



UPDATE FROM TRUSTEES

22 December 2011

1. Introduction

Since our last update in October we have continued to make good progress in forming the Canal & River Trust and, as 2011 draws to a close, we thought it would be useful to bring you up to date. A huge amount has been achieved over recent months towards transforming British Waterways in England & Wales into the Canal & River Trust. While the Parliamentary process looks as if it will now take longer than we had previously been advised, putting pressure on an April launch date, all the building blocks needed to establish the new Trust next year are falling into place.

Our knowledge and understanding of the waterways continues to grow apace, and we are grateful to all those inside and outside BW for their willingness to discuss openly the challenges and opportunities that lie ahead. We have been hugely encouraged by the growing support and commitment to the Trust amongst stakeholders and the public and passionately believe that this enormous goodwill will be the bedrock on which we can all build a better and more stable future for our waterways.

2. Government Funding

We said in our October statement that we needed to persuade Government to increase their offer of £39m a year for 10 years. This remains one of the most important unresolved pieces of the Trust's jigsaw. It is all taking a lot longer than either party would wish but given the challenge this is perhaps not surprising. We are still in detailed discussions with Defra that we hope to be able to bring to a conclusion early next year. We are pleased to report that all the meetings with Defra have been constructive and understanding. At a recent All Party Parliamentary Waterways Group meeting the Waterways Minister, Richard Benyon, confirmed that the discussions were on-going and being conducted in a professional and cooperative atmosphere. He expressed confidence that an agreement would be reached and reiterated his commitment to give the Canal & River Trust "the best possible start within the current funding restraints of government". The Chair of the APPWG and MPs present were all positive about the creation of the Trust and expressed their encouragement for a fair and reasonable settlement to the funding discussions.

3. Process

3.1 Scotland

Scotland's waterways will not form part of the new Trust. Both Governments have agreed the split in assets and the terms for the separation. British Waterways will continue as the legal entity running Scotland's canals. The Scottish Government is currently recruiting to the Board which will oversee BW Scotland from April 2012 onwards.

3.2 Public Bodies Act

This Act, which enables ministers to merge, restructure or abolish public bodies, became law on 14 December 2011 and thus paves the way for Defra's Ministerial Transfer Order to be laid before Parliament – see below.

3.3 Ministerial Transfer Order

This is the Order that effectively transfers BW's powers and obligations in respect of its English and Welsh waterways to the Canal & River Trust. We expect this Order to be laid before Parliament early in the New Year. The process will require the House of Commons, the House of Lords, the Scottish Parliament and the Welsh Assembly to approve the Order.

Defra published its response to its September consultation on the Order on the 20th December 2011. It can be seen at <http://www.defra.gov.uk/consult/files/201212-waterways-summary-responses.pdf>

Contrary to some speculation, the Transfer Order will not provide the Trust with any greater powers or authority than those held by BW. Although the Trust is not a public body, the Freedom of Information Act will apply to it in respect of all the statutory functions it inherits from BW under the Transfer Order. We consider this an appropriate and proportionate application of the Act to our affairs.

3.4 Ministerial Transfer Scheme

This will transfer BW's assets and liabilities to the Trust as distinct from its powers and obligations. It does not have to be approved by Parliament and we expect this to be published once the Parliamentary scrutiny of the Transfer order is well under way.

3.5 State Aid

The Government funding for the Trust needs approval under European Union rules. Defra and BW have made their initial submission to the European Commission and are working positively with the Commission to take things forward.

3.6 Charity Registration

The Canal & River Trust was incorporated as a charitable company on the 11 October 2011. We shall be seeking registration with the Charity Commission in the New Year. The job of the Commission is to ensure the purposes of the company meet the requirements of charity law. This will also mean that the Trust will have charitable status for tax purposes

3.7 The Waterways Trust Merger

The merger of The Waterways Trust with the Canal & River Trust has been agreed. Both organisations have begun to work together and we foresee no problems in effecting this mutually beneficial joining of the two organisations which will formally take effect on the vesting day of the Canal & River Trust.

4. Appointments

4.1 Trustees

The Transition Appointments Committee has already announced and publicised its intention to appoint three more Trustees to the Canal & River Trust. They are

particularly interested in applications from people with financial, engineering or property investment experience. Please follow the link in 4.3. **The closing date for applications is the 3rd January 2012.**

4.2 Council

The Transition Appointments Committee has agreed a timetable for the election / appointment of Council members. All boat licence holders, BW-related boating businesses and BW staff have received details of the election procedures which will be run on behalf of the Trust by Electoral Reform Services. Please follow the link in 4.3 for further details. **The closing date for nominations is the 18th January 2012.**

4.3 Waterway Partnerships

We have already announced the appointments of the following Partnership Chairs:

Manchester & Pennine - Walter Menzies
North Wales & Borders - Jim Forrester
South Wales & Severn - Jack Hegarty
Kennet & Avon - Fleur de Rhe Philipe
North West - Professor Steven Broomhead
West Midlands - Peter Mathews, CMG
Museums & Attractions - Laurence Newman.

We have been delighted by the quality of applicants to these positions and are very fortunate to have attracted some outstanding people who will make a major contribution to their local waterways.

The Transition Appointments Committee has also announced the timetable for appointments of the chairs for the remaining Waterway Partnerships listed below:

North East
East Midlands
Central Shires
South East
London
Wales.

Please follow the link below for further details. **The closing date for applications is the 27th January 2012.**

Link for more information on appointments and the Canal & River Trust:
<http://www.waterscape.com/trust>

5. Advice and Engagement

5.1 National Users Forum

The new governance arrangements for the Trust are designed to ensure there are many more opportunities and channels for two-way communications with interest groups and stakeholders at a national and local level. We recognise that many of the existing advisory groups, such as BWAf and WUSIG, have made a major contribution and we do not want to lose their input. We are therefore planning to create a National User Forum which will in effect replace BWAf as a forum where the Trust can talk to the leaders of the main user groups about policy issues.

5.2 Advisory Groups

We are also working with BWAFF on the terms of reference for a small number of groups to give advice to the management of the Trust on technical and specialist matters. We plan to have advisory groups on the following subject matters:

Navigation
Angling
Heritage
Environment
Freight
Education/Youth
Volunteering.

The Chairs for these groups will be appointed by the Chief Executive in consultation with relevant Trustees. We are delighted to announce the first appointment will be Sir Neil Cossons OBE as Chair of the Heritage Group. Neil is well known from his previous roles as Chair of English Heritage and Chief Executive of the Science Museum and Ironbridge Gorge Museum.

Members will be appointed to each group for their specialist skills and knowledge by the Chief Executive in consultation with the Chair of the Group.

6. Sharing and Learning

At the BW Annual Meeting we set our wish to see the Canal & River Trust share its knowledge and experience. With this in mind we announced the following:

6.1 Museums Conference – 16th May 2012

This conference will bring together waterway museums from around the network to discuss mutual ways of working and common concerns and opportunities.

For more information call 0151 355 5017.

6.2 Waterway Societies Workshop – 18th February 2012

This workshop is being run with the IWA and is for all local and national waterway organisations which have an interest in the Trust network. We want to explore how the Canal & River Trust can work with these organisations for mutual benefit and the advancement of our common objectives.

If you would like to attend please contact: Gemma.Bolton@waterways.org.uk

7. BW Staff

We continue to be impressed by the commitment and enthusiasm of everyone in BW and the excellent work being done throughout the organisation in preparation for the transition into the Trust. We also recognise that this is inevitably a time of uncertainty and anxiety for the staff as they contemplate employment within a Trust rather than public service. We are keen to provide assurance wherever we can and take every opportunity to explain our belief that the Trust offers more security and opportunity than remaining as BW.

All BW staff in England and Wales will transfer to the Trust under the Transfer of Undertakings (Protection of Employment) Regulations, better known as TUPE. We recently wrote to all staff to confirm that the Trustees had no plans to change their terms and conditions of employment other than where discussions were already underway (e.g. with Directors). We felt it was important to give this clarification to the very committed workforce at a time of such enormous change and uncertainty.

On a more mundane matter it has also been decided that the Trust clothing will be in the same blue colour as BW's albeit with the new Trust logo and messaging introduced on a gradual replacement basis.

2011 has been an absorbing and, at times, hectic year but one that we have all thoroughly enjoyed. We wish everyone connected with the waterways a very Happy Christmas and we look forward to meeting and working with you in 2012.

December 2011