

## BOARD MEETING

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Minutes of a meeting of the British Waterways Board (the **Board**) held at The City Inn, Granary Wharf, Leeds, LS1 4BR on Thursday 19 November 2009 at 9.00am

### PRESENT:

Mr T Hales	Chairman
Mr J Bridgeman	
Mr J Bywater	
Mrs M Carver	
Mr R Green	
Dr J Hargreaves	
Mr N Hugill	
Mr E Prescott	
Mr P Sarwal	
Mr D Sutherland	

### IN ATTENDANCE

Mr R Evans	Chief Executive
Mr N Johnson	Corporate Services Director
Mr S Mills	Director of Property
Mr V Moran	Customer Operations Director
Mr P Ridal	Finance Director
Mr S Salem	Marketing & Customer Service Director
Mr M Bensted	Director London
Mr S Dunlop	Director Scotland
Mr J Stirling	Technical Director
Mr C Stamp	Prism Cosec, Secretary of the Meeting

### MINUTES

09/149 The minutes of the meeting of the Board held on 24 September 2009 were approved.

### MATTERS ARISING

09/150 [Confidential minute].

09/151 **Droitwich (09/144):** Mr Stirling updated the Board on the discussions between the relevant parties about completion of the work at Droitwich.

09/152 **Three Mills (09/145):** Mr Bensted confirmed that scheme adjacent to the Three Mills development would not be completed by 2012.

**CHIEF EXECUTIVE’S REPORT (BWB 3384)**

09/153 **Property Portfolio:** Mr Evans explained that the major issue over the past few weeks had been the discussions with Defra and the Treasury concerning the property portfolio. It was clear that Defra were keen that the property portfolio should remain within BW and had been active in making representations to the Treasury to this effect. It was anticipated that the Chief Secretary to the Treasury would take a decision on this matter within the next few days.

Mr Johnson reminded the Board of their duties under the Transport Act to ensure the efficiency, economy and safety of operation of the waterways. He noted that it was possible for Ministers to give general directions to the Board, but only after consultation. Such direction, if given, would over-ride the above mentioned duties of the Board and in such circumstances Board members would not be in breach of their fiduciary duties. It would however be proper for the members of the Board to refrain from actions that might put them in breach of those duties in the absence of any such direction.

The Board discussed its response in the event that the Chief Secretary to the Treasury decided that the property portfolio should be transferred out of BW.

09/154 **20:20:** Mr Evans reported that Compass Partnership had given an excellent presentation at the Annual Meeting and that more detailed communication with staff was now in progress. It was recognised that more discussion with Defra and the Scottish Government was also now needed. Mr Evans reported that further presentations would be made to the Board at the January and March meetings.

RE

Mr Johnson gave a presentation on the current thinking on the structure of the new organisation. The key aspect of this was that freehold ownership of the waterways would be retained by (a very much reduced) BW and the main BW undertaking would be transferred to a new charitable company which would operate the waterway assets under long leases. This operating company would have commercial trading subsidiaries to which the endowment property portfolio would be transferred outright. The advantages of this structure were summarised as:

- It would not require primary legislation to put it into effect;
- It would address concerns that *ownership* of the waterways would be transferred out of the public sector for ever;
- It would give the organisation greater capacity to borrow

Mr Evans noted that employees and their representatives would have many questions about this structure, which would require careful communication, particularly in the current climate.

09/155 As an ancillary point, it was noted that the Board should allocate time to discussion about the next pay review at the appropriate time.

RE

09/156 **British Waterways Wales Group:** Mr Hales requested that the CVs for the members of the British Waterways Wales Group be circulated to the Board with the minutes.

RE

- 09/157 **Volunteer Days:** The lower number of volunteer days at the half year point compared to 2008 was considered to be disappointing and efforts to improve this were considered to be a priority. RE/SS
- 09/158 **Health & Safety:** Mr Evans highlighted the good progress that was being made against the health & safety targets. All of the KPI's were showing a positive trend with the exception of manual handling injuries. Mr Moran advised the Board concerning a recent tunnel incident which had resulted in an employee sustaining a cracked pelvis.
- 09/159 **Upper Lode Lock:** Mr Johnson presented a report on the HSE Prosecution in respect if the Upper Lode Lock Fatality in October 2004. In particular, the Judge's emphasis on the behavioural issues rather than the procedural issues was discussed. Mr Evans explained that the safety culture within BW had improved considerably as a result of the Safety Transformation Programme launched in 2003. Nevertheless a further programme of actions to support Responsible Line Managers in fulfilling their duties was explained and noted. It was suggested that an independent review of the remedial work done to date would be useful as this would either give the Board assurance that the right actions were being taken or enable the Board to rectify any weaknesses in the programme now in progress. This was agreed. Mr Stirling was thanked for representing BW at the Prosecution Hearing. RE

#### **FINANCE DIRECTOR'S REPORT (BWB 3382)**

- 09/160 **Cashflow:** Mr Ridal reported that the bank cash position continued to be positive as a result of the brought forward Defra grant. The commercial capital account was currently healthy although there still some risks that cash injections into the joint ventures could still be required.
- 09/161 **Treasury Policy:** A proposal to add Standard Chartered Bank, HSBC and Abbey National to the list of approved banks for the Treasury Policy was agreed.
- 09/162 **F6 Full Year Forecast:** The F6 Forecast, which was the last one to be prepared under the old structure was noted. Mr Ridal reported that there was little change to the F4 Forecast with the main changes being the inclusion of a £500k provision for the completion of the Droitwich works and a provision for the redundant property at [confidential information removed].

The full-year deficit was forecast to be £17 million which, after taking account of contingencies would be better than plan.

- 09/163 [Commercially confidential minute removed]

#### **PROPERTY DIRECTOR'S REPORT (BWB 3383)**

- 09/164 **Report:** Mr Mills' was noted.
- 09/165 **City Road Proposal:** Mr Mills updated the Board on two emerging proposals at City Road Basin which would be brought to the Board in January 2010. The Board raised no issues of concern over the principle of BW involvement.
- 09/166 [Commercially confidential minute removed]

09/167 [Commercially confidential minute removed]

### **CORE WATERWAY AND INFRASTRUCTURE REPORT (BWB 3385)**

09/168 **Canal Breaches:** Mr Moran reported that there had been two breaches since the Core Waterway and Infrastructure Report had been written. These were on the Caldon Canal and the Llangollen Canal. It was too early to comment on the causes of these failures but investigations were under way.

09/169 [Commercially confidential minute removed]

### **BOARD COMMITTEES**

09/170 **Fair Trading Committee:** Mr Bridgeman gave an oral report concerning the meeting of the Fair Trade Committee held on 18 November 2009. The principal business of that meeting had been a review with the Waterways Ombudsman which had highlighted that complaints and complaint handling during the year to 31 March 2009 had improved. There had been an increase in complaints in the current year by comparison to the previous year but the figures were so low it was not possible to say whether this was statistically significant.

It was noted that there had not been any fair trading complaints made for the previous 18 months.

09/171 **Property Committee:** The minutes of the meeting of the Property Committee meeting held on 4 November 2009 were noted.

09/172 **Remuneration Committee:** The minutes of the meeting of the Remuneration Committee held on 27 October 2009 were noted.

### **ANY OTHER BUSINESS**

09/173 Mr Hales asked the executive team to congratulate the Property and Yorkshire Regional Teams for an excellent visit and presentation the previous day.

Messrs Mills, Moran, Ridal, Salem, Bensted, Dunlop and Stirling left the meeting.

### **CONFIDENTIAL BUSINESS**

09/174 [Confidential minute removed]

### **MANAGEMENT DEVELOPMENT AND SUCCESSION PLANNING (BWB 3386)**

09/175 Mr Evans presented a paper on senior management succession which was discussed.

There being no further business the meeting concluded at 1.50pm.