

BRITISH WATERWAYS ADVISORY FORUM

Notes of meeting held Wednesday 7 November 2007 commencing 13.00 Willow Grange, Church Road, Watford WD17 4QA

Item

Action

Apologies

Received from John Fletcher, Inland Waterways Ass (Roger Squires attending) ; John Hustwick, Electric Boat Ass ; David Kent, Nat Fed Anglers ; Mark Lloyd, Angers Conservation Ass ; Alan Meegan, Amateur Rowing Ass ; Neil Northmore, Royal Yachting Ass ; Barry Smith, Canal Builders Ass

Present See attached attendance list

- 1 Chairman Howard Pridding thanked the meeting for accommodating a change of date. Stuart Sampson and Nigel Stevens had been duly nominated for election as chairman from the end of this meeting. It was agreed that ballot forms should be completed now and counted during the course of the meeting. Cathy Cooke of IWAC undertook to scrutinise the count.

- 2 **Notes of meeting of 9 May 2007**

A typographical date error noted on page two. Otherwise agreed a true record of the meeting.

- 3 **Matters arising**

None that were not covered by the agenda.

- 4 **Comprehensive Spending Review & Defra**

Robin Evans outlined BW's financial position and discussions with government over future grant funding. Although Defra is no longer denying that more needs to be spent on steady state waterway maintenance, it remains a tough spending round across government and flat cash is expected. Clear picture for Defra grant 2008/09 to 2010/11 expected Dec 07 with settlement Jan 08. Similar position in Scotland where Stewart Stevenson the new minister is helpful and sympathetic to the waterway case. It is likely that higher visibility of costs and application of funds, north and south of the border, will be required in future.

BW still dealing with aftermath of the summer 07 floods on top of which the Mon & Brec failure means additional financial pressure. Had BW not taken out £10m overhead cost over the last few years the situation would be considerably worse.

Cotswold restoration phase 1B is short listed 9 (out of 300) for Big Lottery funding - to be announced 14 Nov 07. The Helix (River Carron) improvements are also down to the short list.

Noted that relationships with Defra have improved significantly.

RE confirmed that flood related dredging would be additional to the annual £6m dredging. However, the absolute figure is not yet available.

Best result for the "three year" settlement is likely to be RPI -5% but some Defra "capital" may also be available for regular repairs and maintenance. More work is in hand to explore opportunities across other departments of government, but complimentary to and not at the expense of Defra support. Similarly with funding

bids to regional development agencies with which BW has a successful track record.

Whilst government supports a theoretical shift from grant to contract funding, it is very reluctant to commit and take the risks it perceives there may be.

Confirmed that the waterway network currently has £100m maintenance arrears and £100m principal asset arrears. Also that BW needs to fund its steady state operational model with £125m per annum against £101m commitment to it in the current financial year.

5 Government's response to Efra committee

BW content with recommendations. Understood that Waterways Trust has deferred further discussion with DCMS re "free admission" to its museums.

View expressed that the report & response lack guts in that they avoid discussion as to whether commercial activities are beneficial to, or a diversion from, BW's care and maintenance responsibilities. BW's view is that its commercial side is beneficial. It 1) generates profit to plough back into waterways 2) delivers public benefit 3) keeps BW management on its toes.

Self sufficiency vision questioned. BW regards it as helpfully describing a direction of travel in today's economic climate rather than being an absolute goal. BW will always want to put public funds to good use but would prefer less dependence on government grant because of vagaries around this funding.

The meeting agreed that waterway bodies should not underestimate the significance of select committee work or this report. Each should use it as a lever to push for more resources into waterways.

ALL

Reference recommendation 19 *BW's relationship with network users* the relative roles of consultative and discussion groups were considered. BWAFF's function is to provide strategic input, Waterway User & Special Interest Group is more detailed / operational at BW wide level and local User Groups is detailed / operational at local level.

View expressed that BW's consultation processes are inadequate, aimed more at fulfilling a requirement than engagement / customer participation. The trade took a different view, was satisfied with the level of consultation, and had good evidence that account is taken of its views.. Consultees are too often disappointed that when something appears to be agreed it is then not acted upon.

BW undertook to take account of these points. Confidence in the process is itself an important part of consultation principles. BW's non executive board members welcomed the frank discussion on these points.

BW

Government consultation on Red Diesel was not considered a model for BW to follow.

6 Status Review

BW is the commissioning party for this work. It will present the conclusion to its two shareholder governments. A KPMG / Merrill Lynch team is appointed and currently undertaking the business analysis phase of the assignment. BW board will receive the KPMG / Merrill Lynch report, options for change and recommendations. The meeting posed a number of questions.

Could the result enable clearer articulation of BW's business model?

Will the consultants talk to user/customer groups? BW feels that it is sufficient close to its customers to represent their interests in respect of this project.

Several present felt that BWAf should have an input into this important work - commenting on an 'in confidence' report for example. But the main shareholder Defra, is clear that it will permit public release of the report when it sees fit and not before.

BW board's responsibilities are broader than to the shareholders alone. They extend to customers, staff, shareholders and waterway assets. All present were asked to let BW know if there were any concerns with the 'principal factors to be considered in assessing options'.

ALL

Noted that the terms of reference made no reference to organisations that might have capacity to restore waterways.

Defra should consult stakeholders at the appropriate time and would also seek IWAC's view.

7 **Six challenges for BW & its stakeholders**

Agreed to have general discussion only at this meeting. BWAf felt that strategic questions of this nature are the things it should be addressing.

The six questions are about right. Might specifically refer to heritage as well. Balance of public use and attractiveness for existing customer groups are also important.

Noted that *Waterways for Tomorrow* and *Scotland's Canals, an Asset for the Future* remain official government policy documents.

A BWAf working group is to consider these matters with the objective of providing clear strategic views for consideration. Noted that the Environment Agency is having similar discussions. BW will be pleased to receive an independent BWAf overview including future visions for the network and for BW.

NS

8 **Report from heritage subgroup**

Notes of meeting of 28 Sept 07 reviewed (copy attached). The subgroup was asked to take matters forward. BW confirmed that its head of heritage and unit heritage advisors would support the work and that both environmental and heritage assessment are made before any works packages are approved.

DF

A volunteer heritage leader in each unit would be a particularly helpful contact for BW's heritage advisors. Volunteer heritage work should align with priority areas for BW.

9 **Consultation on future boat licence fees**

Dissatisfaction expressed regarding the consultation document. Boaters perceive from it that they are regarded as a first target to raise income. They do not believe that all the arguments are valid or that matters have been thought through sufficiently well.

BW confirmed that it is trying to increase its income from all sources. Licence fee income represents just 6% of turnover. BW is alert to the fragility of the market.

Value for money can be a helpful guide to these complicated sets of judgements.

The boating community considers such increases to be a one way deal. Government is not similarly increasing its contribution to the waterways. Pointed out that BW's own research show that boat owner visits to BW waterways represent around 3 / 4% of total visits.

View expressed that this consultation was fait accompli since BW gave no alternatives to raising fees. However BW considers that consultation around a very wide range of complex business variables is unworkable. Effective communication and 'selling' of consultations is also an important consideration.

Boating trade welcomed advance planning on licence fees increases which it regards as inevitable.

BW confirmed that its chief executive & marketing director would be running four open house consultation sessions during December.

10 **BWAF & its future role**

Confirmed that BWAF should function at the high end strategic level. Fewer agenda items would better facilitate this. Some felt that although time consuming, agenda meetings could be helpful.

NS

Agreed to leave constitution as it stands. There is no absolute requirement to undertake everything that the constitution permits BWAF to do.

Agreed that an e group could be a useful and efficient method of holding agenda meetings and facilitating other inter meeting communications. Options to be explored.

JB

11 **Appointment of Chairman**

The result of the ballot for chairman was declared. Nigel Stevens had been duly elected

12 **AOCB**

BW was asked about the present status of customer service standards. Confirmed that it was about to finalise standards covering people, safety and performance.

Adopting a clear set of basic operational standards represents an important step forward. These would be reviewed annually as part of business planning and through consultation wherever appropriate.

JB

The meeting thanked outgoing chairman Howard Pridding for his contribution to BWAF. Also Claire Westbrook, of BMF for supporting Howard during his chairmanship.

13 **Dates for 2008 meetings**

Friday 16 May and Friday 14 November. Venues to be determined

Attendance at BWAF meeting 7 November 2007

Present *

Howard Pridding *	Chairman	Campbell Christie *	BW Vice chairman
David Fletcher *	Vice Chairman	John Bridgeman *	BW Board member
		Robin Evans *	BW Ceo
James Bryan *	Nat Community Boat Ass	Simon Salem *	BW Director, marketing & CS
Edward Burrell *	The Barge Ass	Jonathan Bryant *	BW Customer service
Ivor Caplan	Residential Boat Owner Ass		
Cathy Cooke *	IWAC Council (observer)	Beryl McDowall	Residential Boat Owner Ass
Ann Davis *	British Hirer Cruise Fed	Dean Maragh	Ass of Canoe Traders
Sue Day *	Horse Boating Society	Alan Meegan	Amateur Rowing Ass
John Dodwell *	Commercial Boat Owner Ass	Neil Northmore	Royal Yachting Ass
Tony Dunn	Steamboat Ass	David Pearce *	AWCC
David Dunning *	The Boating Ass	Cedric Rainer *	Towpath Action Group
Kevin East	British Canoe Union	Stuart Sampson *	Nat Ass of Boat Owners
Ian Ferguson	The Barge Ass	Barry Smith	Canal Boatbuilders Ass
John Fletcher	Inland Waterways Ass	Andy Soper	The Barge Association
Nigel Hamilton *	APCO Hotel Boat Section	Nigel Stevens *	British Marine Federation
John Hustwick	Electric Boar Ass	Mike Turpin *	Boat Museum Society
Colin Hill *	APCO	Henry Whittaker	British Horse Society
Martin Jiggins	Historic Narrowboat Own Club	John Williams	Nat Ass of Fisheries & Angling C
Mark Lloyd	Anglers Conservation Ass		
		Rex Walden *	Residential Boat Owner Ass
Nigel Crowe *	BW Heritage Manager	Roger Squires *	IWA
Phil Prettyman *	Historic Narrowboat Own Club		
