



CRT07

MEMORANDUM TO THE CRT BOARD

Canal Society Workshop with IWA – 18 February 2012

Background

We have always been aware that the creation of the Canal & River Trust will cause some of the established canal and restoration societies to feel threatened.

They will be concerned about:

- Other volunteers doing the things they have always thought to be 'their' job on 'their' canal
- CRT volunteer recruitment power will mean less volunteers and less members for canal society
- CRT fundraising will divert money and members away from canal societies.

Some societies are in good health and have an excellent established working relationship with BW. There are others at the opposite end of the spectrum and many in between.

Workshop

We have agreed, as one of a number of joint initiatives, to hold a workshop with the IWA for all canal societies to understand both the concerns and the opportunities that CRT will create.

The outcome will be a better understanding by all parties and a template for local engagement and joint working for mutual benefit.

Attendance

The following Trustees have already agreed to attend:

Tony Hales
Lynne Berry
Tom Franklin
Simon Thurley (t.b.c.)
John Dodwell
John Bridgeman

The following executive will also attend:

Robin Evans
Simon Salem
Vince Moran
Ruth Ruderham
Caroline Killeavy



CRT08

MEMORANDUM TO THE CRT BOARD

The Waterways Trust Merger

In May 2011 the Board confirmed in principle agreement to a merger of the functions of TWT and BW (England and Wales) enabling the Executive to proceed with the detailed transfer arrangements. The Transitional trustees confirmed their approval for plans to continue in September 2011.

The merger is to be conducted on a 'minimum disruption' basis ensuring smooth changeover and maximum learning for all parties.

1. People

There is a commitment to achieve no compulsory redundancies. Approximately 50 permanent employees in England and Wales are to be transferred to CRT under TUPE. There are a very small number of employees where identifying a comparable role in CRT is proving to be more challenging.

Detailed employee consultation, communication and implementation plans are being drawn up which will ensure a sensitive and co-ordinated transfer is achieved (in accordance with TUPE regulations) by April 2011. It is hoped that all employees will have a full understanding of their place in the new organisation by Christmas 2011.

Post-Christmas direct formal communication from CRT to TWT employees will be possible ensuring that all staff are involved and informed of transition and CRT plans. Until this time communication with TWT employees is to be directed through the management structure at TWT.

Obtaining a shared commitment to freezing recruitment and changes to employee terms and condition changes from now until the merge will assist budgeting and the TUPE process.

2. Fundraising

The Waterways Trust holds a database of 16,000 individual supporters. **[Commercially confidential information removed]** It is proposed that once the merger has taken place, the TWT database will be managed and developed by the CRT's Head of Fundraising as part of the wider development of CRT's individual giving.

CRT wish to avoid any ring fencing of donated funds. Agreement is being sought on how to deal with the ring fencing funds generated for museums purposes.

3. Finance

- 3.1 Before merge discussions commenced BW budgeted for a 20% decrease in the contribution to TWT operation over the next three years due to funding constraints. Additional costs of £128k in 2012/13 and £178k in 2013/14 will need to be added back as a result of this merger.

Once TWT is within CRT we will want to revisit the question of further savings. It will be important that the future chair of the Museums Partnership Board is committed to achieving these savings upon appointment.

- 3.2 The business planning process, which commences later this month, will incorporate the TWT activities into the business plans for both NWC and BWS. TWT and CRT teams are working closely to ensure all TWT activities are included in the detailed CRT business plan by early Dec.

Trustees are asked to note the tight timescale although team relationships are working well in the finance area and no problems are anticipated.

- 3.3 Under the merger arrangements all TWT activities and assets in England and Wales transfer to CRT. TWT will remain in existence but only operate in Scotland (just as BW will). It has been assumed that no consideration will be provided to TWT for the transfer of activities in England & Wales to CRT. The majority of the balance sheet of TWT is in respect of England & Wales with Scotland only having the restricted funds and a few IT assets.

4. Patron

[Confidential information intended for future publication removed].

5. Waterway Museums and Attractions Conference

Plans are being developed for a one-day conference at the National Waterways Museum Ellesmere Port in April or May 2012. The conference will bring together all the waterways museums and attractions, and their stakeholders, to share best practice and celebrate the achievements of the sector.

The event will be part of the launch programme for the Canal & River Trust. The detail of the programme is not yet agreed but will be based on the theme of *remodelling museums to meet current and future needs* and will encompass:

- integration of volunteers in museums management and operation
- participation and engagement of young people
- training, development and transfer of heritage skills
- conservation and collection management
- partnership with the community and key stakeholders
- the role of museums in regeneration

Speakers will be drawn principally from within the waterway sector. We would welcome Trustee involvement and, subject to agreement, aim to find a date when Simon Thurley is available to chair the proceedings.

We are very fortunate that Tony Hales will sponsor this event. As a result, we will offer the event without charge to delegates from a wide range of waterway museums, attractions, waterway societies as well as key stakeholders and partners.

October 2011



MEMORANDUM TO THE CRT BOARD

Transition Appointments Committee

1. PARTNERSHIP CHAIRS

1.1 First Round Recruitment.

The first round of recruitment for the Partnership Chairs was launched on 20 September with a 3-week period for receipt of applications.

The round covers the following Partnerships:

- Manchester & Pennine
- Kennet & Avon
- North Wales & Borders
- South Wales & Severn
- All Wales

The positions were advertised on British Waterways (BW) and The Waterways Trust (TWT) websites, The Guardian website, in the Western Daily Press and on a number of websites that specialise in volunteer and Trustees appointments. Candidates who had unsuccessfully applied to be Transition Trustees were alerted. Details were widely circulated by email cascade using informal networks, guided by the Waterway Managers, Heads of Enterprise, members of the TAC and John Bridgeman.

Applications closed on 11 October. We received nearly 30 applications. With the exception of the All Wales Partnership, applications were received from a good range of candidates. We have shortlisted between 4 and 6 interview candidates for each Partnership with strong candidates evident in each group. Interviews take place on November 1, 2, 7, 9, with announcements on appointments in the week of 21 November. Member recruitment will follow.

Further work is needed in the search for the Chair of the All Wales Partnership. The interviews will be deferred and the candidates advised accordingly. The TAC will consider how the search can be enhanced at their meeting on 14 November. It is likely that we will complete recruitment within the second Round as below.

1.2 West Midlands, North West and Museums Partnership.

On 14 November, the TAC will meet

- Steve Broomhead, Chair North West Trial Partnership
- Peter Mathews CMG, Chair West Midlands Trial Partnership
- Laurence Newman, Chair TWT Museums Management Board

These will be informal interviews to verify that the Chairs are willing and capable of discharging their duties in relation to the Terms of Reference for their respective Partnerships, to enable confirmation of their appointments.

1.3 Second Round Recruitment Timetable.

Round 2 recruitment will start on 21 November and conclude on Friday 20 January, giving an 8-week period for applications. Waterways included in this round are:

- North East
- East Midlands
- Central Shires
- South East
- London

Interviews will take place in the weeks of 21 and 27 February 2012.

All Partnership Chairs will be appointed in time for the first Council meeting in late March 2012.

2. COUNCIL

Elected Membership: The TAC is making arrangements for the three elections to be undertaken by Electoral Reform Services. Data sets for the employee, boat and boat business constituencies will be provided by BW. Voting will take place in February. Subject to final agreement at the meeting of the TAC on 14 November the arrangements are:

- Nomination by downloadable form submitted in hard copy supported by sponsors :
 - Boaters – 10 sponsors
 - Staff – 10 sponsors
 - Boating Business – 5 sponsors
- Nominated candidates and their sponsors must be eligible to vote in the election in which they stand. However, the TAC will consider an exception for the Boating Business election whereby candidates from boating business trade organisations will be able to stand as candidates (even though they have no direct financial relationship with the Trust), subject to sponsorship by 5 eligible sponsors
- Nominations will be supported with a personal statement of up to 150 words max
- Votes may be cast via paper-based postal vote (in this election only). Electors will be encouraged to vote electronically either on the website or by SMS text. All voters will have a unique identifier which will preclude multiple voting
- Voting will be by single transferable vote

Nominated Membership: Invitations to the agreed nominating organisations for Council will be issued in November.

Briefing notes are being prepared for prospective elected and nominating bodies.

3. TRUSTEES

The TAC has agreed that Saxton Bampfylde will be instructed to undertake the search for new Trustees. A proposal has been agreed with a 10-week programme. This will be actioned shortly in time for appointees to be approved at the first Council meeting in March 2012.



MEMORANDUM TO THE CRT BOARD

Report by the Secretary to the Board of Canal & River Trust

1. INCORPORATION OF CANAL & RIVER TRUST

- 1.1 As reported by e-mail Companies House issued a Certificate of Incorporation for Canal & River Trust on 12 October 2011 and accordingly this meeting is the first meeting of the Board of (Trustee) Directors of the new company limited by guarantee. The first meeting of Directors following any new formation of a company always requires a certain amount of formal business to be undertaken. That business is set out, with recommendations where appropriate, in the following sections of this paper
- 1.2 The Trust was registered with initial Articles of Association based upon the Charity Commission template with just a few adaptations. Copies of the Articles will be provided at the meeting. Since the Companies Act 2006 the only principal constitutional document is the Articles of Association. The Certificate of Incorporation will also be produced at the meeting.
- 1.3 The formal appointment of the Transition Trustees as the first directors in the company was effected by naming them in the company formation application. Such manner of appointment only lasts until the first General Meeting of the Trust when all first directors must retire from office though they may make themselves available for re-election.
- 1.4 I was named as the first Company Secretary in the formation application and such appointment lasts until removal by the Board or resignation.
- 1.5 The first subscribing members of the company are British Waterways Board and Secretary of State for Environment, Food and Rural Affairs. It is anticipated they will resign as members at or before the first General meeting to be replaced by members of the proposed Council.

2. APPOINTMENT OF CHAIRMAN

Although appointed as Chair of the transition Trustees, formal appointment of the Chairman of the Board of the company (Trust) needs a resolution of the newly formed Board. **It is recommended that Board resolve to appoint Tony Hales as chair of the Board**

3. REGISTERED OFFICE

It is recommended that the Board resolve that the registered office of the Trust be 64 Clarendon Road, Watford, WD17 1 DA

4. SEAL

A company seal is no longer a compulsory requirement but in the case of an organisation with multiple transactions by deed (as will be the case for CRT once it succeeds to the property activities of BW) a seal is a useful method of control over the execution of deeds without the need to regularly seek the signatures of trustee directors. As is currently the case for BW it is anticipated a limited number of persons will be authorised by the Board to authenticate application of the seal (all lawyers in Legal Department).

It is recommended that Board resolve that the Secretary be authorised to acquire a company seal that contains within it the name and logo of the Trust and that pending further determination by the Board, authentication of the application of the Seal to any instrument may be effected by the signature of one director or that of the Secretary

5. ACCOUNTING REFERENCE DATE

It is recommended that the Board resolve that the first accounting reference date of the Trust be 31 March 2013 and thereafter 31 March in each year.

6. AUDITORS

The Audit Committee of BW has recommended that, for the sake of continuity, the present auditors of BW (Grant Thornton) be appointed auditors of CRT for its first financial year.

It is recommended that Grant Thornton be appointed Auditors to the Trust for the first financial period of the company and that in due course the Board agree the remuneration of the auditors.

7. BOARD COMMITTEES

It is recommended that the Board ratify and adopt the decision of the Trustees designate concerning the creation of Board Committees and chairmanship and membership of them made at their meeting on 22 September 2011 (minute number 11/54).

8. REGISTER OF INTERESTS

The register of Directors interests will be tabled at the meeting and further information on the provisions in the Articles about the management of any conflicts of interest provided then.

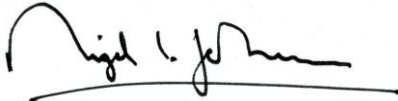
9. SCHEME OF DELEGATION

- 9.1 BW has a comprehensive system and scheme of delegation and financial controls that it is intended CRT will adopt with any necessary adaptation. Pending vesting of the BW business in CRT it is not intended CRT have any Bank Account or financial assets (all its necessary formation and start-up costs will be paid by BW in accordance with the BW Board resolution of 21 July 2011 (minute BW 11/114).
- 9.2 Nevertheless there will be occasional need for officers of the Trust to exercise delegated powers on behalf of CRT - for example to enter into prospective contracts in advance of the vesting date. An early example is a proposed project with the Arts Council to use contemporary art to attract more people to use the canals. The Arts Council is seeking early (contingent) commitment to the Project.
- 9.3 At present, other than directors, the only formal officer of CRT is myself as company secretary. No other employees of BW have actual or ostensible authority to act on behalf of CRT. Executive directors will transfer to CRT under TUPE but that only has automatic effect at the time of the transfer. It is suggested that for the few minor transactions that have to be handled for the present, the Board delegate to me authority to enter into agreements on behalf of CRT on the equivalent level of delegation as I currently have from the BW Board, or subject to his authorisation of me, to the equivalent level of delegation that Robin Evans has from the BW Board, save in respect of any acquisition of real property.
- 9.4 That should be a sufficient arrangement till the end of this calendar year and a more developed scheme of delegation (for which additional officers of CRT may have to be appointed) will be brought to the Board before then.

9.5 It is recommended that pursuant to article 24 of the Articles of Association of the Trust, the Board resolve to delegate to the Company Secretary power to enter into agreements and otherwise act on behalf of CRT to the equivalent level of delegation he has in the same capacity as Corporate Services Director and Secretary to the BW Board, or subject to prior authorisation by Robin Evans, to the equivalent level of delegation that Robin Evans has as Chief Executive of BW, except in either case with regard to any acquisition of real property.

10. GOVERNANCE HANDBOOK

I shall report orally to the Board meeting about arrangements in hand for the preparation of a Governance Handbook for CRT for the full governance framework, beginning with Terms of Reference for Board and other Committees.

A handwritten signature in black ink, appearing to read 'Nigel Johnson', with a long horizontal flourish extending to the right.

NIGEL JOHNSON
Company Secretary
19 October 2011