



Sponsor: Rachel North, Strategic Director of Communities and Place
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Riverboat proposals for the River Derwent

Purpose

- 1.1 To enable a first key step in leveraging the true regeneration potential of the River Derwent as a key natural asset in the context of a vibrant, attractive and repurposed city centre.
- 1.2 To seek approval to progress support to the delivery of Derby and Sandiacre Canal Trust's (DSCT) proposed riverboat service between Darley Abbey and its proposed mooring at Phoenix Green ("Project").

Recommendation

- 2.1 To approve progressing with the Project and the funding sources as detailed in section 7 of this report.
- 2.2 To delegate approval to the Strategic Director of Corporate Resources to update the capital programme as required to incorporate the recommendations of this report.
- 2.3 To approve the Council entering into a licence agreement with DSCT to allow access for DSCT to the mooring on Phoenix Green and the River Derwent on the stretch between the weir at Darley Abbey and Exeter Bridge.
- 2.4 To delegate authority to the Strategic Director of Corporate Resources following consultation with the Strategic Director of Communities and Place to submit, on behalf of the Council, such other funding bids and enter into funding agreements, subject to acceptable grant conditions being met to support the Project when opportunities arise.

Reason

- 3.1 To support the first step of realising the regeneration potential of the River Derwent in the context of our wider city centre vision, by enabling the operation of the Riverboat service by the DSCT.

Supporting information

- 4.1 The City Council has promoted and encouraged over a number of years the regeneration potential of the River Derwent as a key natural asset in the context of a vibrant, attractive and repurposed city centre. In the 2030 City Centre Masterplan published in 2016, this key priority is expressed as “an active city centre riverside opened up to the people of Derby.....with a high quality, safe, natural environment, fantastic views, distinct character, integrated flood defence measures and leisure and residential uses.”
- 4.2 In the emerging City Centre Plan ‘Ambition’ document, again the significance of the River Derwent is highlighted – “The River Derwent.....provides an ideal strategic corridor for both water and green open space as well as water-based activities and a recreational route along the riverbanks.” In addition, it is stated that “we will enhance and make more of its potential as a major amenity, leisure, landscape and ecological resource.....despite its importance as a natural asset, the River Derwent and it’s corridor have long been hidden from the city centre....a bold and radical approach is needed to increase the use of this area, make it more visible, better integrated into the life of the city centre.”
- 4.3 A first step in leveraging this potential is represented by the proposals by DSCT to establish a riverboat service on the River Derwent. This is one element in delivering their vision of improving people’s connection to water, along with the long-term aim of restoring the Derby to Sandiacre canal. It represents a promotional, educational, and commercial opportunity for DSCT, which is a registered charity. In 2018/19 the Council provided both internal funding and external Local Growth Fund grant funding to DSCT to assist purchase of the riverboat, known as Outram.
- 4.4 Once operational, Outram will carry a maximum of 12 fare-paying passengers. The aspiration is that the service should start carrying fare-paying passengers from Summer 2022. The riverboat service will run from the mooring location to Darley Abbey Mills and return, as detailed on the plan in Appendix 2.
- 4.5 Outram has had an initial test launch and is currently moored at a private jetty on the River Derwent at Darley Abbey. The launch was supported by a successful media promotional event.
- 4.6 A preferred location for the loading/off-loading of the riverboat has been identified at Causey Bridge with a mooring location at Phoenix Green, downstream of Causey Bridge. This is on land owned by the Council, which will require improving to provide a new footpath and additional lighting.

Council role and involvement to date

- 4.7 The Council is supportive of DSCT ambitions and the clear alignment with the Council’s own Green and Vibrant priorities - increasing green and blue infrastructure, a reimagined city centre and a visitor destination. Officers are therefore working to assist DSCT in the successful delivery of the riverboat service.
- 4.8 As riparian owner of most of the proposed route, the Council has a legal responsibility in respect of any activities it allows to take place on its sections of the river.

- 4.9 The Council has been providing specialist support, commissioning external specialists and directly delivering activities to help deliver the DSCT ambition, including:
- establishing legal responsibilities in respect of riverboat operation on the River Derwent (including obtaining QC advice)
 - a riverbed survey to establish the navigability of the river
 - advice on safe operating procedures (including engaging a safety expert to advise)
 - licencing requirements, to allow DSCT to carry passengers
 - co-ordinating launch preparations and providing assistance on launch day
 - project management including regular attendance at meetings
- 4.10 To progress to full operation (carrying passengers), a number of actions now need to be undertaken. Whilst necessary to allow operation, it should be noted that several of these measures will provide wider regeneration benefits in relation to the River Derwent corridor:
- riverboat trials to establish the operational route and safe operating procedures;
 - delivery of new infrastructure, including an access platform, permanent mooring, signage, lighting, pedestrian access and safety railings; and
 - application for and grant of required licences.

Project Governance

- 4.11 The project management requirements of the Council's involvement with this Project will be managed within the Council's Regeneration and Major Projects Service with a nominated Senior Responsible Officer (SRO) and a dedicated Project Manager. The SRO will ensure that Finance, Legal, Structures and other relevant teams are consulted, and the appropriate external advice sought when required.
- 4.12 A steering group comprising DSCT and the Council is being established to provide oversight of the vision of the project.

Project Milestones

- 4.13 The following high-level project programme sets out the key milestones for the project following Cabinet approval: -

Milestone	Lead	Target Date
Planning submission	DSCT	April 2022
Planning approval	The Council (as Local Planning Authority)	June 2022
Commencement of works	The Council	July 2022
Completion of licence agreement	The Council & DSCT	July 2022
Outram service commences	DSCT	July 2022

Project Risks

- 4.14 A summary of the key project risks and mitigation in place is detailed within paragraph 10.1.

Public/stakeholder engagement

- 5.1 No formal public engagement has taken place in relation to the project, although DSCT continue to promote and engage with stakeholders and the public.

Other options

- 6.1 An alternative of DSCT delivering their service without Council resources both financial and resources is not felt appropriate as the proposals support the Council's wider aims for the city and would add further risk to successful delivery.

Financial and value for money issues

- 7.1 Since 2018, £185,668 has already been committed to the initial stage of the project including the refurbishment of the riverboat and internal officer time. This has been funded from various funding streams including service revenue budgets, feasibility reserve, LGF and Additional Restrictions Grant (ARG) funds. Additional voluntary input has been made by DCST
- 7.2 It is estimated that up to a further £152,000 of capital and £30,000 of revenue costs will need to be incurred in 2022/23 before Outram can be fully operational. Estimated costs (including 40% contingency) are detailed in Appendix 1.
- 7.3 The funding for the enabling capital costs for the safe and successful operation on the River Derwent and commencement of service for the riverboat will be found from the reprioritisation of the Highways Infrastructure capital programme. Options include the Highways capital budget of £3.182m; the Structures capital budget is £0.856m and the Integrated Transport budget of £0.580m. Similarly, revenue costs will be funded from current service revenue budgets.
- 7.4 It is also estimated that maintenance of the assets and the section of the River Derwent could cost up to £40,000pa. Some of this already takes place as part of cyclical maintenance and repairs budgets. These costs would not necessarily have to be incurred every year, so it is anticipated that this could also be covered by current budgets by reprioritising work in the year it is required.
- 7.5 It should be noted that the investment detailed within this report enables this section of the River Derwent to become navigable for the first time in over 100 years and will allow wider and more varied use of the river for leisure and commercial purposes. Therefore, this stage of the project can be viewed as unlocking the potential of this major City Centre Asset and should not be viewed singularly as investment in just the Riverboat service.

Legal implications

- 8.1 The River Derwent between Darley Abbey Mills and the City Centre has not been navigable for over 100 years. The Council is the riparian owner of the vast majority of this stretch of the river. Therefore, in order to understand its legal responsibilities in respect of permitting activities on the river, the Council took specialist QC advice on this issue.
- 8.2 QC has advised that the Council is responsible for the activities it allows to take place on the river and has a duty of care arising from DSCT activity on the river to both DSCT and other river users and potential liabilities under the Occupiers Liability Act 1957.
- 8.3 QC further advised that, given the above responsibilities and potential liabilities, the Council should:
 - a) implement a regulatory licencing regime in respect of the operation of powered vessels on the Council's watercourses – this has been done; and
 - b) take such steps as are necessary to ensure that the safety of DSCT, passengers and other river users is maintained.
- 8.4 DSCT are required to apply for the necessary boat and boatman licences and operation of the riverboat service will not be permitted until those licences are in place. Furthermore, the Council will not allow operations to commence until safety measures identified by our safety expert have been implemented.
- 8.5 The Council and DSCT will enter into a further property licence agreement to govern DSCT's access over Phoenix Green to the mooring point and access onto the river; this agreement has been drafted by Legal Services is currently being agreed with DSCT.

Climate implications

- 9.1 The riverboat service implementation will have a carbon impact associated with the construction activities involved.
- 9.2 To minimise operational environmental impacts Outram is electrically powered and partially charged by solar panels.

Other significant implications

10.1 A summary of the key risks is provided below

Risk	Mitigation
Programme Delay	Upon securing funding approval, orders can be placed to procure the works. The planning application will be submitted during April 2022.
Cost escalation	Indicative costs have been obtained based upon previous projects delivered by the council. Given the status of the design a contingency of 40% has been included.
By licencing use of the river, is there an enhanced future liability for the maintenance of the waterway	This will be managed through the existing service budgets.
Risk for financial pressure beyond that currently identified in this report to maintain the riverscape and river channel in an appropriate condition to promote the service and showcase Derby's river in a positive way.	Forecast estimates have been provided at this stage. This will be subject to ongoing review as part of the Councils normal budget setting process.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Emily Feenan, Director of Legal, Procurement and Democratic Services	31 March 2022
Finance	Simon Riley, Strategic Director of Corporate Resources & S151 Officer	4 April 2022
	Amanda Fletcher, Head of Finance – Projects and Transformation	4 April 2022
Service Director(s)	David Fletcher, Director City Development & Growth	31 March 2022
Report sponsor	Rachel North, Deputy Chief Executive (Communities and Place)	1 April 2022
Other(s)		

Background papers:	None
List of appendices:	Appendix 1 – Financial forecast Appendix 2 – Outram route

APPENDIX 1

Financial Forecast

Forecast Spend			
Date	Details	£	Comment
2022-23	Construction Works*	88,000	Based upon construction activity
2022-23	Internal operational staff time	20,000	Estimate based upon previous project involvement
2022-23	Sub-total	108,000	
2022-23	40% contingency	43,200	Contingency % increased to cater for the current industry supply issues, fuel costs etc
2022-23	Total	151,200	
2022-23	Revenue Costs		
	Internal support staff time	30,000	(Including Legal and governance support Revenue cost to support the scheme)
	Maintaining the river corridor and associated new assets	40,000 per annum	

APPENDIX 2 Outram Route



Point 1 - Phoenix Green - Boarding and Mooring Location
Point 5 - Darley Abbey Mills – turnaround point