that basis.

1.3 The Viaduct has since been fully repaired and a significant section of National Cycle Network Route 23 from the South of Winchester Park and Ride, over the Viaduct and into the City Centre has been completed.

#### 2 Draft Lease Terms

2.1 A draft lease has been drawn up which incorporates the following Heads of Terms:

- a) The lease is for a term of 40 years, with rent of £1 per annum.
- b) The permitted use is for public access.
- c) Winchester City Council will make a payment to Sustrans of £120,000 as a contribution towards the long term maintenance and inspection of the Viaduct (this amount has increased from the amount reported to Cabinet in July 2011 due to VAT implications).
- d) Sustrans will inspect the structure and maintain it in good condition for the period of the lease, and have appropriate public liability insurance cover in place.

- e) In the event that a major defect (one costing £20,000 or more to repair) occurs to the structure that Sustrans cannot afford to repair, both Sustrans and WCC agree that public access to the Viaduct can be restricted until such time as additional funds are secured.
  - f) The Council is to repair the handrails, remove vegetation and debris from the path, and keep drainage from the path clear.
- 2.2 The Head of Estates considers that while the arrangement is unusual there is no alternative use for the Viaduct and consequently the terms of the proposed lease represent best consideration.

### 3 Background to Sustrans

- 3.1 Sustrans was founded in Bristol in 1977 to help people travel in ways that benefit their health and the environment. Now a leading charity, the organisation works with families, communities, policy makers and other organisations to encourage and enable people to travel by foot, bike or public transport for more of the journeys they make every day. The first route which was created by Sustrans was the Bristol and Bath Railway Path, a 17-mile traffic-free trail along a disused railway. The charity went on to set out plans for a national network of routes in 1995 with a grant from the then newly-created National Lottery. Routes are a mixture of on-road and traffic-free. The length and popularity of the network has grown enormously, and it now carries over a million walking and cycling journeys daily and passes within a mile of 57% of the population.
- 3.2 It is considered that Sustrans will be an excellent custodian of the Viaduct as they have a keen interest and much experience of looking after structures and promoting, developing and maintaining the National Cycle Route Network. They also have good experience of accessing Government and other funds to support the National Cycling Network and have a range of specialist staff and local volunteers who will be part of the team who will manage the Viaduct and the wider route on behalf of, and in conjunction, with the City and County Councils.

### 4 Future Management

- 4.1 Completion during 2012 of a major refurbishment of the Viaduct and its incorporation into the National Cycle Route Network Route 23 means that the Viaduct now has a much more promising future and a defined function. It is important however to ensure that the Viaduct remains in a good state of repair and is properly inspected, maintained and repaired on an ongoing basis. The purpose of entering into a Lease with Sustrans is therefore to ensure that this happens in a structured and organised fashion. The Lease includes provisions for Sustrans to take on most of the responsibility for Viaduct with the City Council retaining some minor maintenance tasks. The Lease does include a provision for Sustrans to restrict public access to the Viaduct in the event of a significant failure of the structure but this is considered to be an unlikely event, now that the viaduct has been repaired and if it is regularly inspected

maintained and repaired. If a major failure were to occur it is felt that by having Sustrans as a partner this will give the best chance of finding a solution and securing the required funding to make any necessary repairs.

#### OTHER CONSIDERATIONS:

##### 5 SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO):

- 5.1 This project generally supports delivery of the High Quality Environment outcome of the Sustainable Community Strategy, by encouraging people to use forms of transport other than the car. The Lease arrangement will help to ensure that the means by which this object is met is maintained into the future. It also supports the Councils approach to good asset management.
- 5.2 Following the completion of the route construction project, a further scheme is currently in progress to design and install signage and interpretation materials on and around the Viaduct and along the route. The route has informally been christened 'Viaduct Way' and a distinctive logo has been designed which will be incorporated into signage, interpretation panels, way-markers and benches. Some of the pieces will be installed in late October to tie in with the half term school holiday with the remainder due for completion by the end of February 2014. The intention is for these materials to enhance users experience of the route and to promote its use between the City Centre and the South Winchester Park and Ride. Both of these aims support the deliveries of the outcomes mentioned in 5.1 above. This work has been supported by securing a financial contribution from the County Council's Local Sustainable Transport Funding.

##### 6 RESOURCE IMPLICATIONS:

- 6.1 The Lease agreement includes the provision of a one off revenue payment of £120,000 to Sustrans. This can be funded from brought forward budgets of £37,000 already within the General Fund Revenue budget and £83,000 currently within the Capital Programme but funded by the Major Investment Reserve (which can be used to fund either capital or revenue expenditure).
- 6.2 It is proposed that the capital programme is reduced by £83,000 and the General Fund Revenue budget is increased by £83,000 in order to ensure there is a one-off revenue budget of £120,000 from which to make the payment from. The source of funding will remain unchanged. Under Financial Procedure Rule 7.3 this increase in the General Fund revenue budget of over £50,000 is classed as a Supplementary Estimate. Approval for this supplementary estimate is to be considered elsewhere on this agenda (CAB2523) as part of the revised budget 2013/14.

- 6.3 The value for money issues of entering into this Lease have been carefully considered. Over a 40 year period it would be expected that the inspection costs of engaging a structural engineering company to inspect and provide condition reports on the Viaduct alone would cost nearly as much as the one off payment. In addition there is the ongoing cost of mortar and other repairs which will almost certainly be needed throughout the period of the Lease. The other benefit which it brings is the advantage of having Sustrans as a long term partner and the resources and expertise which they can provide.
- 6.4 The amount of the payment requested by Sustrans and as reported to Cabinet in July 2011 is £100,000. However, this is the sum which Sustrans feel that they need to ensure that they can deliver the requirements set out in the Lease and when this figure was calculated by Sustrans they did not take account of the impact of VAT. In order therefore to realise this full value in terms of purchasing power, the payment needs to therefore be set at £120,000.

## 7 RISK MANAGEMENT ISSUES

- 7.1 The main risk associated with entering into a long term lease is that there is no guarantee that the parties which enter into such agreements will exist for the full period of the Lease. There is however the need for a long term arrangement to be put in place to ensure that the Viaduct is looked after over this set period in an agreed and consistent manner and Sustrans is a sound and secure organisation as well as being the Government's preferred and trusted body to allocate Government funding and to advise on Sustainable transport matters.
- 7.2 The Draft Lease includes a pay back provision whereby Sustrans are to repay to the Council a fair and reasonable proportion of the £120,000 sum, in the event that a major failure occurs in the Viaduct for which a repair or solution cannot be practically implemented and hence Sustrans cannot fulfil the terms of the Lease.
- 7.3 The current maintenance period with Avon Construction who carried out the refurbishment works on the Viaduct will expire in January 2014 and it is important that an alternative arrangement is put in place at this point. If the Lease is not entered into an alternative arrangement will need to be made.

## BACKGROUND DOCUMENTS:

Draft Lease Agreement

## APPENDICES:

None