

11. TRAILS STRUCTURES CAPITAL EXPENDITURE (PM3511/ES)

Purpose of the report

Capital expenditure is required to fund a backlog of repairs and restoration of bridges, tunnels and viaducts on the Monsal, Tissington and High Peak Trails. ARP Committee approval is required to release £600,000 to complete the high priority work.

Key issues

- **The structures are in the ownership of the Authority. They are a vital part of the trails infrastructure and in some cases the highway network;**
- **In fulfilling the inspection requirements, as an overseeing organisation, a 6 year work programme has been produced covering all 108 structures**
- **High priority work to a value of £631,318 (including contingency) has been identified;**

1. **Recommendations**

2. **That approval is granted for £600,000 capital expenditure, as described in Capital Strategy 4 December 2015 (A/13321/PN)**

How does this contribute to our policies and legal obligations?

3. **Contribution to policies:**

Maintenance of these historic former railway lines and their infrastructure fits within the Authority's first purpose, to "conserve and enhance the cultural heritage" of the National Park.

4. Management of the Trails and their infrastructure contributes to the Authority's corporate objectives. The trails are an important part of the Authority's estate and there is a focus on ensuring they, "*are well managed assets able to support the delivery of our directional shifts*".
5. As a key visitor destination experience the trails support high visitor numbers (approx. 800 per day on average) making them one of the most important locations at which the Authority can connect with visitors to the National Park and provide an opportunity to contribute to "*Growing income and supporters*". In order to inspire and engage people it is vital that the Trails are maintained in a safe and welcoming condition. The numbers are not anticipated to decrease and in fact are likely to increase, particularly with the ongoing development of the White Peak Loop as part of the £7.5 million Pedal Peak II project.
6. The Trails also contribute to the Authority's objectives for landscape scale conservation in relation to cultural heritage features and providing quality and connectivity of access for the NP, by sustainable means.
7. **Legal Obligations:** The Tissington and High Peak Trails have both been dedicated as Public Bridleways and as such members of the public have a right to use them in perpetuity. The provisions of the Highway Act 1980 are applicable. A lack of maintenance on our structures could result in legal action under s.56 (by a member of the public) or s.57 (by the highway authority) of the Highways Act 1980. This would result in the PDNPA being compelled to carry out necessary repairs or repay the cost of such repairs as are deemed necessary by the highway authority.

8. The situation differs in relation to the Monsal Trail (not a public right of way) and locations where structures facilitate other private rights of access. In many cases the trails structures provide access over or under private accommodation roads. In these situations the Authority has a duty of care to those exercising private rights of access over its land as well as visitors to the trail.

Background

The current situation results from a lack of investment in planned maintenance of infrastructure over many years. The Monsal Trail in particular has received very little maintenance prior to 2011 due to ongoing investigations into the possibility of reopening it as a railway and uncertainty over future ownership and management of the trails. This situation was recognised by the following studies:

9.
 - The Trails Management Plan (2012) identified a challenging funding climate for the continued maintenance and operation of the trails network, with a potential budget shortfall of circa. £300K p.a to address the backlog of maintenance work.
10.
 - The Trails Master Plan Options Study undertaken for the Authority by Atkins and considered by members at the 4 July 2014 Authority meeting prompted further investigation into the potential for development of two sites (Millers Dale Station and Parsley Hay Centre) with the aim of contributing to the long-term financial sustainability of the trails network including funding the backlog of maintenance work. This work is progressing but potential financial benefits from the proposed developments will not be felt before 2017/18.
11. Following concern that the high priority maintenance work needed to be urgently addressed consideration of a business case, RMT (minute 28/15) set out a new preferred approach to dealing with the issue of safeguarding the integrity of trails structures prior to 2017/18. This included agreement in principle to release £600K from the capital programme.
12. Every 6 years the Authority has commissioned a General Inspection of structures on the trails. The last inspection, carried out in spring 2015, indicated that the Authority is not meeting the recommended standard of condition monitoring, particularly with regard to structures passing over vehicular highways. This prompted the commission of Principal Inspections of six high risk structures on the Monsal Trail. The first four of these were completed in July 2016 and the remaining two will be completed by 31 May 2017.
13. A General Inspection provides information on the physical condition of all visible elements of the structure that can be seen without the need for specialist access equipment.
14. A Principal Inspection provides information on the physical condition of all inspectable parts of the structure from a close examination (within touching distance) of all parts.

15. The previous General Inspection in February 2009, prior to the Monsal Trail tunnels opening to the public, identified work with an estimated cost of £893,250. This work was recommended for completion by February 2015 but £852,050 was still outstanding at that date.
16. The current General Inspection report has recommended works totalling almost £4.3 million over the next 6 years. This comprises masonry repairs, vegetation removal and rock netting to cuttings. As part of the General Inspection, budget costs were provided for netting all cuttings at a cost of just over £3 million but the engineers stressed that this would require further risk assessment to determine the extent of essential work. A separate project is underway to establish a reasonable and practical approach to the assessment of risk from rock cuttings so the estimated cost of that element does not form part of this report. Best practice indicates that each cutting should be risk assessed subjectively with regard to condition and level of use. A programme of monitoring has already been implemented. Since the General Inspection report was received in spring 2015 there has been one reported incident of rock falling onto a trail so, pending further assessment, it is not anticipated that significant rock netting work will be required.
17. The remaining cost of recommended restoration and repair work from 2015-2020 is valued at £1,113,433 (excluding rock netting).
18. The 2016/17 trails revenue budget (excluding staff costs) is £222,000 p.a and cannot accommodate this scale of work.
19. The next tranche of maintenance (2021 - 2026) is unlikely to be as extensive as the 2015 – 2020 estimate, above, providing all of the work identified now is carried out within the recommended timescales.

Proposals

20. **High Priority Work**
Utilising the Authority's capital reserves will address the high priority work identified. The capital fund can only be used for capital expenditure and not revenue expenditure. Most routine maintenance work is revenue in nature, but some expenditure on improvements and repairs is capable of being capitalised. The test is whether "future economic benefits or service potential will flow to the Authority" for assets with a service life of greater than one year, and whether the asset's service life is extended. It is considered that the capital fund is able to finance most of the structural work on the trails infrastructure on the basis that the work is extending the service potential of the asset.
21. The level of repairs identified is the result of deterioration over many years that has not been addressed. These works need to be completed to bring the various structures into an adequate condition and arrest that deterioration.

TABLE 1 Work Type	Priority and Costs (£)			Total
	H (Yr 1 & 2)	M (Yr 3 & 4)	L (Yr 5 & 6)	
Repairs/restoration works budget costs	526,098	412,045	143,290	1,113,433

A contingency of at least 20% is appropriate to the scale of work, particularly due to the listed status of several of the affected structures. This brings the total budget cost of high priority works to **£631,318**.

22. A relatively small amount of the high priority work has already been completed in-house within the trails revenue budget. The total value of this work is £29,400 bringing the remaining total to **£601,918** approx.
23. **Medium and Low Priority Work**
It is anticipated that an equivalent value of work can be accommodated within the trails revenue budget for years 3-6 (£29,400). In addition it is proposed that the annual programme of surface improvements (normally £20,000 p.a) is suspended for 2018/19 and 2019/20 and that proportion of the trails revenue budget is reallocated to contribute to medium priority structures repairs. In 2015/16 and 2016/17 the Authority has been successful in gaining funding from the Pennine National Trails Partnership that has enabled the target for resurfacing to be exceeded in those financial years so despite that expenditure being reallocated for the next two financial years the overall condition of the trails surface, by 2020, will not be diminished.
24. Proposals under development to alter the Authority's approach to car park charging (to be considered by RMT on 4 Oct 2016) could increase revenue income from trails car parks by £23,000 p.a. approx. (£69,000 over all car parks). Planned developments at Millers Dale Station are anticipated to increase trails revenue income by £30,000 p.a in year 4 of the structures work programme. Both of these estimates are conservative so should predictions be exceeded then any additional income will be used to contribute to the repair/restoration costs.
25. Around £90,000 was added to the trails specific reserve in 2015/16. And will be utilised toward the cost of the medium priority work in 2017/18.
26. This would leave a deficit for the medium and low priority work as shown in Table 2:

TABLE 2	Total budget cost (£)	Anticipated contribution from revenue budget (£)	Deficit (£)
Medium Priority	412,045	235,400	176,645
Low Priority	143,290	135,400	7,890

27. As mentioned above, sources of external funding are being investigated, including HLF Heritage Fund. It is anticipated that some additional resources will be generated through fundraising and in March 2016 Members resolved, "To agree that the focus for the first major campaign should be the Trails, with smaller campaigns based around the Authority's other properties and corporate plan." (minute 14/16).
28. If external funding applications and campaigns are unsuccessful or the timescales do not correspond with the structures work programme then additional capital (including the Trails Reserve) will be required to fund the medium and low priority work.
29. The trails revenue budget should be able to accommodate the ongoing maintenance of structures when they have been brought into a reasonable state of repair, post 2020.

Are there any corporate implications members should be concerned about?

30. **Financial:** There may be unforeseen costs as a result of the remaining Principal Inspections scheduled for May 2017. Any repairs identified as high priority would need to be included in the work programmes for years 3-4. It is not possible to anticipate what these costs might be. The General Inspection of these structures did not identify and significant defects.
31. The contribution that will be made by external funding bids and fundraising campaigns is largely unknown at the stage, as mentioned in paragraph 14. Table 2 shows the potential additional capital required if no funding is obtained from these sources.
32. **Risk Management:** Future maintenance costs of these assets cannot be accurately predicted beyond 2020 but by bringing them into a good state of repair now the risk of a major defect arising will be minimised.
33. **Sustainability:** A sustainable approach to the long-term financial management of the trails will be developed as part of a wider commercial plan for the Commercial Development and Outreach Directorate.
34. **Background papers** (not previously published) None

Appendices - None

Report Author, Job Title and Publication Date

Emma Stone, Trails Manager, 8 September 2016