

**BRITISH WATERWAYS**

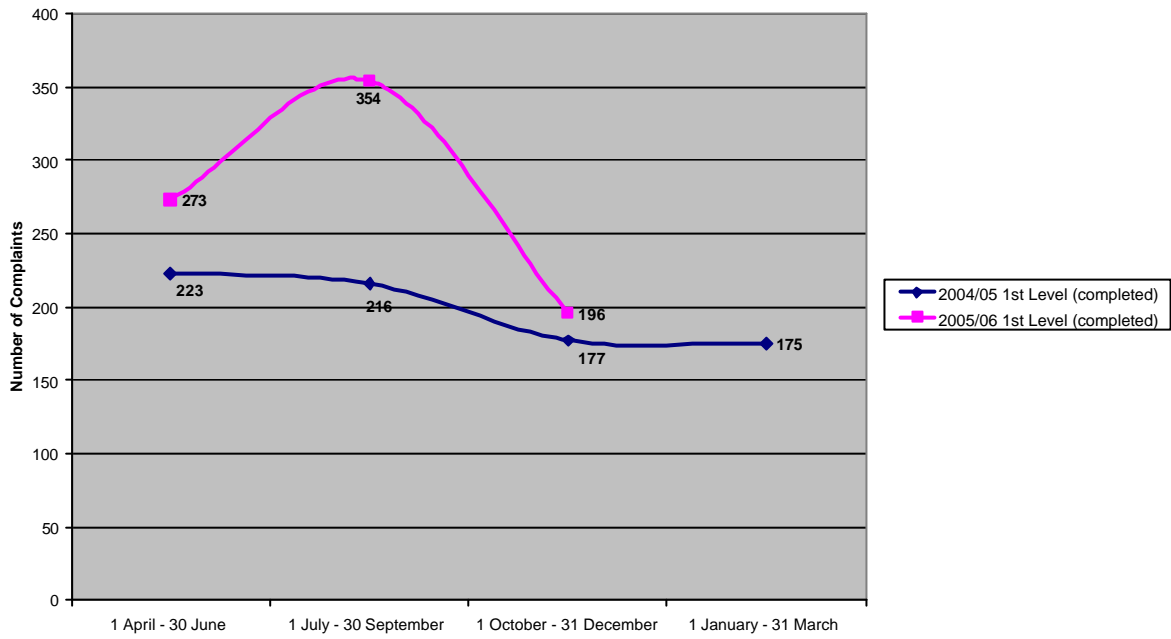
**CHIEF EXECUTIVE'S BRIEFING PAPER**

**JANUARY 2006**

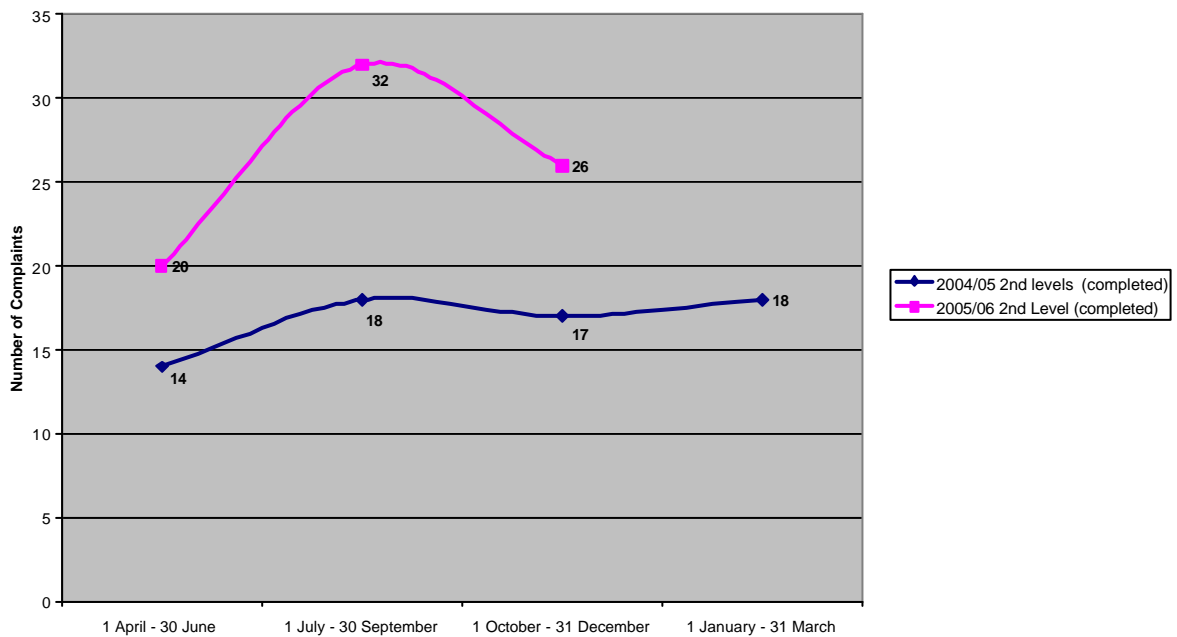
**1. STAKEHOLDER RELATIONS**

**1.1 Complaints Quarter 3 2005/06**

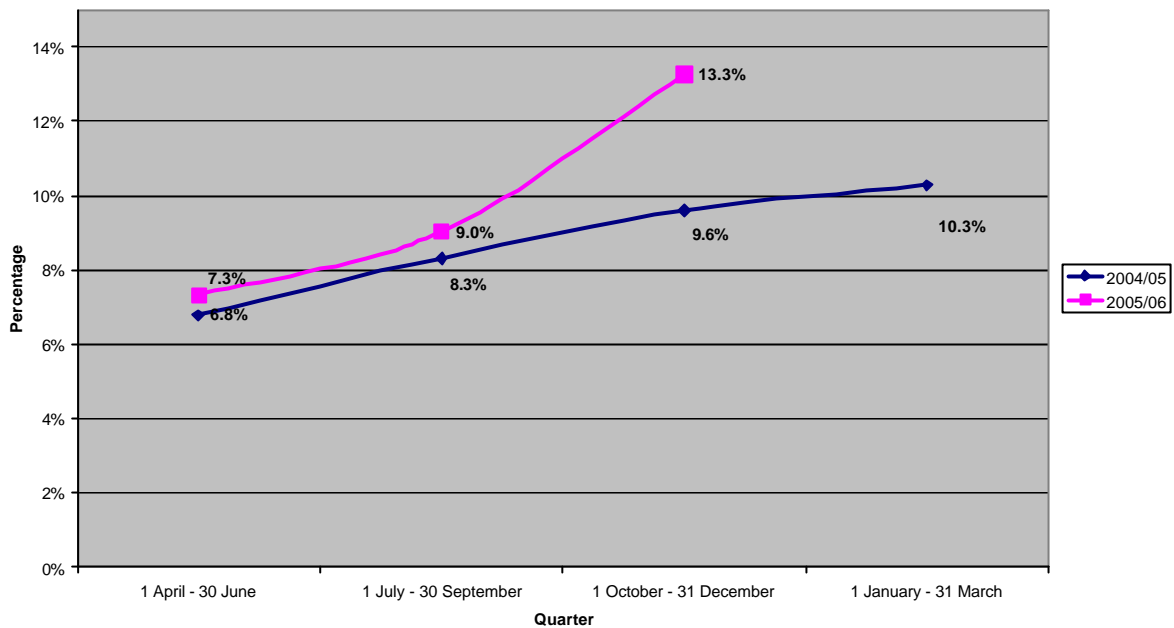
**Number of 1st Level Complaints per Quarter**



**Number of 2nd Level Complaints per Quarter**



Percentage of Complaints Moved to Second Level



The total volume of Level 1 complaints fell by 45% from its record peak in Q2. The level is much closer to that experienced in 2004/05.

The proportion of complaints moved to second level has increased and we will monitor this to see if it is a trend.

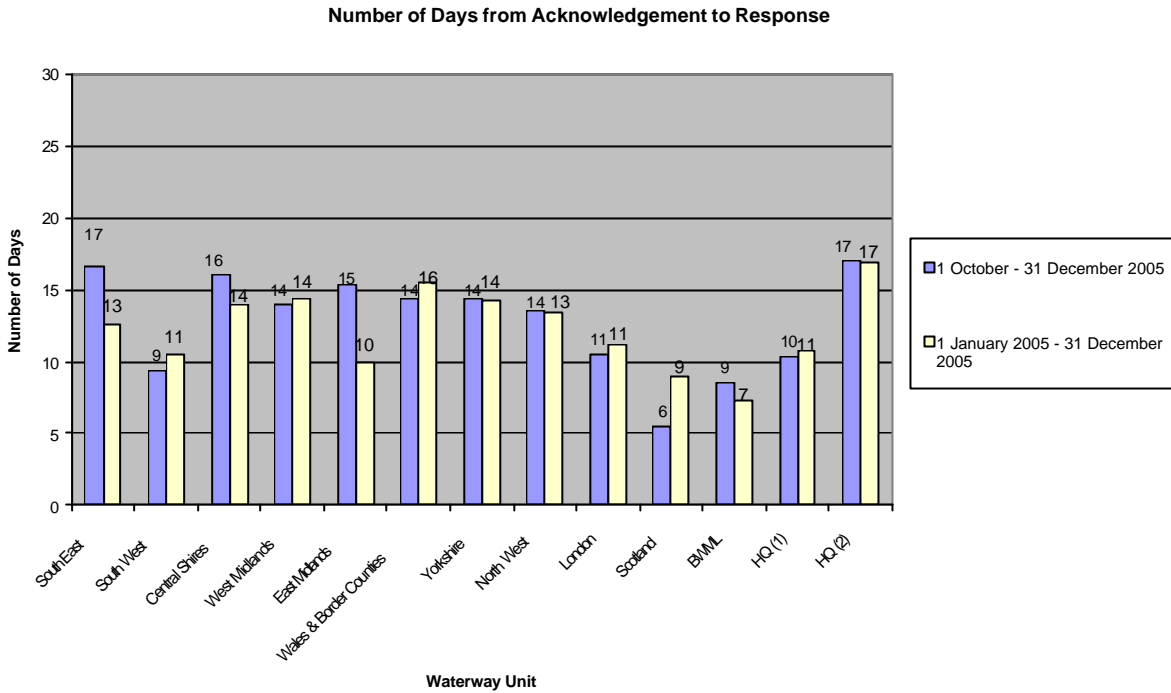
Q3 has also seen a reduction in the number of complaints received in the South West (which had accounted for 30% of the total complaints received in Q2 due to problems with modified lock gearing on the Kennet & Avon Canal). A publicised programme of remedial action has helped the gradual reduction of dissatisfaction in this area.

## 1.2 Waterways Ombudsman Cases - 2005/06

### Ombudsman Cases 2005/06

2005/06	Q1	Q2	Q3
Number of cases accepted by Ombudsman	9	8	5
Number of cases completed as at 13.01.06	8	3	0
Number of completed cases with maladministration found. Includes (1) = partial finding of maladministration	4 (1)	2 (1)	
Complaints accepted as % of BW level 2 complaints	45%	25%	19%

### 1.3 Complaint Response Performance

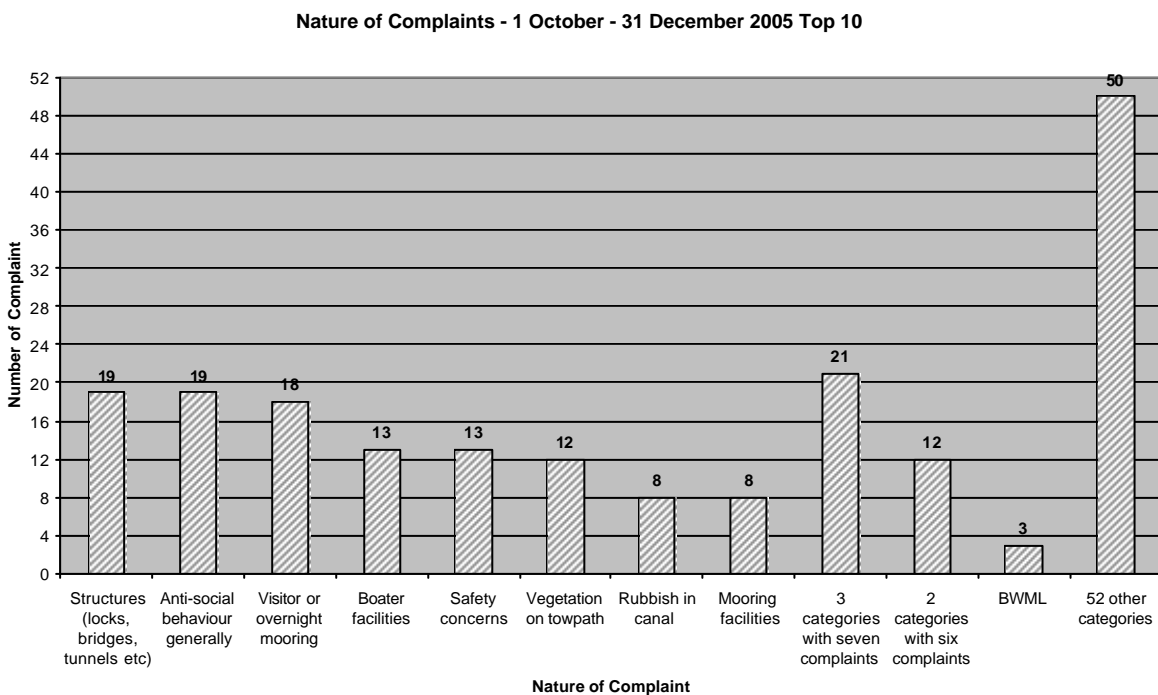


The average number of days to respond fully to a complaint in Q3 was 12 working days.

Six units – South East (3), South West (1), Central Shires (1), East Midlands (1), Yorkshire (2) and HQ 1<sup>st</sup> Level (2) have recorded complaints that have taken more than 20 working days to be responded to. There were seven reporting units in this position in Q2 2005/06. Overall, 94.9% of all complaints were answered within 20 working days, compared with 96.3% in Q2 and 90.4% during the whole of 2004/05.

### 1.4 Complaint Areas

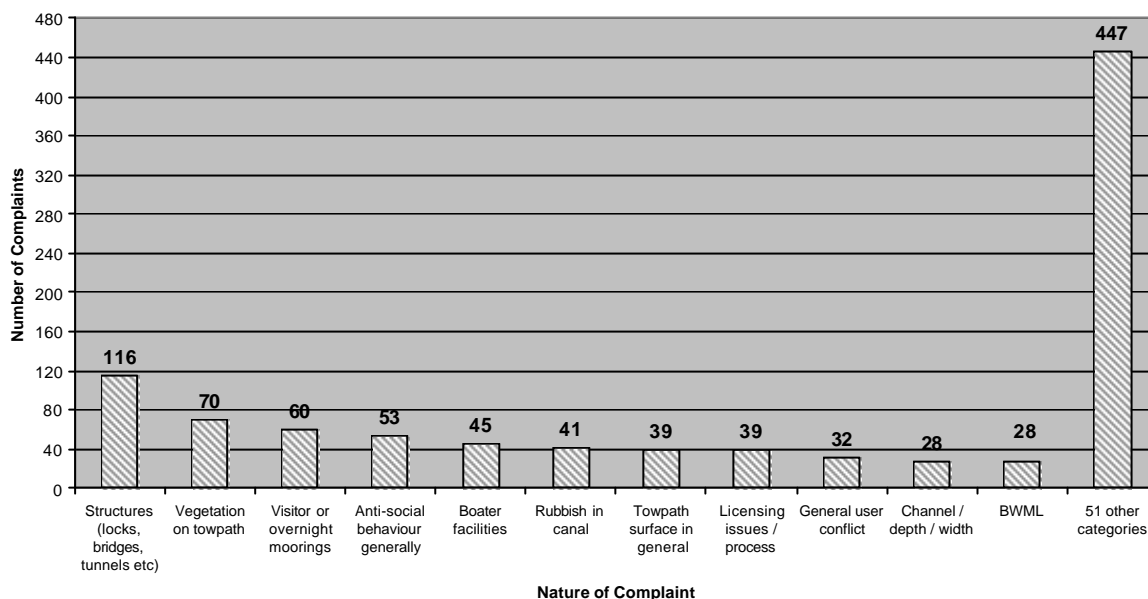
#### Nature of Complaint 1 October 2005 – 31 December 2005



Although a 65% reduction on last quarter, complaints concerning structures (locks, bridges, etc) again feature most frequently in this quarter's report along with anti-social behaviour. When compared with data for the last four quarters, the top three most complained about subjects remain consistent. We are drilling down into the detailed complaints with the waterway units to see if any consistent themes emerge.

## Nature of Complaint – 1 January 2005 – 31 December 2005

Nature of Complaint - 1 January 2005 - 31 December 2005



### 1.5 Licence Fee Structure Consultation

We published a 'White Paper' outlining our proposed way forward on this consultation. The main change was our decision to exclude continuous cruisers from the higher rate licence category. In line with our consultation policy, we invited responses that contained any material **new** comment. The deadline for comments was 16 January 2006.

This consultation took place in order to be able to resolve the consequences of a Waterways Ombudsman decision. Accordingly, without in any way expecting the Ombudsman to make a ruling, we sought her views on the 'White Paper.' She offered a view from which the following extract summarises her main point:

*'Generally it would not be within my remit to comment on policy being formulated and that could be extremely unhelpful if in any way it prejudiced my ability to investigate subsequent complaints on related matters. However, having been invited to comment by British Waterways and in the particular circumstances here, I think it would be unreasonable if I omitted to mention to them now anything which immediately struck me as certain to result in criticism if later subject to complaint. In those circumstances, to hold back until after a policy was adopted and I had received a complaint would seem to be in no-one's interests – least of all the interests of boaters. I have therefore looked at the white paper on that basis.*

*However, at present there is nothing which I wish to raise. I must emphasise that this does not mean that I am 'approving' the proposed policy in any way or that I will not uphold complaints relating to a new policy (similar or different to this one) when it is eventually adopted.'*

There is clearly strong feeling from many shared owners about the revised policy and we will conduct a detailed assessment of all submissions once the consultation has closed.

## **1.6 British Marine Federation**

With the support of Defra, agreement was reached with BMF in early January to go to mediation facilitated by the Centre for Effective Dispute Resolution.

The briefing process to set up the mediation is expected to take between six and eight weeks with discussions therefore likely to take place in early March.

In the meantime, work has continued on the Code of Practice and the OXERA report, both commissioned by the Fair Trading Group. It is expected that these documents will be reviewed by the FTG at its 2 February meeting. A verbal update will be given at the Board Meeting.

## **1.7 Marina Development**

Launch of the *Inland Marina Investment Guide* is planned for early March. The date was set back because we decided to allow some extra time for The Yacht Harbour Association to complete its input. Pre-media briefing has begun and work is advanced on print and production.

The new marina development website has gone live with its clear standard procedures for applications to build new marinas. You can view this at [www.britishwaterways.co.uk/marinadevelopment](http://www.britishwaterways.co.uk/marinadevelopment)

## **1.8 BW Online Moorings**

We published revised prices for our long term mooring fees in December 2005. New prices take effect from 1 April 2006. The average increase was 6.7% although there were quite wide local variations.

Prices were set (as before) using the corporate guidelines *Annual Review of Long Term Moorings' Pricing*. A formal moderation process between waterways was carried out by the Marketing & Customer Service Director.

Reaction from customers has included complaints about the excessive level of the rise (mainly from user groups representing individual customers such as IWA and NABO) and complaints that the rises were not high enough from some trade customers.

As a service to customers who have to manage their budgets, we have brought forward notification of the price rise to December from its original point of February. Thus, depending on renewal date, customers now have between 4 and 16 months notice of the changes.

## **1.9 Anqing**

A further meeting with representatives of NAFAC and NFA was held on 7 December. The meeting reviewed the updated version of our strategy agreed by Directors and the response was positive with a very useful joint press release being issued immediately afterwards.

Each waterway has confirmed it's angling representatives to the user groups and meetings are being set up to build contact. At the leisure business plan reviews, all waterways confirmed that they were able to take the angling strategy forward.

### **1.10 Relationships with MPs**

We continue to implement our strategy of building understanding about our overall business direction with an influential group of (mostly) back bench MPs at national level. In recent months, Simon Salem has met eight such MPs for informal briefings. Further briefings are planned.

Our strategy includes getting to understand the concerns of the Tory party as expressed in the run up to the general election. One of the MPs we have briefed is John Gummer (Tony Hales, who knows him has also met with him) who has proved particularly helpful in this area and has now been asked by David Cameron to head a group reporting on future environmental policy. We are now arranging a meeting with Peter Ainsworth, the shadow Defra spokesman to progress these discussions.

The first of our Parliamentary dinners, sponsored by Linda Waltho is scheduled for 13 February at the House of Commons. Twelve MPs or Lords (8 Labour/4 Conservative) have accepted with one or two replies still outstanding. The dinner will continue relationship building allowing them to hear about our strategy and plans from Tony Hales and Robin Evans in a relaxed atmosphere. This will contribute to our strategy of building a group of MPs from all the major parties whom we can talk to on a national basis. A further dinner is scheduled for November. (See also below – Dinner Programme).

We invited our riparian MPs to the Waterscape.com feature at this year's London Boat Show. Twenty five MPs accepted this offer, including Rt Hon Richard Caborn, Minister for Sport, and Jim Fitzpatrick, Minister for London.

### **1.11 Dinner Programme**

Q4 2005/06 - The Parliamentary dinner is reported on above. A marina investment dinner will take place in early March to coincide with the launch date for the Marina Investment Guide (see below). The Olympics dinner is still under review because of difficulties getting a date from John Prescott.

Finally, the regeneration and restoration dinner planned for the March Board, will be rescheduled now that the February Board is in Wales giving us an opportunity to meet key Welsh stakeholders.

### **1.12 Media Relations**

A placed article appeared in the Daily Telegraph about BW's guardianship of waterways heritage. Titled *Restoration will unlock new golden age for canals*, the article reported BW's commitment to undertake work to remove all our buildings at risk from local authority and English Heritage registers by 2008. The article also reported BW's business activities that are contributing to the vision and the increased use of the waterways for leisure.

The Guardian carried a comprehensive article on BW's wildlife survey – reporting sightings of *seals, dolphins and even a small crocodile*. The article was agenda setting for other news outlets and led to extensive regional broadcast and print coverage publicising the waterways as a wildlife and visitor resource.

Roy Hattersley wrote in his Daily Mail column about the restoration of Bugsworth Basin on the Peak Forest Canal. The article credits the volunteers who kept the

prospect of a restoration alive and BW's "*invaluable service*" in making the restoration a reality.

Following the explosions at the oil depot in Hemel Hempstead, some media outlets erroneously reported that water was being extracted from the Grand Union Canal to help put out the fire. Although this was an action considered by the Fire Service, no water was abstracted from the waterway.

Before the recent cold snap, a press release was issued to regional media warning of the dangers of icy water. This resulted in some effective community safety press coverage.

### **1.13 London International Boat Show**

#### **The Inland Waterways Feature**

BW, along with the Environment Agency and BMF jointly sponsored the Waterscape.com Inland Waterways Feature. This was the third year that BW had sponsored the feature at the Show at ExCeL in London Docklands.

As part of the sponsorship agreement to which BW contributed, BW and the EA had a joint stand. This was located at the head of the feature and designed to be a 'Gateway to the Inland Waterways Feature'. The feature itself showcased holiday hire boats, as well as a range of narrowboats, wide beam boats and river cruisers. There was a life size waterside pub and several stands with an inland waterways theme, including the IWA selling items such as maps and books. The sponsorship agreement also ensured that the Boat Safety Scheme had an area to promote safe boating to visitors to the Show.

In previous years the Inland Waterways Feature has been centrally positioned; however, this year National Boat Shows (operated by BMF) moved the feature to the far corner. This move was strongly opposed by BW, the EA and many exhibitors in a meeting with National Boat Shows in early June 2005. Many exhibitors, including BW, reported a quieter show than previous years.

BMF announced recently that gate sales were down 18%.

#### **Assessment**

We are carrying out a full assessment of the value achieved from our sponsorship. This will draw on feedback from exhibitors in the feature and the results of visitor research conducted by BMF, as well as assessment of the success of our stand and related events.

### **1.14 The Scottish Executive**

The Quarterly Review Meeting with the Scottish Executive took place on 12 December.

Jamie Ross, who has to date, held responsibility for the Inland Waterways role at Head of Division level within the Transport Group, is moving to another role within the Group. Alastair Wilson, who will now take up these responsibilities, attended the meeting.

Alastair Wilson was previously Head of Europe Division. He will be heading up a new Division – Aviation, Ports & International. Inland Waterways is to be combined with the Ports function.

To maintain continuity, David Eaglesham will continue his involvement until further notice.

By way of introduction, Jim Stirling took the Group through the presentation Transforming and Delivering, previously presented to the Minister, Tavish Scott, MSP, in September.

## **2. RISK ISSUES**

### **2.1 Scottish Boat Show 2006**

A meeting was held on 8 December 2005 to discuss issues surrounding the Scottish Boat Show, which will be held at the Falkirk Wheel from 19 to 21 May 2006. The meeting was attended by representatives of the Police, Local Authorities and the Emergency Planning and Licensing Committee. It was chaired by Richard Davies, BW's Events Consultant. Issues considered to be problematic were parking and likely numbers of attendees. Further meetings will take place in the lead up to the event and a table top emergency exercise will be undertaken in April to ensure all H&S systems are covered.

### **2.2 Lifejackets**

A problem has been identified with our life jackets in that whilst supporting the wearer in the water some have failed to inflate fully. Investigations have revealed that the problem occurs when they are received from the manufacturer and partly unpacked to ascertain the serial number. BW staff will now be trained to re-pack correctly.

### **2.3 Employee: Head Injury – Central Shires**

There was an incident on 18 January where an employee was struck on the head by a falling object and required treatment at hospital. The circumstances of the case point towards a serious breach of safety standards and the Team Leader managing the situation along with two other operatives present have been suspended pending a full investigation.

### **2.4 Tractor Accident – Kennet & Avon Canal**

The Coroner's inquest into the December 2004 K&A tractor accident is to be held in Salisbury on 24-26 January. Six staff have been summoned as witnesses. Both John Lancaster and Ian Jarvis will also attend.

### **2.5 Alcohol on Boats**

As a result of three incidents in little over a week, all involving excess consumption of alcohol by a boat's owner, we impounded a craft in Victoria basin, Gloucester, back in May. The owner's licence was then formally suspended and the boat was not used on our waters. Following a request from the owner, we escorted the vessel to Sharpness on 9 January. The owner and his crew left for Cardiff where we know they subsequently arrived.



### **3. STRATEGIC PEOPLE ISSUES**

#### **3.1 Winner of National Customer Service Award 2005**

The winner of this award is Adrian Inglefield, Team Leader, Wolverhampton, West Midlands Waterways.

In choosing Adrian, I was impressed not only with his obvious customer care credentials but also the wider view he took of customer service. Realising he alone could not deliver the visitor experience his customers deserve; he has shown determination, energy and ingenuity in mobilising the support of colleagues in BW and agencies outside of BW.

Adrian's presentation will take place at the General Managers' meeting on 7 February 2006 and full details of all the nominees will appear in February's BW Monthly.

#### **3.2 Employee Survey**

During February an attitude/satisfaction survey of all our people will take place. Most questions in the survey are the same as in previous years so that we can track improvement in the key satisfaction indicators. A full report will be presented to the March Board.

#### **3.3 Trade Union Annual Pay Claim**

The recognised trade unions (T&G and UNISON) have submitted an early claim this year. Headline items in the claim are:

10% increase for Operational & Administrative employees (mainly canalbank);

5% increase for Technical/Supervisory and Professional Management employees;

Benefit improvements on holidays/overtime payments and some minor benefits.

As in previous years our negotiating position will concentrate on awarding salary and bonus payments linked directly to individual and Business Unit performance. We will not be awarding an "across the board" increase to employees irrespective of individual performance. The Trade Unions understand our position on this crucial part of our approach to pay and reward but they cannot accept the principle. Constructive discussions have been taking place for some time prior to the claim and a joint letter has recently been sent to all employees explaining the position. The Board will be updated on progress at future meetings.

#### **3.4 Senior Management Changes**

Debs Hurst – Finance Manager, South East Waterways, has been promoted to the role of Finance Controller, Core Waterway Business Area.

Jon Oakes – Service Manager, Central Shires Waterway has been appointed to the Waterside Pub Partnership Board to replace Peter Wear, Head of Leisure, who is leaving on redundancy. Jon will undertake the role part-time in addition to his Service Manager responsibilities and he brings experience of pub development from his previous employment to the BW team in the partnership.

## **4. CORPORATE SOCIAL RESPONSIBILITY**

### **4.1 Chartermark**

We have recently been through an interim assessment of our Chartermark. The assessor has described us as the strongest organisation he has ever come across in his ten years' experience of Chartermark, with 60 fully compliant elements and 3 partially compliant elements out of a total of 63.

### **4.2 BURA Crystal Awards Ceremony**

I referred in my last report to the Awards that BW have received recently for excellence across a wide range of activities.

I can add to this that the Millennium Link, which was the Winner of the BURA Award for best practice in regeneration in 2002, has now been awarded a BURA Crystal Award.

Six previous BURA Award Winners, considered to be illustrative of the best British regeneration over the last 15 years, were chosen to receive this Crystal Award at a celebration dinner in the Tate Modern, as part of BURA's anniversary celebrations.

The dinner was attended by Jim Stirling and members of the Millennium Link Project Team with Steve Dunlop, the incoming Director, as a special guest.

### **4.3 Education – Yorkshire Waterways**

A "Safety With Santa" week was held during December with the Safe Anchor Trust and West Yorkshire Police. The event attracted over 350 children, who were entertained by the volunteers and participated in WoW activities, whilst learning about safety near water.

## **5. PROPERTY**

### **5.1 Sharpness Residential Estate**

Our intention to offer a leasehold interest in our Sharpness residential estate has been discussed with David Drew, the local MP, who has been particularly supportive. He has helped us to secure meetings in the coming week with a major local housing association and also with the Stroud District Council who have expressed an interest in acquiring the 44 properties. We simply do not have the necessary economies of scale to meet the expectation levels of our tenants.

### **5.2 Gloucester Quays**

The Public Inquiry into the Gloucester Quays planning proposals was held over two weeks at the beginning of December. The general feeling is that this went very well and we have been given an indication that we should receive a decision in June 2006.

## **6. RESTORATION/REGENERATION**

### **6.1 Taylor's Boatyard Renaissance**

In July 2005, Board approval was given to the submission of a Stage 1 bid of £2m to HLF in respect of a £4.7m project at Taylor's Yard, Chester. The project included the refurbishment of grade II Listed Buildings at Risk at Tower Wharf in Chester on the Shropshire Union Canal. It included £1.696m contribution from commercial capital towards the Flat Shed element of this project, which is to be converted into two storey office accommodation using Sowerby Bridge Warehouse scheme as a template.

An application of £1.96m was submitted to HLF in August 2005 for the shortfall in funding. The project was well received but due to a change in their criteria HLF have stated that they will not fund any commercial element of the scheme.

BW's proposal requires a commercial rent to be achieved for the Flat Shed and on this basis the HLF will not provide the £670k of match funding identified.

A revised application has been submitted that seeks to secure over £1.45m of HLF funds for a £1.9m project and now includes a request for additional development funding. It will be considered at the March HLF meeting.

It is still BW's intention to find a solution to the commercial element of the project in order that the works to both the boatyard and the Flat Shed are delivered together. Therefore, an alternative package is being developed for the Flat Shed and will be put forward for CIG review in February.

## **7. LEGAL**

### **7.1 Rates on Operational Estate – Denial of Transitional Relief**

Since the last Board meeting proceedings for judicial review have been issued against the ODPM. A meeting with officials of the ODPM and the Valuation Agency was held at the end of November but no progress was made in securing transitional relief. Remarkably the ODPM officials acknowledged that the change in regulation that has caused the difficulty for BW was not subject to any consultation (unlike the remainder of the regulations).

As no progress was made proceedings were issued in early December. As with all judicial reviews, the High Court will now consider the claim on paper and decide whether to grant leave to proceed with the action. If leave is initially refused, an oral hearing can be requested. If leave is granted, the trial of the issue is unlikely to be heard before late summer or the autumn of this year. Counsel advises that the merits of the BW arguments are strong.

BW has stopped payments of further rates instalments. Notwithstanding the pending Judicial Review, the ODPM has issued a letter before action for a claim for £291,000, being the amount unpaid on the full rates demand of £727,950. If transitional was available only about £12,000 would be payable in this financial year. The advice of our external lawyers and counsel is that the claim should be resisted.

## **8. CORE WATERWAY**

### **8.1 Carmuir's Tunnel Collapse – November 2002**

Following the Carmuir's Tunnel collapse on 9 November 2002, BW land was temporarily transferred to Network Rail to allow them access to undertake repairs. The Forth & Clyde Canal was drained between Locks 16 and 17 to assist this access. The railway re-opened on 25 November 2002 and temporary reinstatement repairs were undertaken to allow the canal to re-open on 28 March 2003. The canal was closed again between January and March 2005 to allow Network Rail to return and complete permanent reinstatement works.

A letter from Network Rail's solicitors, MacRoberts, dated 7 December 2005 alleges that the cause of the tunnel collapse was the build up of hydrostatic pressure arising from work which took place on BW land and that Network Rail have suffered an estimated loss of £3.7 million. We are refuting these claims.

### **8.2 Sustainable Management of Business & Public Sector Waste**

As a public corporation responsible for the management of five canals in Scotland, British Waterways Scotland has welcomed the opportunity to comment on a consultation paper on this topic. Construction waste, fly tipping, clinical waste, dredgings, office waste, catering waste, oil and batteries, all feature regularly across our network. Wherever possible, arrangements are made for the sustainable re-use of such items. However, there are some waste streams which have been found to have legislative anomalies precluding sustainable re-use, e.g. dredgings.

Given the range of business specific waste issues for British Waterways Scotland and the potential opportunities for sustainable re-use of some of these wastes, a meeting will be arranged in early 2006 with representatives from both the Scottish Executive Waste and Recycling Team and SEPA.

There are currently problems with the classification of the waste from the dredging works in the Glasgow Branch of the Forth & Clyde Canal. SEPA and BWS are in discussions as to whether or not the waste is hazardous.

### **8.3 Vandalism – Little Venice Visitor Moorings**

There have been a large number of incidents reported regarding youths throwing stones at boats moored at the Little Venice visitor moorings. The damage caused includes many broken windows and paint chips on boats and the lives of the owners of the boats have been disrupted. The local mooring co-ordinator is currently investigating ways to improve the area and is talking to local security patrols and the police.

### **8.4 Denham Lock – Emergency Stoppage**

Unfortunately a few days prior to our scheduled stoppage at Lock 92 at Hanwell, there was an emergency stoppage needed at Denham Deep Lock to remove a sunken craft from the lock chamber. This work took 4 days and consequently put the start date back for our planned stoppage at Hanwell which started one week late. We had a 10-day time allocation to change the bottom gates and finished 2 days ahead of this.

## **8.5 Tees Barrage**

The Environment Agency are taking action against English Partnerships because diesel is leaking out of their North Shore culverts into the River Tees. Our loss could be as high as £40,000 which we will pursue through the EA.

The Tees Barrage has been proposed as one of four north of England training camps for the 2012 Olympics and British Waterways are working with Sport England, Tees Valley Regeneration and the British Canoe Union to establish what infrastructure improvements are needed to enable this to happen.

A proposal to utilise the Tees barrage as a commercial test site for trialling renewable energy generation sources is being developed.

## **8.6 Floating Weed – Composting**

Research into floating weed quality in the West Midlands waterways has established it to be neutral and could be used for composting when collected from the canal surface. Collection will begin following successful tests using the new equipment on the Wyrley & Essington Canal.

## **8.7 Freight – Cemex RMC – River Severn**

The launch event for the first movement of sand and gravel by barge from Ryall to Gloucester is now scheduled for 3<sup>d</sup> March 2006 with the Chairman of Cemex coming over from Mexico to attend. We hosted a Journalist Visit to Gloucester and to the Cemex sites at Ripple and Ryall, culminating with a trip on a sand and gravel barge. The journalist from the FT had lengthy discussion with ourselves and Cemex and is confident of placing a positive article in the journal.

## **8.8 Water Resource Position**

Technical Services are carefully monitoring the winter refill of our reservoirs. They have highlighted potential problems with the refill of reservoirs on the Tring Summit, Leeds & Liverpool Canal, Leicester Summit and the Chesterfield Canal. They have had initial discussions with the waterways and will start to look at different scenarios for the coming boating season and recommending mitigation where required and available.

## **8.9 Litter and Neighbourhood Environmental Quality**

BW responded to Defra consultations on Code of Practice on Litter and Refuse and on Guidance and Regulations for the Clean Neighbourhoods and Environment Act 2005. We highlighted that BW wished to be given the same powers as local authorities for issuing fixed penalty notices and have the ability to retain money from the fines to support further enforcement. We also made these points at the National Aquatic Litter Group – Freshwater section, which we chair, and the Defra stakeholder meeting. The outcome is that there will be no additional duties on BW and agreement that BW will only have to produce a descriptive statement of zoning as applied to waterways rather than publishing definitive maps for all areas where the duty applies.

**ROBIN EVANS**

**26 January 2006**

