
BOARD MEETING

Minutes of a meeting of the British Waterways Board (the **Board**) held at 1 Sheldon Square, Paddington Central, London W2 6TT on Wednesday 23 November 2011 at 1.30pm

PRESENT:

Mr T Hales	Chairman
Mr J Bridgeman	
Mr J Bywater	
Mr R Green	
Dr J Hargreaves	
Mr N Hugill	
Mr P Sarwal	
Mr D Sutherland	

IN ATTENDANCE:

Mr R Evans	Chief Executive
Mr S Dunlop	Scotland Director
Mr N Johnson	Corporate Services Director & Secretary to the Board
Mr S Mills	Property and Enterprise Director
Mr V Moran	Operations Director
Mr P Ridal	Finance Director
Mr S Salem	Marketing Director
Mr J Stirling	Technical Director
Ms L Berry	CRT Trustee, as an observer
Ms J Cotton	CRT Trustee, as an observer
Mr J Dodwell	CRT Trustee, as an observer
Mr A Gordon	BW Scotland Group, as an observer
Mr C Henderson	Inland Waterways Association, as an observer
Mr M Devin	Prism Cosec, Secretary of the Meeting

INTRODUCTION

11/156 The Chairman welcomed everyone to the meeting.

DECLARATION OF INTERESTS IN MATTERS ON THE AGENDA

11/157 It was noted that John Bridgeman and Jane Cotton had interests on account of both being members of the Pension Fund Trustee Board and that, accordingly, neither participated in the discussion of agenda item 11/165 below.

MINUTES OF THE PREVIOUS MEETING

11/158 The minutes of the meeting of the Board held on Wednesday 21 September 2011 were approved.

MATTERS ARISING

11/159 Signage (minute 11/128)

Mr Moran reported to the Board his assessment as to whether additional safety signage was required at Pontcysyllte.

11/160 Waterway Ombudsman Scheme (minute 11/129)

The Board would received a report from the Chief Executive by April 2012

RE

11/161 Manchester Bolton and Bury Canal (minute 11/149)

It was noted that, as at the date of the September Board meeting, the Middlewood Locks canalside development had not been acquired from administrators as minuted. The acquisition remained pending. [Post-meeting note: the acquisition has now been completed.]

CHIEF EXECUTIVE'S REPORT (BWB 3432)

11/162 **Health & Safety Report:** The health and safety report was noted and no questions were raised.

11/163 **HR:** Mr Evans updated the Board on the following:

1. The planned re-location to Milton Keynes was tracking to plan. Replying to a question from Mr Dodwell, Mr Evans said that formal consultation with employees was in hand;
2. It had been decided to repatriate the BW England & Wales payroll from Logica. [Post meeting note: This decision has been reversed following further investigation.]

11/164 **BW/CRT Transition:**

Public Bodies Bill: Royal Assent to the Public Bodies Bill was not now expected before 14 December, a fortnight later than originally planned. This increased the risk of not achieving the planned vesting date, 2nd April 2012. As a consequence of this, contingency planning for interim governance arrangements was underway on the assumption of a 4-6 week overshoot. Mr Salem said that 20th April, 11th and 18th May 2012 had been pencilled for the official launch of CRT in Birmingham.

Funding Agreement: Robin Evans updated the Board concerning the most recent developments in the funding negotiations with Defra.

[Confidential material exempt from disclosure under s.41 Freedom of Information Act 2000 removed]

[Confidential material exempt from disclosure under s.43 Freedom of Information Act 2000 removed]

FINANCE DIRECTOR'S REPORT (BWB 3433)

11/165 **Cashflow:** Mr Ridal reported that the trading account cash balance continued to track to plan.

11/166 **Commercial Capital Forecast:** The forecast had been updated to incorporate the assumptions underpinning the business plan and also the additional cash flows that would arise if the Wood Wharf transaction were to be completed.

11/167 **F6 Statutory Accounts Presentation (IFRS):** The presentation of the F6 forecast in the format to be adopted in the BW annual report assuming a 31st March 2012 year end was noted. The accounts included a revaluation of the Wood Wharf freehold together with the profit on disposal of the joint venture interest to the Canary Wharf Group.

11/168 **KPIs:** Mr Bridgeman suggested that if the CRT was to be measured against, inter alia, the condition of the towpaths, this ought to be included in the schedule of KPIs. Replying to a question from Jane Cotton, the Chairman confirmed that all the KPIs would be subject to review following vesting.

SCOTLAND DIRECTOR'S REPORT (BWB 3434B)

11/169 Mr Dunlop presented a paper and asked the Board to ratify the signing of an agreement with AMOR ICT. After due consideration, **it was agreed** that this be approved. SD

11/170 Mr Dunlop said that a business plan would be prepared and submitted for the Board's consideration prior to separation.

11/171 The Board congratulated Mr Dunlop on his appointment as CEO of British Waterways Scotland and noted he would be appointed as a member of the board following the transfer of the England & Wales business to CRT.

11/172 The Board noted with sadness the passing of Campbell Christie, former Board member and Vice-Chairman and earlier former STUC General Secretary.

OPERATIONS REPORT (BWB 3434C)

11/173 Reservoir levels in some areas were now extremely low and winter refill rates would be critical in recharging reservoirs ahead of 2012. It may be necessary to adopt restrictive practices in January in order to conserve supplies if the situation did not improve.

11/174 An approach had since been made to Welsh Water to address the ongoing threat to the water supply to the Monmouthshire & Brecon Canal with a view to securing its long-term sustainability but to no avail. A communiqué was being drafted to the Welsh Assembly stressing the seriousness of the threat. VM

11/175 Mr Sarwal expressed concern about the possible precedent set by a major pollution incident in September that had impacted the Wyrley & Essington Canal. The cause of the incident had been a factory fire in nearby Tipton. Mr Moran explained that the cost of dealing with the incident was unlikely to be recovered because the factory owner carried insufficient insurance.

11/176 Replying to a question from Mr Dodwell concerning the level of engagement with stakeholders concerning planned works, Mr Salem explained that significant improvements had been made in engaging with key stakeholders as to the most effective way in which to carry out remedial works to the benefit of the waterways with minimal impact on nearby businesses and communities.

PROPERTY (BWB 3434D)

11/177 **Wood Wharf:** Mr Mills remained optimistic that negotiations could be concluded by 31 December 2011.

11/178 [Confidential material exempt from disclosure under s.43 Freedom of Information Act 2000 removed]

11/179 **Investment approval**
[Confidential material exempt from disclosure under s.43 Freedom of Information Act 2000 removed].

Mr Mills explained that the property was currently undergoing refurbishment to accommodate [...] and outlined the terms of their lease. Mr Mills was of the view that the acquisition represented a good opportunity and noted that [...] would provide a strong covenant. It was, however, emphasised that the acquisition was subject to there being no material issues arising from the internal survey carried out by BW on 11th November.

It was agreed that the acquisition, which had been considered and approved by the Property Committee, be approved.

SM

ENTERPRISE (BWB 3434E)

11/180 The Board noted the initiatives currently being undertaken by the Enterprise Team. A towpath guidance document was being rolled out to help inform design approach and standards of towpath improvement. This followed consultation with stakeholders.

11/181 Replying to a question from Mr Sutherland following an announcement by the coalition government that it would be making available funds for the renovation of unoccupied houses, Mr Mills replied that H2O and Isis were looking into this.

11/182 Mr Bridgeman enquired as to the condition of BW's assets in the vicinity of the Olympic park. Mr Mills replied that these were deemed fit for purpose and that the Enterprise Team had been looking at other issues including weed clearance and the need to ensure that similarly high standards of care and maintenance are applied to assets on the periphery of the park.

MARKETING (BWB 3434F)

11/183 Mr Salem's written report was noted.

BOARD COMMITTEES

11/184 **Audit Committee:** The minutes of the meeting of the Audit Committee held on 14th September 2011 were noted.

11/185 **Property Committee:** The minutes of the Property Committee meeting held on 6th October 2011 were noted. The draft minutes of the meeting held on 9th November 2011 had not been finalised but were noted.

DATE OF NEXT MEETING

11/186 Wednesday 25th January 2012 (Leeds).

There being no further business the meeting concluded at 3.45pm.

Chairman