

BOARD MEETING

Minutes of a meeting of the British Waterways Board (the **Board**) held at The Macdonald Portal Hotel, Cobblers Cross Lane, Tarporley, Cheshire, CW6 0DJ on Thursday 28 January 2010 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 Director
Mr M Bensted	Regeneration Director
Mr S Dunlop	Director Scotland
Mr J Stirling	Technical Director
Mr C Stamp	Prism Cosec, Secretary of the Meeting

MINUTES

10/001 The minutes of the meeting of the Board held on 19 November 2009 were approved. All of the matters arising from that meeting were included in matters due to be discussed during the meeting.

CHIEF EXECUTIVE'S REPORT (BWB 3387)

10/002 **Annual Health & Safety Report:** Mr Evans introduced a review of the Annual Health & Safety Report. Good progress had been made with compliance (via the BWISE process) and asset management. BW was working with the boat hire companies to further emphasize safe boating practices following the fatality at Varneys Lock during the year.

Mr Evans reported that an emergency safety conference had been convened for 120 managers and supervisors in response to the occurrence of three serious injuries in recent months. Mr Moran outlined the key initiatives being taken as a result of that conference.

Mr Moran also informed the Board that the Royal Society for the Prevention of Accidents (RoSPA) had been commissioned to undertake an independent review of BW safety management systems.

10/003 **Restructure:** Mr Evans noted that the restructure continued to bed down.

FINANCE DIRECTOR'S REPORT (BWB 3388)

10/004 **Cashflow:** Mr Ridal reported that the trading account cash balance was beginning to reduce due to higher levels of expenditure, as anticipated. The planned transfer of £7 million from the commercial capital to the trading account would be made in response to this cash outflow.

10/005 [Confidential Minute]

10/006 **F8 Full Year Forecast:** Mr Ridal reported that the trading results format had been re-presented to take account of the new structure. This had been a major exercise. Some variances in the F8 Forecast were expected to be resolved before the F10 Forecast was finalised. The deficit for the year was expected to be in the region £12-14 million.

PROPOSED MOVE TO THE THIRD SECTOR (BWB 3389)

10/007 **Update:** Mr Evans presented an overview of political stakeholder views on the proposed move to the Third Sector. Whilst it was clear that the proposal was gaining strong support in some quarters, there was still a desire for public ownership to be retained in others. Such concerns seemed to arise from fears that whatever happened to BW, liability for the waterways would ultimately remain with the public sector. Mr Evans also noted that the third sector strategy was now one of many options now being considered by the Treasury.

It was agreed that the move to the third sector was totally predicated on the property endowment remaining with the waterways and this point was understood by many of the supporters of the third sector move. Thus, whilst momentum for the idea was building, the Board would have to withdraw the proposal if the 'new' BW was not allowed to keep the property endowment.

Mr Evans presented indicative figures to show the positive financial benefits of moving to the third sector. In time it would be possible for BW, as a third sector organisation, to reduce its dependence on public sector grants and funding and this would undoubtedly be a key aspect of discussions with Government in the current economic environment. It was felt that the pace of discussions on the proposed move to third sector might accelerate. The executive were therefore encouraged to prepare a business plan and options that would help prepare it for discussions with Government in respect of funding for contracted services as against deficit funding in future.

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The implications of the proposed move for Scotland were discussed. As a move to the third sector did not assume and was not dependent on BW Scotland being included and it was generally felt that BW Scotland would work with the Scottish Government to determine the best option for the

waterways of Scotland in response to the proposed move.

- 10/008 **Governance:** Mr Johnson presented an outline of the proposed governance model with a Board of Trustees being the primary governance body, appointing and overseeing management. Local Waterway committees would provide forums for engagement at the local level. A Members Council would appoint the Board of Trustees and hold it accountable. The role of the scrutiny committees of the Members Council was discussed.

[NEW TOPIC]

10/009 [Confidential Minute]

10/010 [Confidential Minute]

10/011 [Confidential Minute]

WATERWAYS FOR EVERYONE (BWB 3391)

- 10/012 A note prepared by Mr Evans in response to the “Waterways for Everyone” policy document proposed by Defra was endorsed.

DIRECTORS REPORTS (BWB 3392)

10/013 **PROPERTY:** Mr Mills presented the Property Report.

10/014 [Confidential Minute]

10/015 **ISIS**
[Confidential Minute]

10/016 **Edinburgh Quay**
[Confidential Minute]

10/017 **City Road Basin**
[Confidential Minute]

10/018 **Gloucester Quays**
[Confidential Minute]

10/019 **REGENERATION:** Mr Bensted report on Regeneration activity was noted. With regard to the update on the Three Mills Lock project, the Board agreed the recommendation [remainder of minute confidential].

10/020 **OPERATIONS:** Mr Moran updated the Board on discussions with Lichfield District Council concerning the implications to the local canals of works to be undertaken by the Council to Chasewater Reservoir.

10/021 **TECHNICAL:** Mr Stirling’s report was noted.

10/022 **SCOTLAND:** In response to Mr Dunlop’s Scotland Report, Mr Sutherland

commented that discussions about water commercialisation appeared to offer some exciting opportunities to BW.

- 10/023 **MARKETING:** Mr Salem commented that a useful meeting had been held recently with the Shadow Secretary of State for Communities and Local Government concerning marina planning consents.

BOARD COMMITTEES

- 10/024 **Fair Trading Committee:** The minutes of the meeting of the Fair Trading Committee held on 18 November 2009 were noted.

- 10/025 **Audit Committee:** Mr Hugill gave a brief report on the meeting of the Audit Committee held on 13 January 2010, the draft minutes of which were also noted.

ANY OTHER BUSINESS

- 10/026 The Board asked the executive team to pass on their thanks to Caroline Killeavy and the rest of the team that arranged the visit the previous day, focusing on volunteering and education, with informative engagement with a range of volunteers and with school children.

There being no further business the meeting concluded at 12.30pm.

Chairman