

BRITISH WATERWAYS

CHIEF EXECUTIVE'S BRIEFING PAPER

SEPTEMBER 2005

1. STAKEHOLDER RELATIONS

1.1 Annual Meeting

The meeting was held on 8 September and it followed the established format, although the Waterways Minister was unable to attend because of a clash of engagements. He recorded a video message instead.

The issue most frequently raised was the Bedford/Milton Keynes Link and its downgrading from priority one status. The issue of planning for restorations and their prioritising is a subject which is on the agenda for discussion with BWAFF (see below).

Initial feedback from users is that the meeting was useful and more constructive than last year.

1.2 British Marine Federation

On 31 August BW's Fair Trading Group (with Robin Evans and Simon Salem also present) met BMF's past and current presidents and two senior executives.

The meeting was long and very open. Both at the meeting and in subsequent discussions carried out by Terry Tricker on behalf of the Fair Trading Group, significant progress has been made.

James Flynn QC and Lord Grabiner QC have been instructed to provide an Opinion on the views of BMF Counsel, Nicholas Green, particularly by reference to his assertion of an unlawful structural conflict of interest arising under EU law. In conference our Counsel have been robust that such assertion is unsustainable.

BMF and BW are moving to a position where they can work together on the OXERA brief and also resolve differences about the legal issue. A further meeting with the Fair Trading Group is planned for 26 September. The Fair Trading Group will update the Board with any changes at the meeting.

1.3 Licence Fee Structure Consultation

The beginning of this consultation was reported in the June briefing paper. As expected the proposal relating to continuous cruisers has aroused controversy (see also Annual Meeting and IWA Festival). So far we have had some 200 responses, mostly negative. During August we met with representatives of the national boating user groups to understand their concerns and explain in more detail the scope and background to the consultation. The consultation period closes at the end of September and a full report on the outcomes is planned for November.

1.4 British Waterways Advisory Forum (BWAf)

The first agenda meeting took place on 9 September. The meeting was positive and the following topics were agreed for discussion at the first full meeting on 11 October.

- Restoration Strategy;
- Waterway standards (strategic overview);
- Capacity and congestion;
- Consultation process.

1.5 Public Affairs – Relationships with MPs

We wrote to all riparian MPs (new and old) welcoming them and reminding them of how to contact us before the summer recess began. We have had five responses so far to the letter, one of which requested a meeting. This was from Charles Walker, MP for Broxbourne (Rivers Lea and Stort). Richard Rutter, BW London's regeneration manager met him, with a constructive discussion about his interests taking place.

1.6 Parliamentary Waterways Group (PWG)

Together with other navigation authorities under the IWAAC umbrella, we took advantage of the retirement from Parliament of Bill O'Brien, long time Chair of PWG to press for changes to the way the group worked. Timings have been changed to make it more conducive to attendance by members and peers and the format has changed to the debate of strategic topics with two or three contrasting views presented. The new Chair is Bob Laxton, MP for Derby North, and Simon Salem is meeting him on 13 October.

1.7 Complaints

The Q2 report to 30 September will be presented with other Q2 reports at the next Board Meeting.

1.8 Customer Insight Programme (CIP)

Work on the CIP was reported in the June briefing paper.

Directors met on 16 August to review the results of the programme.

The segmentation of leisure customers into three "super clusters" was accepted as the right base for further work:

- Passionate enthusiasts (boaters and anglers);
- Activity seekers (half day leisure trips, hire-boaters);
- Functional users (e.g. dog walking, cycling to work);

Papers are being prepared for a further meeting of Directors on 14 October with the following topics:

- Size of leisure opportunity implied by CIP;
- How the CIP service proposition will work on a range of sites and services;
- The impact of CIP on BW's culture;

- Potential pilot projects.

There will be further reports to the Board as the thinking progresses on this programme.

1.9 Customer Satisfaction Research

We are responding to business unit demand for more frequent reporting of customer satisfaction. Mystery visits to priority sites were introduced during August.

Pedestrian counters are a valuable research tool, especially at destinations, but their effectiveness is variable across the business. A September Workshop is designed to improve consistency in all business units.

A quarterly research Bulletin will be introduced from September. Its purpose is to highlight key features of BW research in an easily digested form. Also to encourage more interest in research results generally.

The current list of priority sites is under review.

1.10 Media Relations

We are aiming to increase awareness of BW's historic estate and the responsible way we care for it. BW has the third largest number of listed structure in the country (after the National Trust and Church of England). A national media approach is planned for Monday 10 October. This will be supported by events in each of the BU's including walks and talks and demonstrations of lime mortar mixing. In partnership with the Institution of Civil Engineers and London South Bank University, BW will also hold an event at London Dockland's museum where under-graduates and other engineers will build a scale canal bridge using lime mortar. This part of the initiative also aims to raise the attractiveness of waterway engineering as a profession, supporting BW's future recruitment needs.

1.11 Waterways Working Group – Wales

Arrangements have been made to hold the next Waterways Working Group Meeting at Cardiff at the end of November 2005. The reorganisation of the Welsh Development Agency, Tourist Board and other bodies continues and unfortunately, this now has potential implications for waterways as the Welsh Assembly Government are considering which department will become responsible for the inland waterways. We intend to meet with Andrew Davies following the next Working Group Meeting to resolve this.

1.12 The Scottish Executive

The Minister for Transport & Telecommunications, Tavish Scott, MSP, has agreed to honour Nicol Stephen's commitment to address the British Waterways Scotland Annual Meeting on 29 September to be held at the Hub in Edinburgh.

The Minister has also agreed to meet with our Chairman, Campbell Christie and Jim Stirling on 22 September for a briefing and discussion on BW matters ahead of the BWS Annual Meeting.

2. RISK ISSUES

2.1 Safety Incidents – Scotland

An incident took place on the trip boat *Antonine* at the Falkirk Wheel, when a member of the public requested a crew member to open one of the roof windows. Upon opening, the window shattered, showering a baby's pram. The trip was aborted and the boat

returned to the boardwalk. The crew member received a small cut to his nose. No other injuries were recorded.

A full investigation has been undertaken by Paul Seenan, Health & Safety Advisor and David Smith, Asset Manager. The report was submitted to the Falkirk Wheel Management Team. David Smith is exploring the glazing issue with Seaglaze Glazing, who installed the glass panels on the boat. As a safety precaution no roof panels on trip boats *Antonine* or *Archimedes* will be opened until this issue is fully resolved.

William Moore, a seasonal Operative working at Kytra Lock on the Caledonian Canal, missed catching a rope whilst assisting a boat to tie up and fell into the lock between the boat and the lock wall. As he was wearing all his PPE including his lifejacket, which inflated upon hitting the water, his only injuries were shock and a slightly sore neck. He was pulled to safety by the boat crew.

This incident had the potential to be much more serious. Consequently, a Safety Action Team has been set up to improve the safety of this operation throughout BW Scotland. On the Caledonian Canal we are now giving Lock Keepers hand held ropes to pass down to boaters, obviating the need to catch ropes thrown from vessels.

2.2 Hire Boat Sinking

A Black Prince hire boat sank in the locks at Delph on the Dudley No. 2 with no injury or loss of life. Upon investigation, it was discovered that a pool table had become lodged under the top gate preventing it from closing properly. This caused excess water to come over the cill and cascade into the rear of the craft. With the swift action of another boater and the intervention of BW staff, injury was avoided but the sinking of the craft could not be prevented.

2.3 Safety/Accidents – London Canals

There was a High Potential Incident when with BW contractors lifting 2 tonne granite blocks, the lifting eye failed and caused the load to drop. A BW engineer was in close proximity but not injured. The HSE were consulted but the incident was not reported under RIDDOR. Investigation has shown a design fault in the lifting eye. This type of lifting eye will not be used again.

During this period, we have had 2 reports of Cyclists falling from their bicycles, one on the towpath between Camden Lock and Kentish town lock, the cyclist fractured his right arm. The second incident happened on the towpath between Sturt's Lock and Acton's Lock, the cyclist suffered cuts and bruising to his arm.

Both these incidents have undergone investigation and the first one was a result of the cyclist going too fast and the second is believed to have been caused by the National Grid Cable slabs, discussions are ongoing with National Grid.

Since the bombings in London, we have seen a significant increase in the amount of people using the towpaths to get to work, either cycling or walking.

The Operations and Customer services teams are discussing various ways of dealing with inconsiderate cyclists, to reduce the risk of dangers to walkers.

3. STRATEGIC PEOPLE ISSUES

3.1 Senior Management Changes

- South West, Operations Manager. Following John Laverick's decision to take early retirement, John Ward, Project Manager, Omnibus, has been appointed to the role. John had been identified in our senior manager talent pool.

- Legal Department. Following the resignation of Principal Lawyer, Alison Clegg to take a post elsewhere, the opportunity to streamline the Legal Department has been taken with the transfer of property law responsibility to Stephen Mendham, Principal Lawyer. Stephen will recruit a property lawyer to support this change.
- Director, Scotland and South East General Manager. The search process lead by Odgers is progressing well with shortlists presented for both roles. Move to preferred candidate stage is anticipated to be end September/early October.

3.2 Marina Opportunities Group

A dedicated team is being formed to deliver the Marina Opportunities programme to be launched at the London Boat Show in January. The Group will report to Derek Cochrane with Nigel Sheppard (Service Manager, East Midlands) appointed as Project Manager supported by Estate, Technical and Administrative resource.

3.3 Casino Advisory Panel

James Froomberg has been appointed by the Minister for Sport as a member of the Casino Advisory Panel. This two-day per month role is expected to last for 12 to 15 months from October 2005. The Panel's remit is to advise the Minister on locations for the new casinos envisaged in the Gambling Bill. James has fully advised DCMS of the potential for conflicts of interest with his BW role.

3.4 Board/Staff Meeting South East

The South East General Manager used information from the discussion groups at Foxton to promote wider debate of the key issues through the local Team Talk process. General feedback has been positive following the session at Foxton with staff appreciating its open, informal style.

4. PROPERTY

4.1 Gloucester Quays

We have been notified by the Planning Inspectorate that the Gloucester Quays Planning Inquiry will be held on 29th November. Two weeks have been allocated for the hearing. This confirmation is good news for the URC and our partners supporting the proposal and is consistent with the suggestion in my July briefing that a decision on the scheme can be expected by mid/late Summer 2006.

The sale of the 5.5 acre "Gloscat" College site was completed on 24th August, enabling a new 200,000 sq ft FE College to be commenced in October for a scheduled opening in September 2007. Contemporaneous with the Gloscat land sale, English Partnerships are now contractually committed to construct a £6m swing bridge across the Gloucester and Sharpness Canal at Monk Meadow – this finally completing the City's Inner Relief Road and securing the discharge of the Gloucester Quays new highway provision conditions.

5. LEISURE

5.1 Stockton International Riverside Festival

British Waterways assisted Stockton in delivering the 18th Festival. This attracted 200,000 visitors and 200 performers from 15 nations, over 5 days. It offers an extraordinary range of the highest quality outdoor productions, street magic, circus, music and comedy – all absolutely free. The 2005 programme further enhanced the Festival's national reputation as the finest street festival in the UK.

British Waterways' major input was at St Mark's Basin which saw the Festival's largest scale performance from Clipa Theatre, the Cabaret at the End of the World – Deus Ex Machina (Israel).

5.2 British Waterways at the IWA National Festival 2005

This year's IWA National Festival was held at Preston Brook on the Bridgewater Canal, near Warrington (at the time of writing attendance figures were unannounced). BW's Central Marketing Team took the lead in co-ordinating a joint presence with the local BW office (Wales & Border Counties), the Environment Agency (both their Central and North West teams), the Boat Safety Scheme, Waterscape and WOW.

This enabled us to successfully provide a one-stop information area for customers.

The main themes from boating customers were:

- Boat Licence Structure Review concerns;
- A demand for recycling facilities along the network;
- Moorings enquiries;
- How to get started in Boating enquiries;

5.3 London International Boat Show – January 2006

Once again, BW and Waterscape are the main sponsors of the inland waterway feature which will contain the ever popular pub!

Marketing linked to the stand will feature:

- Launch of Marina Opportunities Guide;
- Bow Back Rivers promotion;
- Reception for property partners;
- Invitations to individual MPs.

5.4 FunQuay Beach Weekend, West India Quay, Docklands

BW and XLeisure teamed up once again to run the FunQuay Beach Weekend on Saturday 27th & Sunday 28th August. An estimated 35,000 people attended the event which featured an imported beach, entertainment, a mini funfair and a guest appearance from Philip Olivier.

6. RESTORATION/REGENERATION

6.1 Bow Back Rivers & Olympics

We have taken a further 35 officials and opinion formers on trips around the Bow Back Rivers to heighten awareness of waterway-related issues in the Olympic zone. The highlight of the period was a 2½ hour private visit from the Deputy Prime Minister, John Prescott, together with his key Thames Gateway officials and the Minister for London, Jim Fitzpatrick. This gave British Waterways an excellent opportunity to discuss the key issues relating to the waterways.

BW's recent study shows that a massive 7000 tonnes of material per day could be transferred to and from the Olympic site, reducing lorry numbers by 87,000 per annum. Early indications are that the lock and structure would cost c£10.6m.

6.2 Liverpool Link

Government Office, NW has granted final approval for the £7.5m ERDF grant so that all £17m funding is now secured for the project. Drawdown of the funding is still contingent on securing the estates agreements.

The focus of the estates agreements continues to be focused on MDHC, who are now more actively engaged following the Peel takeover.

The long running design reviews at Pier Head/Mann Island have culminated in the recent submission by BW of a revised planning application to cover these areas. BW will now progress the detailed design/procurement.

6.3 Montgomery Canal CMS

English Nature's Director of Protected Sites (Dr Andy Clements) has confirmed that, following EN's inability to adequately define the technical standards that would apply to in-channel conservation, their preference is for a solution in England that delivers full compensation for the SSSI value in 4.5ha of reserves outside the canal channel. This frees up the canal for navigation unlimited by statutory conservation requirements.

The majority of other Partners have confirmed that such a solution is acceptable to them and we are proceeding to re-write the necessary sections of the CMS with the aim of completion by the end of September.

Dr Clements has also confirmed EN's view as the regulator that this proposal would satisfy the necessary legislation.

This change of approach in England will allow faster uptake of economic benefits from the restoration through to Llanymynech, while not affecting our proposals for integrating in-channel conservation within the Welsh length which has a higher level of designation.

6.4 Taylor's Boat Yard, Chester

The application for the restoration of the Taylor's Yard complex was submitted to the North West HLF team in August. The total value of the application is £4.65m with a

request of just under £2m from the Heritage Lottery. The project will be appraised over the next 6 months with an outcome expected in March 2006.

6.5 Millennium Link

The Millennium Commission have now paid the remaining £322k grant despite the fact that we have not yet obtained title to all the land along the Millennium Link. The Commission have accepted West Dunbartonshire Council's letter agreeing to transfer their land to BW.

6.6 Standedge Tunnel and Visitor Centre

The proposal for the restructuring of the visitor attraction offer at Standedge, which was submitted to the Millennium Commission's July meeting did not gain approval. The Commissioners appear to have interpreted the proposal as meaning the closure of the visitor centre despite our stated aim to site it back in the warehouse. They have said that in these circumstances they might reclaim some or all of the original funding. We are approaching the Commission to clarify the grant conditions, with advice being sought from our Legal Department as necessary. We will also continue to make the case robustly with them for our redevelopment proposals, including presenting a more detailed business plan and canvassing support amongst key groups locally (e.g. the Tourism Association and Canal Society).

6.7 Upper Lee Valley

BW has been successful in its initial funding bid to the Office of the Deputy Prime Minister's Growth Area Fund and has been asked to submit a 'fully worked up bid' by November. BW has been 'allocated' £2.5m in comparison to the £3.5m requested.

Work is progressing well for the £950,000 commercial barge project at Hale Wharf (£574,000 funded through European Development and Regional Development Agency funding). The designs for the 4 barges will be modelled from traditional Lee barges first developed in the early 1800's. The project is planned for completion in autumn 2006.

7. LEGAL

7.1 Sewerage Discharges - Bow Back Rivers

This is a matter arising from the last Board meeting. There is a history of combined sewers in the Thames area. They are subject to consents from the EA under the Water Resources Act even though, in times of heavy rainfall / flood, they allow untreated sewage to be discharge to local rivers. While so consented, BW has no effective remedy.

7.2 National Non Domestic Rates – Transitional Relief

We have been advised by specialist Counsel that there is a strongly arguable case that the provisions under which BW has been refused transitional relief are *ultra vires* and unlawful. The case is shortly to be put to the ODPM but if rejected, will require to be litigated. If successful the savings in this year will be circa £700,000, with further savings over the next three years.

7.3 Crossrail Bill

An extensive petition by BW objecting to many aspects of this Bill and seeking enhanced protective provisions for BW has now been delivered to Parliament

7.4 Clean Neighbourhoods and Environment Act

Pre-consultation discussions have been held with Defra. The formal consultation will be in October and the draft new statutory guidance is likely to place an additional duty on BW to maintain "honey pot" sites clear of litter. This matches our need to delight customers but it will be noted as an additional Government requirement of BW.

8. CORE WATERWAY

8.1 Lincoln Brayford Pool

A meeting has been held with Senior Officers at Lincoln City Council to explore BW's future role in the regeneration and/or future management of the Pool. The City Council are due to take management responsibility of the Pool in May 2006 following a termination of the Brayford Trust's Lease by the Authority. BW wrote to the City Council in late August formally requesting an early indication of the Authorities view of BW's future role to ensure business planning and formal internal discussions can commence.

8.2 Beeston Canal Towpath Award

The towpath improvements on the Nottingham Beeston Canal were awarded "Commended" in the Waterways category of the Local Government News street design competition 2005. The scheme has now been included in the DEFRA Good Practice Guide for surface requirements for shared use routes, to be released in the near future.

8.3 Anti-social Behaviour

I have reported previously on various manifestations of anti-social behaviour on our canals.

Another example of the problems we face is reported by the Central Shires Waterway whose Operations team collected 2000 syringes from the Damson Parkway area in Solihull (Grand Union) during a length clean-up.

There are always local initiatives on-going to tackle these problems. A recent one was headed by our MBE award winner Tony Wright, also of Central Shires. He facilitated an angling project at Atherstone involving young people. This attracted positive media coverage and reports of vandalism in the locality have since dropped.

Directors have recently discussed the merits of mounting a co-ordinated national approach. A proposal is being scoped. This would be a candidate for Lottery and Foundation funding and would link with existing events, such as the Canals Spring Clean.

8.4 Recycling

A waste re-cycling meeting has been held with NSU to progress options for recycling centres at Fradley and Lapworth, with further possible sites on the Trent & Mersey Canal. The possibility of making the T&M a "recycling canal" is being considered.

8.5 Water Resource Position

Consistently below average rainfall has meant that the Leeds & Liverpool Canal is currently at risk of closing. The summit reservoirs are nearing the 10% holding level.

The supply to the Huddersfield Narrow Canal is adequate with very careful water management.

We also had a pollution incident on the Tring Summit which is restricting the use of our reservoir resources. The problem arose when toxic levels of algae caused fish deaths in the Wendover Arm. The Environment Agency who consider this to be a pollutant instructed us to close the Tring Reservoirs and threatened prosecution. Back-pumps to the summit are being installed which should keep the canal open, albeit with restrictions on locking. We are unclear whether the Environment Agency will prosecute.

9. VENTURES

9.1 Sponsorship Business

Spring Clean 2006, Crick Boat Show and Falkirk Wheel are the three 2006/07 sponsorship "quick wins" packages now in preparation. Linked to the sponsorship plan are initiatives to increase income from the lease of BW sites for advertising, for automated teller machines and for improved margin on soft drink supply through a national contract.

ROBIN EVANS

15 September 2005