

MEETING OF THE COUNCIL MEETING

Minutes of a meeting of the Council of the Canal & River Trust held at 1:30pm on Wednesday 29th March 2023, Anderton Boat Lift, Lift Lane, Anderton, Northwich, Cheshire, CW9 6FW

Present:

David Orr CBE	-	Chairman
Tracey Clarke	-	Co-Opted Member, Disabled Boaters
Dr Nigel Crowe	-	Institute of Historic Building Conversation (<i>virtually</i>)
Sir Peter Dixon	-	Chair, London & Southeast Regional Advisory Board
John Ellis	-	Employee Elected Member
Sophie Gordon	-	Cycling UK (<i>virtually</i>)
Helen Grantham	-	Chair, Yorkshire & Northeast Regional Advisory Board
David Hagg	-	Chair, Southwest Regional Advisory Board
Heather Hewitt	-	Boating Business Elected Member
Helen Hutt	-	Private Boating Elected Member
David Kent	-	Angling/Fisheries Elected Member
Ian McCarthy	-	Volunteer Elected Member
Graham McDonald	-	Society of Local Authority Chief Executives
Duncan McKay	-	Co-Opted Member, Environment
Dave Mendes Da Costa	-	Private Boating Elected Member
Anil Majitha	-	Chair, East Midlands Regional Advisory Board
Ali Morse	-	The Wildlife Trust
Carl Onens	-	Business Boating Elected Member
Andrew Phasey	-	Association of Waterway Cruising Clubs
Mark Riches	-	Country Land & Business Association
Phil Prettyman	-	Private Boating Elected Member
Jonathan Smith	-	Inland Waterways Association
Prof Nigel Weatherill	-	Chair, Northwest Regional Advisory Board
David Williams	-	Volunteers Elected Member
Tim West	-	Commercial Boat Operators Association

Trustees in attendance

Nigel Annett CBE (*virtually*)
Dame Jenny Abramsky

Executive Directors In attendance:

Richard Parry	-	Chief Executive
Heather Clarke	-	Strategy, Impact and Engagement Director
Steve Dainty	-	Finance Director
Tom Deards	-	Legal & Governance Director
Anne Gardner-Aston	-	Director of Health & Safety
Maggie Gardner	-	Director of Fundraising
Malcolm Horne	-	Chief Infrastructure & Programmes Officer
Stuart Mills	-	Chief Investment Officer

Karen Seth - People Director
Julie Sharman - Chief Operating Officer

Others in attendance

Marcus Chaloner - Head of Placemaking & Design
Peter Chowns - Principal Architect (Conservation)
Mazvita Horton - Head of Chief Executive's Office
Rachel Ingham - Senior Landscape Architect
Sharan Madeley - Corporate Governance Manager (*minute taker*)
Eoin Harris - Head of Climate and Environmental Action
Dick Vincent - Operations & Delivery Advisor

23/004 WELCOME AND APOLOGIES FOR ABSENCE

Apologies for absence were noted as:

Terry Fuller - Chartered Institution of Water and Environmental Management
John Hudson OBE - Chair, West Midlands Regional Advisory Board
Cllr Joe Porter - Step-Up-to-Serve
Ben Seal - British Canoeing
Cllr Peter Thornton - Local Government Association

The Chairman introduced Mazvita Horton, Head of Chief Executive's Office, Eoin Harris, Head of Climate and Environmental Action, Sharan Madeley, Corporate Governance Manager and Maggie Gardner, Fundraising Director to their first Council meeting.

23/005 MINUTES OF THE PREVIOUS MEETINGS

The minutes of the Annual General Meeting held on the 21st September 2022 and the Extra-ordinary meeting held on the 23rd January 2023 were approved as a true and accurate record of the meetings.

23/006 UPDATE FROM THE JOINT COUNCIL AND TRUSTEES APPOINTMENT COMMITTEE

Dame Jenny Abramsky, Chair, (JA) introduced the report of the Joint Council & Trustees Appointments Committee (the Committee), which was circulated ahead of the meeting, with the following areas reported:

Council Membership

- Richard Atkinson from British Canoeing had been replaced with Ben Seal for the remainder of the current term until March 2024.
- Jonathan Smith replaces Neil Edwards, as the nominated member from the Inland Waterways Association until the end of the current term of March 2024.
- Gavin Atkins has resigned as the nominated Council member from MIND. The Appointments Committee has recommended that the Trust approach MIND to propose a replacement member.

Southwest Regional Advisory Board

- David Hagg has reached the end of his allowable term as Chair of the Southwest Regional Advisory Board. The Council thanked him for his commitment to the role and to the Trust and wished him well for the future. Advertisements had been placed for the recruitment of a successor and the Appointments Committee expected to be updated shortly. John Podmore would be fulfilling the role on an interim basis pending the formal appointment.

Trustee Succession

- Sue Wilkinson would end her second term as a Trustee in September 2023 and would not be seeking a third term.
- Sarah Whitney would be standing down as a Trustee from September 2023.
- The Trust was embarking on a recruitment exercise for at least one new Trustee with interviews taking place early June 2023.

23/007

ONS CLASSIFICATION UPDATE

TD presented the Council with a paper which provided an update on progress in respect of proposed changes to the Trust constitution considering the ONS public sector classification and consequences. As Defra was still waiting for final approval from the Secretary of State, the Trust was not able to take forward a Council resolution to amend the Articles of Association to remove provisions relation to the Secretary of States's 'B' membership.

Within the pack was a Q&A note prepared by Bates Wells which included an analysis of the detailed proposed changes to the Trust's constitutional documents.

The Council was reminded of the discussions held at the extra-ordinary Council meeting on the 23 January 2023, including the reasons for the ONS classification and the consequences of the current HMT derogation lapsing in terms of Trust governance and financial control.

TD noted that since January 2023:

- The Trust had been working with Defra and their appointed lawyers and have agreed the detailed amendment to the Articles which were included with the report.
- The Trust has also agreed amendments to the Trust Settlement and a modification to the Transfer Scheme to remove the relevant provisions around Infrastructure Trust Property which would have contributed to the ONS classification.
- Amendments to the Grant Agreement have been agreed to remove all of the schedules relating to the Protector and his ability to report to Defra to trigger their powers of intervention.
- Charity Commission consent had been obtained in relation to regulated changes to the Articles and relevant changes to the Trust Settlement.
- An agreed form of letter has been drafted to notify the EFRA Select Committee ahead of Secretary of State resignation as B member in addition to draft letters which need to be laid before the House of Commons and

House of Lords respectively explaining retrospectively the changes that have been made to the Transfer Scheme.

- The Trust had recently been informed that the Secretary of State has yet to provide formal agreement to go ahead with the changes, owing to competing priorities.

The next steps would include:

- The SoS would formally writing to the EFRA Select Committee with her intention to resign as a B Member with a brief explanation regarding the amendments which had been made to the Trust foundation documents.
- There would be a two-week period where the Select Committee could respond and then the resignation could take place.
- The Trust and Defra could then proceed to amend the foundation documents and inform House of Commons and House of Lords. Defra would then request the ONS to reverse the public sector classification which needed to take place by July 2023 to avoid the HM Treasury derogation lapsing.
- The final step in September 2023 would be to come back to Council to obtain a special resolution to remove provisions in the Trust Articles relating to the B Member.

Council members put several questions to TD on the following:

- The extent to which the Trust would remain a public authority in relation to existing statutory duties (for example in relation to biodiversity and freedom of information). TD confirmed this would continue to be the case.
- Whether there were any downsides to the changes. TD noted many downsides if the changes were not made, in terms of the re-introduction of political and financial control over the Trust which would run very much contrary to the intention behind the 2012 transfer.
- TD accepted that there would be less direct Defra oversight in respect of Trust management of property and investments, however the general law of charity and trusts would continue to apply, with Charity Commission oversight, which require the Trust to hold Infrastructure Trust Property in perpetuity for the specified purposes and to manage its investments responsibility considering its long-term statutory duties.
- The Chairman added that he did not see any downside and believed the changes were positive from a governance perspective, in that it further confirmed that that the Trustees were responsible on behalf of the Council to ensure that the mission and obligations of the Trust were delivered.
- Whether there was any impact on Trust's statutory navigation duties. TD confirmed that these would remain unchanged, particularly those obligations requiring the Trust to ensure continuous navigation on cruising and commercial waterways in under the Transport Act 1968.

RP updated Council members on recent activities, including:

- Health & safety performance, where the Trust was seeing a reduction in reportable incidents.
- Measures of popularity of the Trust's waterways, and it was reported that there had been an increase of around 200m towpath visits in the last 3 years.
- On boaters' satisfaction, the Trust was working hard to address the concerns of boaters with a survey being shortly undertaken.
- A boating licence consultation had commenced with options for increases to licences for particular categories of vessels.
- Boat licence evasion was increasing.
- In relation to water abstraction licensing, there had been 155 applications submitted in 2019. 152 licences were issued by 31st December 2022 and 6 licenses were appealed in January 2023.
- A considerable amount of work had been undertaken on reservoirs with Toddbrook making steady progress with a 2024 completion date. There was other reservoir work being undertaken at Harthill which was due for completion in October 2023, Barrowford Reservoir due for completion in September 2023 and the Swellands Reservoir access track. The Trust was spending approximately £25m on reservoirs per year.
- Works were underway to improve pumping capability at the Crofton Pumping Station.
- Dredging at Gloucester Docks was underway following the dry summer and low river levels which resulted in an exceptional volume of sediment being pumped into the docks as water supply was maintained for Bristol Water.
- The original plan was to deliver 140 new lock gates during 2022/2023 with 112 leaves delivered and 28 deferred. Capacity was being reviewed regarding the manufacturing process in the workshops.
- In relation to cost pressures, energy costs had increased for the Trust resulting in an additional £2-3m per annum. Construction costs were rising significantly in some areas, labour challenges and cladding liability risks under the latest Building Safety Act would have implications for the Trust.
- Financial investment returns were affected by stock market performance which was well below inflation growth and volatility remained a high risk.
- The 2023 business plan was outlined which included reduced vegetation works, removal of waste bins, recruitment controls, third party event charging, energy reduction plans, targeting innovation and smarter ways of working and further rationalisation of offices. The business plan was balanced for 2023/24 but risks remained, and further work was needed to balance the finances beyond March 2024.
- Volunteers were crucial for the future with the biggest ever call for volunteers with targets on social media being exceed.
- The Trust's digital presence continued to grow with over 1.4m supporters.
- The Government Grant Review was due to complete by 1 July 2022 which had been delayed with no fixed date for a conclusion yet received by Defra. . The most likely outcome would be that the Trust would receive a tapered 5% reduction in grant and by the end of the anticipated 10 year grant period the Grant would be c£30m which would be an unsustainable outcome particularly in the context of its long-term statutory duties, .
- The Trust would continue to make a strong political case for a better

financial settlement with Government, noting that the Secretary of States's recently published Environmental Improvement Plan was very much aligned to the benefits the canals could offer.

- The Trust had been working to build wider political influence including a recent exhibition in the Houses of Parliament and a Westminster Hall debate.
- The Trust would be building a long-term campaign to create strong groundswell of wider stakeholder and public support.

Council members asked several questions, which covered the following areas:

- The extent to which the financial challenges faced by the Trust would impact on long-term strategy. RP stated that the Trust would have to focus the effort on the core activities and the Trust may have to compromise on the discretionary areas being delivered. The Trust would have to deliver on commitments and revisit with the Board what was affordable and review priorities.
- The potential impact of litter bin removal. RP reported that boater facilities were not being withdrawn and bins did not have a significant impact on fly tipping. The Trust would campaign and encourage people to be responsible and to partner with other agencies to ensure the reduction in litter without putting in bins at additional costs.

The Chairman summarised by stating that Council Members represented different interest groups and had opportunities to speak about the issues facing the Trust. In addition, having conversations with their organisations seeking feedback, comments, or ideas. The Chairman added that one striking issue highlighted during his first six months as Chairman was how many people loved the canals for a range of different reasons. The canals came to life with boats and the Trust was committed to ensure the network remained navigable for the future. It was clear that the Government was only interested in heritage, environmentalism, numbers and not boaters. The Chairman made a plea for everyone to keep focused on the bigger picture and to work together with a collective endeavour to change this view regarding the future of the Trust.

JA made a plea for Council Members to encourage members of their organisations to join the Trust. An argument must be built to ensure that the voice of the Trust was heard and to have an extended reach and impact. Therefore, as a direct consequence, it was hoped that by developing new income streams and bringing more money into the Trust, the organisation could be sustainable.

The Chairman stated that the Canal and River Trust had done tremendously well during the last 10 years and was more efficient than the British Waterways, but more must be invested. There was a clear moral case for the Government to continue to support the Trust in delivering its obligations in the future.

23/009

REVISIONS TO TOWPATH POLICY & DESIGN PRINCIPLES

HC introduced the item and the report circulated to Council members in the meeting pack. The Trust wished, to seek member's views on the draft revised

national policy on towpath use, '*Towpaths for Everyone – Our Policy for Designing and Managing Towpaths as Shared Spaces for Everyone to Enjoy*'. This was to replace the current policy, which was published in February 2015. In addition, obtaining views on the list of partners and stakeholders the Trust intends to engage; with the aim of obtaining their formal support, and for members to identify any omissions from the list.

It was reported that the Board of Trustees had approved the proposal to revise the policy at the Board meeting held in January 2023. The policy was being revised within the context of (a) increased towpath use, (b) widened use of towpaths, (c) safety on the towpath, (d) balancing the new Active Travel demands with the need to protect the built and natural heritage and character of canal corridors and (e) the Trust's principal source of funding for towpath improvements.

Marcus Chaloner, Head of Placemaking & Design, provided an explanation of the importance of towpaths across the network which were special places to be close to water and nature. Towpaths had never been so busy, and it was important to have the appropriate infrastructure in place which was the reason for updating the current policy.

Dick Vincent, Operations & Delivery Advisor, provided an outline of policy evolution which commenced in 2011 with the Towpath Design, followed by Better Towpaths for Everyone in 2015 and the Towpath Design Guide in 2019. One of the real opportunities in updating the policy and influencing partners which included, for example, Historic England, Ramblers, and Town and County Planning Association. The reasons for the update related to the way people were using towpaths and the changing funding landscape.

Rachel Ingham, Senior Landscape Architect, summarised the revisions which included the new Highway Code, it combines the towpath design guide, which was now less technical, it links to more recent documents including The Trust's Memorandum of Understanding with Sustrans, and new case studies have been added with references to current campaigns. Feedback had been taken and the new Code uses more directive language, reinforces pedestrian priority, and stresses this was a voluntary code promoted by a behavioural change campaign.

The proposed next steps would include reviewing the document with the Council and Regional Advisory Groups. Engagement with partners and stakeholders would be sought and once the Board had approved the policy, a campaign would be launched to restart the Share the Space and Drop your Pace campaigns in June 2023.

It was noted that comments had been received from David Kent (*elected member representing fishing/angling users*).

DK was pleased that the policy had come to the meeting stating that the demand for Towpath spaces was in high demand and added that it was important that there was collaboration.

In addition, stating it would be helpful to have a Towpath Advisory Group to help deliver the policy and improve and develop over time. Council Members agreed that it would be a positive way forward.

ACTION: *Council Members were asked to send any feedback back to the team in relation to the draft policy.*

H. Clarke to develop the proposal for a Towpath Advisory Group.

23/010 PROPOSED REVISIONS TO OUR HERITAGE POLICY

HC introduced this agenda item and referred to the report included in the meeting pack circulated to members which sought members' views and support for the Trust's updated and revised heritage policy. Nigel Crowe (nominated member for the Institute of Historic Building Conservation) along with the Cultural Heritage Advisory Group had been working on proposed revisions to the Heritage Policy.

The waterways heritage was very rich with everyday heritage allowing canals to function as they were intended and provides a key attraction to the Trust's waterways for the wider public.

The policy was being updated due to the pressures being faced today and into the future in relation to climate change. In addition, it was about working with other partners. The Cultural Heritage Advisory Group was keen that the policy better address internal and external audiences; to provide an appropriate and consistent approach to heritage management and to recognise the importance of inclusion.

PC reported that the policy was a four-page document with 14 specific policy points. The document celebrated the importance and value of the historic waterway network. It details sustaining the living legacy including recognising the need for climate resilience and establishing an approach for the assessment of significance and the capacity for change. The policy detailed the engagement of communities and how to build stronger community connections with their local waterways.

The next steps involved submitting the policy for Board approval, training workshops with key colleagues to promote understanding and the revising of the Heritage Standard to reflect the policy statement.

23/011 SUGGESTIONS OF FUTURE AGENDA TOPICS

Council Members were encouraged to share any suggestions outside of the meeting with TD.

The Chairman thanked Council members for attending which was an important meeting and to contact the Trust if there were any additional items Council Members would wish to discuss at future meetings. In addition, to share with partners and anyone who was part of a network to commence discussions to promote the interests of the waterways to ensure they have the necessary prominence with current and future governments.

23/012 ANY OTHER BUSINESS

Tracey Clarke (*co-opted member representing disabled boaters*) reported that

the Accessible Waterways Association which will be the issuing body for the boaters' blue cards had received news that the grant funding had been agreed and the AWA would be launched officially and begin the process to recruit members. Council members agreed this was very positive news.

Ian McCarthy (*elected member representing volunteers*) extended an invite to Council Members to attend an event on Good Friday, with the Historic Narrow Boat Society travelling from Chester to Ellesmere Port.

23/013

DATE & TIME OF NEXT MEETING

- 20th September 2023
- 09:00am, Site Visit
- 11:00am, Council Meeting