

BOARD MEETING

Minutes of the Board Meeting held at Jurys Inn, 31 Keel Wharf, Liverpool, L3 4FN 1DA on 25 March 2009 at 9 a.m.

PRESENT:

Mr T Hales	Chairman
Mr J Bridgeman	
Mr J Bywater	
Mrs M Carver	
Mr N Hugill	
Mr P Sarwal	
Mr D Sutherland	

IN ATTENDANCE

Mr R Evans	Chief Executive
Mr N Johnson	Legal 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 J Stirling	Technical Director
Mr S Dunlop	Director Scotland
Mr C Howells	Assistant Secretary

APOLOGIES

Mr R Bowker
Dr J Hargreaves
Mr E Prescott

MINUTES

The Minutes of the Board Meeting on 23 January 2009 were approved.

MATTERS ARISING

09/21 The Chief Executive referred to Minute 09/11 and the confirmation sought by Mr. Bowker that the incremental cost of accepting new freight traffic on the waterways was recovered. He advised that the statutory obligations in regard to the Commercial Waterways meant that this was not possible. He would brief Mr. Bowker on the position after the meeting.

CHIEF EXECUTIVE'S REPORT

09/22 The Board noted BWB 3360.

Health & Safety Issues and Risk

- 09/23 The Chief Executive referred to the inclusion in the report for the first time of the assets managed within the Property Directorate. The responsibilities of Atis and BW in the event of an incident were raised. It was confirmed that whilst BW was responsible legally, it was also the case that Atis should adhere to BW's Health & Safety policy. The Property Director confirmed that he was confident that annual landlord's gas safety checks would be in place for all properties very shortly. This was also a compliance matter covered under the Chief Executive's regular reports to the Audit Committee.

2020 Strategy

- 09/24 The Board reviewed and endorsed the preparations for the new BW strategy and structure which were to be announced on the 29 April.

Operational Efficiency Programme

- 09/25 The Board noted the outcome of the joint review by the Shareholder Executive, Treasury, Defra and BW which showed that there was no economic or financial case for any of the scenarios that were modelled. It was agreed that the high quality of the review and the fact that all the parties involved fully supported it would give significant weight to the argument that the public value created by BW's property portfolio would be lost through any significant sale of the assets. The Board agreed that those involved should be congratulated on an excellent report.

NJ

Wales

- 09/26 The Chief Executive referred to the prospect of further devolution in Wales. He would be making proposals soon for the establishment of a waterways advisory group for Wales. This would meet regularly with Mr. Bridgeman, who had particular responsibility for Wales, but he and the Chairman would also attend on occasions. The Advisory Group already established in Scotland had worked well.

Lower Lee Navigation – Delegation of Regulatory Functions

[Mr. Sarwal declared an interest as a board member of the Port of London Authority and did not take part in the discussion]

- 09/27 The Board considered a recommendation that it delegate its navigational jurisdiction to the Port of London Authority on a 4.5m section of the tidal River Lee during the period of construction and legacy transformation phases of the Olympic Games. This was agreed and the resolution passed to this effect is attached to these Minutes (Appendix 1).

CORE WATERWAY/INFRASTRUCTURE

- 09/28 The Board noted BWB 3361.

The Board approved a project for the Tees Barrage Canoe upgrade (£5.120m in total with a BW contribution of £0.370m) and noted the high level of risk coverage.

It was reported that the Environment Agency was now content with the position at March Haig Reservoir on the Huddersfield Narrow Canal and would not therefore be issuing an enforcement notice.

Board Members expressed interest in knowing more about the design, visual impact etc. of the low head hydro electricity generation referred to in the report. It was agreed they would receive a separate briefing note.

VM/JS

HELIX PROJECT

09/29 The Board considered an update on the Helix Project by the Director, Scotland (BWB 3364).

The following recommendation was approved:

- to continue to endorse the recommendations for BW's involvement in the HELIX project; and
- to authorise the Chief Executive, the Legal Director and the Director, Scotland to negotiate and agree the terms of the Partnership Agreement between Falkirk Council (FC) and British Waterways Board (BWB) to authorise it to be executed on behalf of BWB.

The Executive Directors undertook to consider whether the risks of BW that were shared with Falkirk Council could be managed through ring fencing them in a BW subsidiary.

MARKETING & CUSTOMER SERVICE REPORT

09/30 The Board received memorandum BWB 3362.

The results of marketing activity in 2009 and customer service performance results in 2008 were both noted.

The new marketing strategy and proposed activity for 2009/10 was endorsed.

The Board noted the increase in visitor numbers and improvement in the public perception of BW waterways. The Board also noted and discussed the lower propensity to recommend amongst boat owners. This contrasted with the significantly higher propensity to recommend amongst hire boaters.

Mr. Salem informed the Board that he and Mr. Moran would be undertaking a series of weekend meetings with boat owners during the summer. The Board requested that the schedule of meetings be circulated to Board Members should they wish to attend.

PROPERTY UPDATE REPORT

[Mr. Bowker joined the meeting by telephone link for this item]

09/31 The Property Director introduced BWB 3359.

[Confidential Minute]

FINANCE REPORT

09/32 The Finance Director introduced BWB 3358.

The Board agreed a recommended relaxation to its Treasury Policy to allow continued deposits with HBOS on the same basis as that agreed for RBS/Natwest at the previous meeting. It further agreed that BW Reinsurance should be permitted to deposit with Ulster Bank (a wholly owned subsidiary of RBS) up to a limit of £3 million.

The Finance Director agreed to consider whether to put some of the uncommitted cash on one year deposit. PR

The Finance Director agreed to respond to a suggestion from Mr. Sarwal on the possible use of Gift Aid. PR

The Board noted a description of the proposed accounting treatment for the losses to be reported in the 2008/09 statutory accounts. Mr. Ridal confirmed this was acceptable to the Auditors and he felt that Defra would also be content. This was approved.

The Board also approved the 3 year, 2009/10 – 2011/12, Group Business Plan. In response to Mrs. Carver, the Finance Director undertook to revisit the customer service performance measures. PR

09/33 [Confidential Minute]

COMMITTEE MINUTES

09/34 The Board noted the Minutes of the Audit Committee meeting on 14 January 2009 and of the Property Committee meeting on 18 February 2009.

Mr. Bridgeman gave an oral report on the Fair Trading Committee meeting that had immediately preceded the Board Meeting.

Mrs. Carver reported that there would be a meeting of the Remuneration Committee on 23 April.

It was noted that the Executive Directors had collectively agreed that they would not take a bonus for 2008/09.

FEEDBACK FROM WATERWAY VISIT

09/35 The Board expressed their appreciation for the arrangements for the visits to the Boat Museum, Ellesmere Port and to the Liverpool Canal Link the previous day. They asked that The Waterways Trust and the North West Waterway teams be thanked.

It was agreed that the Liverpool Link was a world class waterway project.

There was a brief discussion on the next visit to Inverness in May and it was agreed that the emphasis would be on involving the waterway operatives.

RETIREMENT OF CORNEL HOWELLS

09/36 The Board noted that this meeting was the last to be attended by Cornel Howells, the Assistant Board Secretary, who was retiring at the end of the month. Mr. Howells had taken minutes of the Board and managed the the Secretariat duties in respect of Joint Ventures and subsidiaries for many years. The Chairman noted that Mr. Howells had joined BW in August 1979 and therefore had served successive Chairmen and boards for just short of 30 years. The Board thanked Mr. Howells for his long and loyal service.

Mr. Howells responded suitably and with his customary dry wit!

DATE OF NEXT MEETING

21 May 2009 (Inverness).

Lower River Lee Navigation – Delegation of regulatory functions

RESOLUTION

The Board authorises Mark Bensted, London Director to agree, carry out and execute on behalf of the Board, an agreement with the Port of London Authority (PLA) for it to carry out, as agent of the Board, such activities, powers, duties and rights of Board with regard to the regulation, management and operation of navigation on the lower River Lee Navigation (including the Bow Back Rivers) as he shall consider expedient and appropriate for the effective management of traffic on the waterway until 31 December 2013.

The Board further authorises the application of terms and conditions for the use by vessels of the waterways affected by the said agreement that reflect or emulate, in whole or part, the terms, conditions, regulations and directions of the PLA for vessels using the adjacent part of the River Thames.