

South Lakeland District Council
Cabinet

Tuesday 1st November 2022

**Lancaster Canal Regeneration Partnership:
Towpath Trail Contribution**

Portfolio: Cllr Robin Ashcroft, Economy, Culture and Leisure Portfolio Holder
Report from: Simon Rowley, Director of Customer and Commercial Services
Report Author: Ruth Leahy – Specialist, Economic Development
Wards: Burton & Crooklands;
Forward Plan: Key Decision included in Forward Plan as published on 2 August 2022.

Links to Council Plan Priorities:

- Working across boundaries – South Lakeland is delivering sustainable economic growth in the north of England with exceptional quality of life. The Council is intervening to deliver strategic development sites within its communities and working with partners to deliver critical infrastructure. The Council is working to attract funding to deliver this critical infrastructure and promote unique value propositions. The Towpath Trail proposes an enhanced leisure route for walking, low mobility and cycling that would link Kendal to rural communities including Natland, Sedgwick, Stainton, Hincaster, Crooklands, Holme and Burton-in-Kendal southwards to north Lancashire villages, Lancaster and eventually on to Preston where the Lancaster Canal ends.
 - Delivering a balanced community – the proposed enhancements will increase opportunities for people of all ages and abilities, including young people and the elderly, to access leisure amenities and services by means other than motorised transport.
 - A fairer South Lakeland – improved cycling and walking routes will promote health, wellbeing and help tackle poverty by providing healthy and lower cost alternative ways to access amenities, services and for recreation purposes.
 - Addressing the climate emergency – the proposed enhancements will facilitate more journeys on foot or by bike, and therefore reduce reliance on carbon-producing transport.
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1.0 Expected Outcome and Measures of Success

- 1.1 South Lakeland District Council are supporting the development and delivery of the Towpath Trail, an accessible leisure route and green infrastructure corridor along the Lancaster Canal route, working with the Lancaster Canal Regeneration Partnership (LCRP) to promote active travel and increased accessibility to multi-users including low mobility users for health and wellbeing, sustainable tourism, and access to forgotten heritage purposes.
- 1.2 Cabinet support of this report's recommendations will:

- facilitate a grant funding contribution to be made directly to Canal and River Trust (CRT), as the landowner and appropriate delivery partner, in line with the LCRP's aspirations for the Towpath Trail;
- enhance and upgrade the Lancaster Canal towpath south of Stainton towards Crooklands; and
- agree to a slight variation of the existing allocated capital funding for the Towpath Trail to be utilised in a different locality to the original allocation;
- agree to the Community Infrastructure Levy (CIL) contribution towards the Towpath Trail.

1.3 It is expected that SLDC's funding contribution will bring in further match funding to continue the Towpath Trail surface upgrades, and LCRP will work with partner organisations and external funding bodies to secure additional funding and maximise the opportunity being presented through the SLDC funding contribution.

2.0 Recommendation

2.1 It is recommended that Cabinet:-

(1) approves the slight variation of the £120,000 Towpath Trail financial contribution to improvements along the wider canal route within the South Lakeland district boundary;

(2) approves the Community Infrastructure Levy (CIL) financial contribution of £80,000 towards the Towpath Trail;

(2) enter in to a grant agreement with Canal and River Trust to distribute the allocated £200,000 funding and for this to be delegated to the Director of Customer and Commercial Services in consultation with the Monitoring Officer and the Portfolio Holder for Economy, Culture and Leisure.

3.0 Background and Proposals

3.1 Since the LCRP's focus has shifted from the long term fully restored and re-watered Lancaster Canal to the shorter-medium term accessible and interpreted towpath trail between Kendal and Lancaster, a number of funding packages and interventions have been secured to deliver against this aspiration, a brief overview of which follows.

3.2 In 2018, a capital growth bid was put forward to support the development of the Lancaster Canal Towpath Trail, specifically for the section between Kendal and Natland, which includes, in part, SLDC land. This sought to deliver improvements and enhance the surface of the towpath with £120k funding contribution, allowing for greater accessibility and better connectivity out in to the countryside at the south of Kendal.

3.3 More recently, the section between Burton Road and Natland Road has since been re-surfaced through £70k financial contribution from the Cumbria County Council (CCC) Environment Fund Round 1. The section south of Natland Road within private landownership is not currently being pursued due to stalled negotiations with private landowners. For these reasons, LCRP have requested that SLDC reconsider the original funding allocation for the Kendal-Natland section and agree to the slight variation of the £120k to deliver surface improvements further south on the route and within South Lakeland. It is important to note that the surface improvements to the entire route are LCRP's ultimate medium term goal and will continue to be pursued. An additional contribution of £80k is proposed to be made towards the project through the Community Infrastructure Fund (CIL) to support project deliverability.

3.3 In 2020, a section of canal path from Hincaster through to Stainton was upgraded and improved to allow better access to the pedestrians and cyclists, with support of £140k

Sport England funding bid. This has proved a popular upgrade and has seen new users accessing the trail including new parents with pushchairs, young families, cyclists and low mobility users. Continuing the surface in this route section further south would increase users and link up with tourist and leisure attractions further south of Stainton towards Crooklands and beyond, as well as increasing rural connectivity between villages.

- 3.4 Significant capital works were carried out in that area through a £2.2m National Heritage Lottery Fund (NHLF) bid to improve the Sedgwick to Stainton section of the canal route following the damage done to Stainton Aqueduct by Storm Desmond. There is currently a slight underspend in the run up to the completion of the NHLF Sedgwick to Stainton project, it is currently proposed that this go towards additional interpretation and signage interventions which were part of the original bid and of which plans for delivery of these are being finalised.
- 3.5 The LCRP are finalising a feasibility study seeking to look at options around surface improvements for the entirety of the Lancaster Canal Towpath Trail. As an un-constituted partnership, the LCRP are also undertaking a governance review to seek a new governance model that will allow them to deliver more effectively against their aspirations. With these two exercises underway, it is expected that once the LCRP have a new governance model in place, and the finalised feasibility study to present to external funders, that funding will be sought on a larger scale to deliver the Towpath Trail.
- 3.6 An opportunity has arisen to upgrade the section of towpath between Stainton and Crooklands, linking directly on from the success of the Sport England funding that upgraded the towpath between Hincaster and Stainton. Canal and River Trust as landowner and LCRP partner will act as delivery body for this work, and would be the grant recipient for the funding. They have provided a cost of upgrades of £300k. It is therefore proposed that the SLDC funding allocation (£120k) is utilised to deliver improvements further south along the canal route and within the South Lakeland district boundary. Cumbria County Council (CCC) are seeking to support this same proposal (Stainton to Crooklands) via the second round of their Environment Fund (subject to CCC Local Committee approval), whereby they are seeking to approve £100k towards this project and route section. It is proposed that the project shortfall of £80k is met from the SLDC Community Infrastructure Levy.
- 3.7 With a proposed £300k joint investment from SLDC and CCC, LCRP are working with partners to see if further funding can be achieved to continue the towpath enhancements further south beyond Crooklands, as the towpath is not consistently surfaced to an accessible standard until near Over Kellet/Carnforth. SLDC's commitment to this funding contribution will likely attract match funding and additional investment to continue surface improvements, and any additional funding gained as a result of the SLDC funding contribution will be reported back to the Council.
- 3.8 It is proposed that capital works relating to this funding contribution will be delivered by Canal and River Trust in 2023/24. It is therefore expected that, should Cabinet approval be granted, a grant agreement is drafted and completed and all funding dispersed by the end of 2022/23 financial year.
- 3.9 An overview of the above proposed funding contributions is as follows, subject to approvals:

Project Contributions	
CCC Environment Fund	£100,000
SLDC Capital Funding	£120,000

SLDC Community Infrastructure Levy	£80,000
Stainton-Crooklands Towpath Trail Project Costs	£300,000

CIL Governance Process

3.10 An application process has been made for CIL funding towards the Towpath Trail to be considered by the Council. The Community Infrastructure Levy is a levy on new housing and some retail development to fund infrastructure necessary to deliver the Local Plan including transport, education, health and green infrastructure. The Council prepares an annual Infrastructure Funding Statement which sets out the types of projects to be funded by CIL.

3.11 The CIL governance process was approved by Cabinet on 13th September 2017. Proposals are reviewed by the CIL Technical Officers Group in consultation with relevant members and the final decision is made by SLDC Cabinet (delegated authority is in place for expenditure under £100k as per SLDC Cabinet Decision 01/09/2021 – please see 10.0 Background Documents). Delegated authority could have been used for this CIL funding request, however for transparency and to give members with a full picture of the towpath funding contribution, this CIL request is coming to Cabinet jointly with the request for £120k.

3.12 The process demands that requests for CIL are assessed against the following criteria:

Business Case (30%)

- Whether the proposal addresses a specific problem and addresses infrastructure needs associated with development;
- Whether the benefit of the proposal are clearly identified
- Whether the proposal represents value for money;

Strategic Fit (20%)

- Whether the proposal is included within the Council's Infrastructure Funding Statement;
- Whether the proposal helps to deliver the Local Plan.

Funding (20%)

- Whether there is a match funding contribution and whether this is committed;
- Whether the means by which ongoing and maintenance costs will be met has been identified.

Deliverability (30%)

- Whether the proposal has a clear project plan;
- Whether consultations have been undertaken;
- Whether necessary consents are in place.

3.13 The bid has been considered by the working group and achieved a total score of 71 out of a possible 100. The bid scored 100% on 'expected benefits/outcomes'. It scored 87.5% on 'match funding contributions' with benefits well identified and value for money clearly demonstrated. It scored 75% on strategic fit linking with the local plan and the Infrastructure Funding Statement. These are very high scores.

3.14 On the basis of the above, it is recommended that the CIL funding be approved.

4.0 Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Health and Sustainability Impact Assessment
2	Equality Impact Analysis
3	CIL Governance & Expenditure Framework

5.0 Consultation

5.1 In the aforementioned feasibility study commissioned by the LCRP in 2021, an online public consultation was held in Summer 2021 to understand types of usage of the existing Lancaster Canal route, as well as levels of support for enhancements within the community for the proposed Towpath Trail.

5.2 When asked if supportive of the multi-user trail along the route of the Lancaster Canal, of the 543 respondents, 90% were in favour, 7% unsure and 3% not in favour. Respondents were asked to rank what improvements they favoured along the route of the Lancaster Canal, and the following were ranked from highest priority to lowest priority:

- Surface suitable for low mobility users (pushchairs, wheelchairs, mobility scooters) and cycling;
- Improved access points on/off the route;
- Directional way-finding;
- Information signs (including history, wildlife, points of interest);
- Place-making (for example the inclusion of sculptures, benches, interpretative signage);
- Landscaping.

5.3 When asked what improvements should be prioritised, the following were included as suggestions: improving unusable surfaces; accessibility; equestrian facilities; cycle provisions; wayfinding; improving safety; habitat improvement and improving facilities.

5.4 Overall, there is strong community support for improvements along the length of the Lancaster Canal, and LCRP continue to work with key partners and stakeholders to achieve their ambitions for a multi-user, interpreted and accessible towpath between Kendal and Lancaster.

6.0 Alternative Options

6.1 That Cabinet does not support the ambitions of the LCRP and the Towpath Trail, and that a financial contribution is not made towards the proposed enhancements. This is not the recommended option as this is an important leisure project across South Cumbria and North Lancashire with health and wellbeing, active travel, rural connectivity and heritage central to its ambitions.

6.2 That Cabinet does not agree to the slight variation of the funding to a wider section of the canal towpath and instead remain committed to achieve the original ambitions of the Kendal-Natland section. This is not the recommended option as part of this section has now been upgraded, and it would miss the opportunity to secure match funding from partner organisations for the section further south in the Crooklands area, and deny this section of towpath the upgrades it desperately needs to improve accessibility of the trail.

- 6.3 That Cabinet do not agree to the CIL contribution. This is not the recommended option as it will put the project deliverability at risk and will miss the opportunity to secure match funding and deliver strategic green infrastructure in line with the CIL important priorities and projects.
- 6.4 That Cabinet wait for LCRP to complete their governance review with the possibility of granting the financial contribution directly with the LCRP. This is not the recommended option, as the governance review is not seeking to shift LCRP towards a capital delivery organisation equipped at delivering surface improvements on third party land. It should also be mentioned that, even if the governance review were completed at this time, it would still be the recommendation that funding is granted directly to Canal and River Trust as a strategic LCRP partner and the landowner in question for the stretch of Canal in the Crooklands vicinity that is the subject of this Cabinet report.

7.0 Implications

7.1 Financial, Resources and Procurement

- 7.1.1 There are financial implications to the Council to consider. A one-off payment will be made to the grant recipient upon completion of the grant agreement. It is proposed that this is completed in this financial year (2022/23) subject to grant agreement instruction and completion. The £120k funding contribution is already allocated for the Towpath Trail within the current Council budget and has been carried forward from the last financial year, therefore this funding does not need to be found to make this contribution and it is not a new request to be factored in to the Council budget.
- 7.1.2 The £80k contribution from CIL falls within the strategic priorities for this levy (not listed as critical but listed as strategically important within the Infrastructure Funding Statement), and the Council currently holds £2.48m of uncommitted CIL, therefore this contribution is affordable and will not impact on any current or projected commitments.
- 7.1.3 There are no procurement implications to be considered by the Council. Procurement for the capital works will be done through the grant recipient in line with their own procurement policy.
- 7.1.4 Officer time will need to be factored in to achieve the recommendations set out in this report, including officer's time from economy and culture, legal and finance teams respectively.

7.2 Human Resources

- 7.2.1 There are no staffing implications to consider as part of this report.

7.3 Legal

- 7.3.1 Legal will advise upon the terms of the grant agreement between the Council and the grant recipient, Canal and Rivers Trust in order to facilitate the payment of the financial contribution subject to appropriate terms and conditions.
- 7.3.2 Officers will liaise with Legal Governance and Democracy Specialists regarding Subsidy Control compliance in respect of this grant.

7.4 Health and Sustainability Impact Assessment

- 7.4.1 Have you completed a Health and Sustainability Impact Assessment? **Yes** (see Appendix 1)
- 7.4.2 If you have not completed an Impact Assessment, please explain your reasons: **n/a**

7.4.3 Summary of Health and Sustainability Impacts

		Positive	Neutral	Negative	Unknown
Environment and Health	Greenhouse gases emissions	x			
	Air Quality	x			
	Biodiversity		x		
	Impacts of Climate Change	x			
	Reduced or zero requirement for energy, building space, materials or travel	x			
	Active Travel	x			
Economy and Culture	Inclusive and sustainable development	x			
	Jobs and levels of pay		x		
	Healthier high streets		x		
	Culture, creativity and heritage	x			
Housing and Communities	Standard of housing		x		
	Access to housing		x		
	Crime		x		
	Social connectedness	x			

7.5 Equality and Diversity

7.5.1 Have you completed an Equality Impact Analysis? **Yes** (see Appendix 2)

7.5.2 If you have not completed an Impact Analysis, please explain your reasons: **n/a**

7.5.3 Summary of Equality and Diversity impacts

Please indicate: P = Positive impact; 0 = Neutral; N = Negative; Enter "X"						
Age	P	x	0		N	
Disability	P	x	0		N	
Gender reassignment (transgender)	P		0	x	N	
Marriage & civil partnership	P		0	x	N	
Pregnancy & maternity	P	x	0		N	
Race/ethnicity	P		0	x	N	
Religion or belief	P		0	x	N	
Sex/gender	P		0	x	N	
Sexual orientation	P		0	x	N	

Armed forces families	P		0	x	N	
Rurality	P	x	0		N	
Socio-economic disadvantage	P	x	0		N	

8.0 Risk Management

Risk Management	Consequence	Controls required
The funding is not used for the project in line with the Council's decision making process or supporting the Council Plan priorities	Council Plan priorities are not met, funding used elsewhere and not on the allocated project – this could lead to reputational damage	Appropriate funding agreement will be entered in to which will include monitoring and reporting responsibilities for the grant recipient to ensure compliance with Council priorities
Subsidy control non-compliance	Council is under legal obligation to comply with subsidy control regulations	Appropriate legal advice is sought to ensure subsidy control compliance, both for the Council and resulting grant agreement conditions also.

9.0 Contact Officers

Ruth Leahy, Specialist (Economy and Culture)

Tel: 01539 793301 Email: ruth.leahy@southlakeland.gov.uk

10.0 Background Documents Available

Name of Background document	Where it is available
Community Infrastructure Levy: Infrastructure Funding Statement	Infrastructure Funding Statement, Community Infrastructure Levy (CIL) and Infrastructure Delivery Plan (IDP) (southlakeland.gov.uk)
SLDC Cabinet: CIL Delegated Authority Decision	Decision: Gooseholme Bridge and CIL Delegated Authority - Community Infrastructure Levy (southlakeland.gov.uk)

11.0 Tracking Information

Signed off by	Date sent	Date Signed off
Section 151 Officer	13/10/2022	13/10/2022
Monitoring Officer	03/10/2022	13/10/2022
CMT	05/10/2022	13/10/2022
Circulated to	Date sent	
Lead Specialist	29/09/2022	
Human Resources Lead Specialist	N/A	
Communications Team	N/A	
Leader	03/10/2022	
Committee Chairman	N/A	
Portfolio Holder	03/10/2022	
Ward Councillor(s)	N/A	
Committee	N/A	
Executive (Cabinet)	24/10/2022	
Council	N/A	