

British Waterways Advisory Forum
c/o The Wharf
Sowerby Bridge
HX6 2AG

Robin Evans
Chief Executive
British Waterways
64 Clarendon Road
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4 February 2010

Dear Robin,

Setting a new course

The members of BWAFF have asked me to write to you following our very helpful meeting with Simon Salem on 22 January. We were most grateful to him.

We have always believed that the waterways, whilst formally owned by the state, belong really to the people who use them in so many ways. Therefore a Trust has always seemed to us the natural home for the waterways. We of course think they should be managed in a business-like way, but we have never believed the waterways as a whole to be a business, suitable for privatisation. We are therefore enormously cheered that the government has approved BW's project to consider moving BW's waterways into the third sector. We will give you every support as the studies proceed.

The third sector contains a remarkable spectrum of organisational types, ranging from bodies only nominally independent of government, such as the Valuation Office Agency, to those so independent as not even to be registered as charities, such as Greenpeace. We recognise that because BW's waterways are controlled by government, and large payments are made by government every year, government might find it much easier to place a new BW at the only-slightly-independent end of the spectrum. We would emphasise that for us this would entirely miss the point. In our opinion, a body of this type would be unable to attract either volunteers or charitable gifts. The further the new body is towards the charity end of the spectrum, the more chance it will have of success. Many large charities have contractual links with government, whilst remaining demonstrably independent. For example, Scope receives half its income, some £50m a year, as fees for services to public bodies.

We therefore believe that the new body should be a full-blown charity. Its trustees should be appointed by a method which reflects the widest possible array of stakeholders. This would include government representatives, but they would not have control. We were encouraged by Simon's outline of the potential arrangements, and offer to work with BW as these ideas change.

A shadow board should be appointed for the new body at the earliest possible stage. We think that

BW should drop talk of 'turning itself into a charity', but rather make clear that a new charity will be formed to take over the running of BW's waterways. This would emphasise the scale of the new beginning, and encourage the volunteers and donations to start flowing. This approach would be entirely consistent with the secure transfer of staff to the new organisation. We consider that it will be necessary, over time, for the new body's pay, conditions and pension arrangements to fall into line with other major charities. Compass makes clear, and you yourself have said, that BW's staff will need to embark on a major culture change. We think this will be greater and tougher than most BW staff yet understand. We would like to help with this. The early establishment of a shadow board and chief officers would greatly assist.

We do not believe that BW's waterways could or should be made financially independent, because so much of the expenditure is to provide benefits to the public, for which they cannot individually be charged. Drainage, flood control, upkeep of towpaths, and maintenance of heritage are examples of this. We therefore support the project to establish stewardship scores by which BW's performance in providing these public goods by contract with government could be measured. Logically, such contracts might be with several government departments rather than the present single one – for example, the provision of safer towpaths in deprived areas to encourage greater local use, or the maintenance of freight waterways. Such contracts must be of a rolling, long term nature, and the associated risks carefully considered.

It would be in the interest of the new body not to be seen as subsidising the hobby of wealthy boat-owners. It would therefore seem sensible to establish the cost of maintenance work, over and above that mentioned above, solely to provide for navigation. This could then reasonably be related to the income from boating, in contrast to present unreasonable assertions that boat owners contribute 'only 20%' of BW's costs.

Our greatest concern about these proposals is that they do not in themselves close the funding gap. We are nonetheless optimistic that they may provide the basis for reducing costs, raising income and taking a more long-term view. We believe it is essential that reliable funding for the foreseeable future be secured in order to produce efficiencies of operation and clearer deliverable strategies for the benefit of all users in the years ahead.

We accept that it is highly unlikely that new legislation will be available. Accordingly, BW's waterways will continue to belong to government. We presume that the British Waterways Board will continue to exist, its responsibility reduced to the oversight of a very long contract with the new body. This would answer our concern that government should retain the responsibility of maintainer of last resort, continuing the safeguards in the 1968 Act. Statutory duties and powers would remain, along with accountability to Parliament by government. We understand that government has expressed interest in some solution which would absolve it of this responsibility. We absolutely reject any such arrangement on the grounds that our inland waterways and the right to navigation are a part of our national heritage that must be preserved for future generations.

It is of the essence of any arrangement that the estate be passed intact to the new body alongside the track, as part of the very long lease or other arrangement which devolves responsibility from the British Waterways Board. The estate includes important parts of the waterways heritage. The new body would fail at birth without the income producing property endowment. The structure adopted

should put the endowment beyond reach of government, and give reasonable borrowing powers to enable better long-term planning. The new body should be freed from the restrictions suffered by BW on the location or type of investment it may make, thus facilitating site assembly and long-term investment, including alongside waterways eventually to be restored. It should also be freed to choose whether or not to engage private-sector joint-venture partners for development schemes. We envisage that, over time, trustees might diversify their investments beyond waterside property .

The idea of establishing stakeholder advisory groups for each major waterway has merit. We welcome the intention to put down stronger roots in waterside communities, and will play a full part in fostering this. We consider that, as much of the benefit from the waterways is felt in local communities, it would be reasonable for more of the new body's funding to come from local authorities. We greatly welcome the contribution of those local authorities which already have contracts with BW, and will encourage others. We should like to see further work on the concept of a levy on local inhabitants, collected via the local council (but *not* a levy on the council itself), similar to the way fire and police services are funded. We also believe that riparian developers who benefit from the waterways should make payments under S106 or other agreements. We are disappointed that Waterways for Everyone contains no commitment on this matter.

We suggest that a group be formed so that our member organisations can work alongside BW staff to gain greater understanding of how large charities engage volunteers and raise funds. That group could also explore the potential to use our members to help form community-based support groups that comprise a broad range of users.

We agree with Compass that a major branding exercise needs to be undertaken, building on the 'Yours to Enjoy' campaign. It is essential that more people be encouraged to share 'ownership' of BW's waterways. The name of the new organisation will have to be market-tested, but we have no suggestions at this stage beyond the probable need to exclude the words 'British' and 'waterways'!

We have long argued for more unified management of publicly-owned waterways. Therefore we strongly hope that the successor to BW will in due course provide a home, satisfactory to all, for the waterways presently managed by the Environment Agency and other navigation authorities.

We agree that the window of opportunity is very small, and offer every encouragement to make the most of this opportunity.

Both BWAf and its member organisations greatly look forward to working with you and your staff to develop these proposals. Member organisations will use their contacts and influence to the best possible effect. We wish you every success.

Yours sincerely,

NFS Stevens
Chairman, BWAf