



MEETING OF THE BOARD OF TRUSTEES

Minutes of a meeting of the Board of Trustees (**the Trustees**) of Canal & River Trust (**the Trust**) held at Jury's Inn, Waterfront Plaza, Station Street, Nottingham, NG2 3BJ on Thursday 22nd January 2015 at 9:00a.m.

Present :

Tony Hales	Chairman
Jane Cotton	Trustee
John Dodwell	Trustee
Lynne Berry	Trustee
Manish Chande	Trustee
Frances Done	Trustee
Ben Gordon	Trustee
Allan Leighton	Trustee
Tom Franklin	Trustee
Simon Thurley	Trustee

Apologies:

Steve Shine	Trustee
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In attendance

Richard Parry	Chief Executive
Stuart Mills	Property Director
Vince Moran	Operations & Asset Management Director
Philip Ridal	Finance Director
Simon Salem	Marketing & Fundraising Director
Danny Brennan	Chair East Midlands Waterways Partnership (Observer)
Heather Clarke	Head of Strategy and Planning (Agenda Item 15/004 inclusive)
Roger Hanbury	Head of Governance (Agenda Items 15/007-009 inclusive)
Yetunde Salami	Assistant Company Secretary (minutes)

Action

15/001 CHAIRMAN'S WELCOME

The Chairman welcomed all those present in particular Allan Leighton to his first meeting. The Chairman also welcomed Danny Brennan and thanked him for accepting the Board's invitation to attend the meeting as an observer.

Trustees noted that attendance at the Reception held yesterday for stakeholders within the East Midlands patch was good and comments received were positive.

15/002 DECLARATION OF INTERESTS IN ANY MATTERS ON THE AGENDA

John Dodwell declared his interest as the Chair of Montgomery Canal Partnership as a licenced boat owner.

Lynne Berry declared her interest as a licenced boat owner.

15/003 MINUTES

The minutes of the meeting held on Thursday 20 November 2014 were approved.

Matters arising:

- *Remote Operations Project* – Frances Done informed Trustees that she will work with the new Head of Audit and Philip Ridal to progress the adoption of a Standard for Project financial reporting. An update will be presented to the Board later.
- Commercially confidential material removed
- Commercially confidential material removed.
- Commercially confidential material removed
- *Young People and Boating*: A report with updated position will be presented to Council in March 2015.
- *Proposed Strategy for Rochdale Canal Company*: Philip Ridal explained that the report will be presented at the next Board meeting.
- Commercially confidential material removed
- Commercially confidential material removed.
- Commercially confidential material removed

FD

15/004 Commercially confidential material removed

Commercially confidential material removed

(Manish Chande joined the meeting.)

Commercially confidential material removed

(Heather Clarke left the meeting.)

15/005 Commercially confidential material removed

Commercially confidential material removed

Commercially confidential material removed

15/006 YOUTH ENGAGEMENT & EDUCATION STRATEGY (CRT 121)

Simon Salem presented the report which was to update the Board of the current achievements of the youth engagement programme, its growth aspirations and resources required. Simon Salem stated that youth engagement is important for the Trust's diversity goals adding that the resources required is covered in the business plan but it was felt that a separate report be presented to the Board.

The Trustees commended the achievements of the programme adding that it was important that resources are put into the programme. It was noted that engaging with primary and secondary school pupils will be an avenue to reach a wider network of people. It was important that our message to young people is clear and consistent so that they can be the Trust's ambassadors. Young people should also be encouraged to volunteer on the waterways.

The Board **approved** the Strategy and stated that the youth engagement and education team should be commended for their achievements.

(Roger Hanbury joined the meeting.)

15/007 GOVERNANCE HANDBOOK (CRT 122)

Roger Hanbury explained that the draft handbook is an explanatory and reference source that collates and consolidates the various governance provisions of the Trust and its structures, both formal and informal. Roger Hanbury added that it is expected to serve as a guide to the Trust for staff, volunteers and those involved or considering involvement in all levels of the governance of the Trust.

It was noted that Frances Done and Lynne Berry had contributed to the draft Handbook. The Board **approved** the Handbook and noted that it will be presented to the Trust's Council in March 2015.

RP

15/008 AUDIT & RISK COMMITTEE – Reviewed Terms of Reference (CRT 123)

The Board noted the Committee's Terms of Reference which was reviewed at the Committee's last meeting.

15/009 RATIFICATION OF PARTNERSHIP MEMBERS APPOINTMENTS (CRT 124)

The Trustees received and noted a paper from Roger Hanbury requesting that they ratify a number of Partnership member appointments.

Roger Hanbury stated that the numbers applying for positions in the partnerships was increasing and this was very encouraging, though there are a few partnerships where further recruitment is needed. Members agreed that future reports should contain a table with details of vacancies.

RP

The report provided details of each appointee. These were duly noted and the Trustees **ratified** the appointments of the Partnership members.

Wales Partnership – Richard Parry explained that discussions had been held with those involved in the All Wales partnership to identify how to strengthen the Trust's position and involvement with Welsh government. Richard Parry stated that a proposal which had been discussed with the Chair of the Partnership will be presented to the Council in March. **Commercially confidential material removed.**

RP

15/010 CHIEF EXECUTIVE'S REPORT (CRT 125)

Richard Parry presented his written report, which incorporated the individual Director reports as appendices to the main report. Richard Parry stated that the financial performance for the year to date remains strong adding that some performance targets will be missed but the targets are going in a positive direction. There had been significant progress made in volunteering and fundraising had exceeded target. Richard Parry stated that the 'Better Towpaths for Everyone' policy will be published later this month.

Commercially confidential material removed

Commercially confidential material removed

Commercially confidential material removed

KPI report: The Trust's performance indicators are largely on track. Richard Parry commented on steps being taken to address matters for those KPIs with amber status.

Health and Safety: Vince Moran informed members that the Trust is on track to hit its safety target this year if there are no further RIDDOR reportable injuries. It was also noted that the Health and Safety Executive (HSE) had accepted our report on the assessment of and management of the risks relating to concerns about the width of railings at the Pontcysllte Aqueduct.

It was agreed that Vince Moran should send the Trust's film on Health and Safety to Allan Leighton and Ben Gordon. **VM**

The Board noted that none of the 9 fatalities on the Trust's properties during the period were the result of infrastructure failings or other cause attributable to the Trust. It was suggested that potential suicide hotspots should be identified and appropriate signage considered. **VM**

Operations and Asset Management: Vince Moran stated that this was a busy period for the team and major works were ongoing as planned subject to weather conditions. It was noted that works to identify the cause of leakage on the Trent & Mersey canal at the Dutton breach site were delayed by difficult access negotiations with a local landowner prior to Christmas, however full access was enabled on 5th January and works are underway to identify the cause and prepare a repair solution. Vince Moran added that a number of significant additional repairs, particularly on the Rochdale canal, were being actioned at a total cost of approximately £500k.

The Board noted the report and agreed that more of the Trust's achievements and good works should be published on the Trust's website. **SS**

Customer Service: Richard Parry introduced the report which summarised the status of the main issues surrounding the delivery of customer service during the past two months. It was reported that a new Head of Customer Service had been appointed and he is expected to be in post in February.

The Board noted that

- the national framework for visitor moorings was being shared amongst national boating groups ahead of consultation with the wider public.
- Commercially confidential material removed
- Update on the Trust Customer Service Standards will be presented at the next Board meeting
- Commercially confidential material removed

RP

Property: Commercially confidential material removed

- i. Commercially confidential material removed
- ii. Commercially confidential material removed
- iii. Commercially confidential material removed
- iv. Commercially confidential material removed

Volunteering and Engagement: Simon Salem gave highlights of the report adding a first draft of a new safeguarding policy is currently being reviewed by Directors and Trust legal team. The report was noted.

Commercially confidential material removed

Marketing and Communications: Simon Salem's report was received and noted. Frances Done suggested that diversity should be built into all the Trust's media publications – it often is but on occasions we don't get this right.

SS

HR: Richard Parry presented the report which provided an overview of the Trust's performance relating to people and organisation. The Board noted that

- The Head of HR was preparing a structure that will help the team deliver its services efficiently
- A 'cultural audit' is being developed alongside a proposed engagement with Investors in People and Investors in Diversity.

15/011 BOARD COMMITTEES

The Trustees noted the draft minutes of the Fundraising Committee held on 5 December and Investment Committee meetings held on 2 and 12 December 2014 respectively.

15/012 ANY OTHER BUSINESS

Commercially confidential material removed

15/013 DATE OF NEXT MEETING

Thursday 26 March 2015

15/014 CLOSE OF MEETING

There being no further business, the Chairman closed the formal proceedings at 12:05p.m.

Chairman

MEMORANDUM TO THE BOARD

YOUTH ENGAGEMENT & EDUCATION STRATEGY – FUTURE APPROACH

22 January 2015

1.0 PURPOSE OF THIS PAPER

- 1.1 To summarise for the Board our youth engagement aspirations, and confirm the Board's approval for the growth planned, in line with our scale of ambition over the next three years, recognising that this will generate pressure for additional resources to be addressed within the current Business Plan process.
- 1.2 This paper covers our formal and non-formal educational plans, in addition to our wider youth engagement aspirations.

2.0 CONTEXT

- 2.1 The Trust's Articles of Association (adopted 27 March 2012) contain 'Objects' (also published as part of our Charity Commission registration). The reference relevant to our youth and education work is (2.6) the Object allowing us to:

“to promote and facilitate for public benefit awareness, learning and education about Inland Waterways, their history, development, use, operation and cultural heritage by all appropriate means “

3.0 STRATEGIC ASPIRATIONS

- 3.1 The relevant aspirations in the Trust's 10 Year Strategic targets for education and youth engagement are:
 - Half a million children and young people, reflective of the range of communities we serve, will each year broaden their learning and improve their skills through our waterways, museums and attractions.
 - One million children and young people from a range of communities each year will engage with our waterways through volunteering, arts, education and learning, sport participation, cultural activities and social action
 - 150,000 hours of youth social action related volunteering each year by 2025.

4.0 EXTERNAL AND INTERNAL COMMITMENT

- 4.1 The Board confirmed its commitment to youth engagement in July 2014 when considering the Trust's approach to diversity; it was noted that a focus on broad youth engagement would potentially unlock wider diversity objectives and deliver long term change.
- 4.2 The Trust has made an external commitment to youth engagement, working closely with the 'Step Up To Serve' youth social action campaign, pledging in December 2013 to;

"... inspire and support young people to take social action in communities who benefit from and use our national network of living waterways. We pledge to work with partners and funders over the next three years to inspire over 2000 young people to take positive action to transform places and enrich lives. We will also establish a youth engagement board to give young people a voice at the highest levels of the Trust".

5.0 PROGRESS TO DATE

- 5.1 The Trust has made remarkable progress in a short time given that we are new and that we are not predominantly a charity whose main expertise is in the youth sector. The small youth/ education team (1 youth, 4 education and interpretation) has achieved a disproportionate impact given its size as demonstrated by the achievements below:

- Worked closely and successfully with Step up to Serve.
- Successfully secured funding for a number of youth engagement projects and are delivering them confidently.
- **Commercially confidential material removed.**
- Explorer education programme has grown strongly, well ahead of target, and has earned education sector recognition and attracted new types of volunteer.
- Increasingly being approached by well-respected national youth charities with a view to exploring partnering opportunities and/or joint funding applications.
- Youth Advisory Committee is up and running with a young person (Chloe Donovan) as Chair (and Council member) who has had a very positive impact as an ambassador for the Trust.

Appendix A contains further detail as does the regular update paper to the Board which forms Appendix 8 to the Chief Executive's report to this meeting.

6.0 OUR ASPIRATIONS

- 6.1 The Board provisionally agreed the following three year targets for the business plan on the journey to the agreed Trust ten year strategic ambitions.

KPI Area	Ten Year Ambition	Three Year Target
Learning	<ul style="list-style-type: none"> • Half a million children and young people reflective of the range of communities we serve will each year broaden their learning and improve their skills through our waterways, museums and attractions 	<ul style="list-style-type: none"> • 50,000 children will have participated in the Explorer Programme • Secure external funding for the delivery of three new employment or skills development based programmes and deliver in partnership with others at least five learning or life skills based initiatives (<i>for example, fishing for life, working with universities, etc.</i>)
Children and Young People	<ul style="list-style-type: none"> • One million children and young people from a range of communities each year will engage with our waterways through volunteering, arts, education and learning, sport participation, cultural activities and social action • 150,000 hours of youth social action related volunteering 	<ul style="list-style-type: none"> • 250,000 children and young people from a range of communities each year will engage with our waterways • 70,000 hours of youth social action related volunteering

6.2 Education and youth engagement are also identified as priorities for the Waterway Partnerships' featuring prominently in almost all of their plans, notably the aspiration to engage in Key Stage 3 (11-16) age groups, with Partnerships recognising that this is a gap in the skill set / experience of current Partnership members.

6.3 To meet the Trust's long term ambition and our three year targets, building on our success to date whilst we have strong momentum, it is proposed in the team's business plan submission that we grow the team to add:

- two youth development co-ordinators (north and south) to support our one National Youth Engagement Manager respond to the wide range of opportunities now emerging;
- an additional Explorer Education Coordinator for the North East/East Midlands area so that our capacity to grow the programme is not severely constrained – with an additional post it should be possible to exceed the 50,000 children target in the table above;
- a new STEM post to develop and promote our offer for older children aligned to their curriculum.

Commercially confidential material removed.

6.4 It is proposed – whilst they will operate to support local projects - to recruit these additional roles to join the national Youth Engagement team initially as we currently have neither the specific sector experience nor the scale to take this forward at a purely local level. This is consistent with the approach taken to date; our track record of successful experimentation and strong growth in the areas of engagement and volunteering has been built on initial development of centrally led initiatives followed by roll out at scale to waterways when we have built the capacity and confidence to do this.

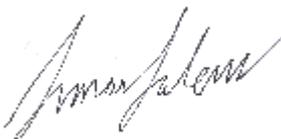
6.5 Further, there is an immediate need to;

- increase the resource available to communicate with national and local national youth partners, to ensure partnerships are selected on mutual benefit basis;
- develop and refine a coherent youth offer which can then be rolled out across the Trust;
- coordinate appropriate funding bids which have the greatest impact for waterways and young people;
- support the development of standards, training and support resources to enable Trust staff and volunteers to manage the inherent risks of working with young people knowledgeably and confidently, whilst providing worthwhile, mutually beneficial opportunities to young people.

7.0 CONCLUSION AND NEXT STEPS

7.1 This paper has presented an overview of the strong progress to date in meeting our ambitions to grow youth engagement and how we propose to build on this to meet the Trust's aspirations regarding youth engagement and education in the longer term.

7.2 The Board is asked to approve the broad direction described and comment on whether the scale and timing of the aspirations is appropriate, recognising that the extra resource required will be managed within the overall business plan (and headcount framework) to be agreed at the March Board.



SIMON SALEM
Marketing & Fundraising Director

APPENDIX A

PROGRESS TO DATE

1.0 YOUTH ENGAGEMENT

Young people represent a new and previously under engaged audience for the waterways. Our formal education programme currently offers experiences from 7 – 11 years, and we hope to extend this into the secondary school age range with further investment.

In terms of our wider youth engagement programme we aspire to engage with young people between the ages of 10 – 24 years, through arts, social action, recreational and personal development opportunities.

Young people are the essential supporters of the future and it is vital that we recognise both the value they can bring and the range of opportunities the waterways can offer them, and create a mutually beneficial, diverse and dynamic youth offer.

Youth engagement has presented the organisation with a wealth of new, innovative and beneficial opportunities since our transformation to charitable status in 2012. The Trust has earned a remarkable reputation for delivery in the youth sector in a very short time, and the opportunities to partnership and collaborate with others have increased beyond our expectation. We are increasingly being approached by high profile partners to engage us including; The Scouts Association, Vinspired, NCVYS, NUS, National Citizen Service, Princes Trust and Step up to Serve.

We have several programmes already underway, ranging increasing the involvement of young people in our existing volunteering opportunities, through to bespoke funded opportunities which focus on young person personal development and motivation.

1.1 Youth Social Action & Volunteering

Young people are being engaged locally by our volunteering teams across the country, making a real difference in their local communities through diverse social action projects and activities. Volunteering placements and opportunities have included; towpath taskforce days, lock painting, towpath resurfacing, fish rescues, vegetation clearance, assisting the education team with school visits, boat movements at our museums and undertaking environmental surveys.

In addition to the above we also have number of particularly successful youth-led adoptions across the country including, the Market Harborough Scouts in the South East and the adoption of a stretch of the Leeds / Liverpool Canal in Sefton, led by 18 year old volunteer, Amy (regional winner of a VInspired Award 2014).

Youth volunteering in 2013/14 represented 7% of all volunteering activity. In 2014/5 this is expected to rise to c9%. This activity is primarily youth agency stimulated, i.e.; youth agencies and groups approaching us for opportunity rather than proactively generated.

Whilst the volume of this activity is still relatively low, these short term 'low level' interactions with young people are helping build staff confidence and develop a youth culture internally.

This said, the volunteering structure and teams at waterway are not resourced or skilled sufficiently to ensure that young people are given a fulfilling and personally challenging experience, nor could these teams cope with a significant influx of activity without this impacting on our other volunteering aspirations.

1.2 Specialist Funded Youth Projects and Partnerships

We are also currently delivering several larger scale externally funded youth engagement programmes, some of which are concentrating on more specialist areas such as working with hard to reach groups or young people with specific needs, including;

- **Youth Social Action Journey Fund** – The Trust is working with the National Council for Voluntary Youth Services (NCVYS), the RSPB and the National Federation of Young Farmers Clubs to engage 1500 young people in our Environmental Action Squads by March 2015. This Cabinet Office funded project has National Citizens Service (NCS) at its heart and aims to provide opportunities for young people before and after the NCS scheme through our Junior and Senior Squads. As part of the project, the Trust is hosting 4 Young Facilitators, employed by NCVYS and based in Canal & River Trust offices, working alongside our local volunteering teams in the North West and London.
- **vInspired Talent Programme** – Our second Cabinet Office funded project sees us working in partnership with vInspired (the consortium lead) and a number of local delivery partners. The Trust is engaging 30 young people (16 – 24 year olds) on a 6 month personal development and social action programme, undertaking a wide range of practical tasks and activities to improve the Caldon Canal in the Churnet Valley, Staffordshire. All participants are working towards a City & Guilds accredited Level 2 Certificate in Work Based Environmental Conservation and various other awards and training throughout. Each young person will also be offered one to one support from specially selected mentors in the third phase of the programme to identify suitable progression routes based on their individual needs, interests, skills and aspirations.

Commercially confidential material removed.

2.0 FORMAL AND INFORMAL EDUCATION

The Trust currently focuses its educational resources in delivering a nationwide, volunteer led **Key Stage 2** (7 -11 years) education offer, Explorers. Building on the success of the rebranding and repackaging of the trust's educational offer in 2013/14 the team continue to grow our educational reach and impact already exceeding the target this year to reach 30,000 children. With additional investment we aspire reach 50,000 children in year 1 of the plan (40,000 without investment).

Primarily this programme is delivered through a team of c150 trained volunteers, led by a small central education team. Currently the geographical reach is patchy and it is our aspiration to increase the impact of educational activity by investing in direct marketing to schools and extending our programmes in the North East/East Midlands. This will require an additional 2 specialist people (to recruit and support the volunteers and target schools) but with this investment it is possible to reach some of the poorest schools in the UK and increase our educational reach and impact to ensure an Explorer volunteer team in each waterway.

We are also eager to develop innovative and impactful educational offers for **Key Stage 3** young people (11 – 14 years) and are seeking investment to recruit an expert to help us develop **STEM (Science, Technology, Engineering and Maths)** focussed educational resources. This post would also enable us to develop a youth social action offer, curriculum linked, which teachers can use to help students develop strong community life skills and character.

We are already planning to partner with the **Construction Youth Trust Partnership** and **Rolls Royce** in 2015 to pilot some social action/stem projects which will form the base of this new area of work.

With additional investment it is possible to reach 100,000 young people and children through our formal education programme by year three of the plan. Additional skills and social action programmes will be developed in year one of the plan focussing on employability & character development which will further increase growth in later years.

In addition to the formal schools programme the education team also substantially support the work of the Museums & Attractions, and in 2015 will deliver the Birmingham to the Sea Learning Plan at the Gloucester Waterways Museum and the Window on the World Activity Plan at the National Waterways Museum.

Also for 2015 delivery is the extensive learning programme at the Anderton Boat Lift, funded through the Saltscape project, and “Northwich the centre of the industrial world?” funded through a corporate sponsor. All 27 schools in Northwich will have the opportunity to visit the lift and take part in the programme free of charge.

3.0 YOUTH & EDUCATION SECTOR REPUTATION & INFLUENCE

A significant challenge ahead is for the Trust to earn and retain a reputation of being a respected and valuable partner of choice within the youth voluntary sector.

Understanding and embedding the core principles of youth engagement into our everyday working practices is essential, as is ensuring a very visible presence at key forums/networks.

The National Youth Engagement Manager and Head of Community Engagement have already made significant progress in establishing the trust in this new network and enhancing our reputation as charity that is interested in young people.

The Education team are also focussing their efforts on more effective targeting to schools and education organisations growing our visibility and reach.

Significant achievements over the past 12 months have included;

- Hosted a youth panel discussion at Hay Festival (May 2014) – Secured high profile speakers and chaired event
- Being invited onto NUS/NCVO Consortium for Big Lottery pitch (and subsequently invited to attend pitch presentation)
- Step up to Serve using Trust case studies in their promotional material
- House of Lords Youth Reception - secured Dame Julia Cleverdon as keynote speaker

- Secured significant partnership with the Scouts Association 'A million Hands' Community Impact initiative
- Marsh Trust Volunteer Awards – secured funding to launch a youth volunteering award March 2015
- Approached by 3 leading youth charities to partner in BIG Lottery Our Environment, Our Future funding bid.
- In 2013, the Trust and YHA (Youth Hostel Association) set up a sector wide Youth Engagement Working Group for environmental organisations to encourage collaborative working across the sector. The National Trust, NFYFC and RSPB are amongst its members.
- Established a Youth Engagement Advisory Group to provide strategic support to the team and help us to shape our future vision and aims for this area of our work. The group meets quarterly and its members include representatives from; British Youth Council, National Youth Agency, the Outward Bound Trust, NCVYS (National Council of Voluntary Youth Services) and the Inland Waterways Association.
- Our Key Stage 2 Explorer Educational Resources have been recognised this year as educationally relevant, in-line with current teaching practice, and satisfying curriculum needs, achieving recommendations and five star ratings in the Guardian and Times Educational Supplement.
- We have recently gained Learning Outside the Classroom Quality Badge for 20 sites across the network that offer the Canal & River Explorers programme.
- Our Explorer programme used as the backdrop for Trust presence at the Conservative Party Conference (Sept 2014)
- Our education team attended the Birmingham Education Show in 2014, speaking to over 3000 teachers and educational professionals.

MEMORANDUM TO THE BOARD

GOVERNANCE REPORT

22 January 2015

1. BACKGROUND

A first draft of the Handbook was briefly considered by the Council in September 2012. The concept of a handbook was broadly welcomed but in the intervening period the draft has not been completed.

The Handbook is intended to be an explanatory and reference source that collates and consolidates the various governance provisions of the Trust and its structures, both formal and informal. It will serve as a guide to the Trust for staff, volunteers and those involved or considering involvement in all levels of the governance of the Trust.

2. HANDBOOK - 2nd DRAFT

A further draft with somewhat extended scope has now been prepared with the assistance of Compass Partnership. The Draft is appended as **Annex 1**.

Compass Partnership prepared the first draft in 2012 and advised the Transition Trustees in the run-up to the launch of the Trust. Early drafts were also reviewed by Bates, Wells and Braithwaite.

We intend the Handbook to be a working document, primarily available in electronic form as it will evolve over time. Once agreed, an electronic version will be published on the Trust's website, Gateway and Extranet.

The 2nd draft has been reviewed by the Executive and modified in the light of comments. Subject to agreement of Trustees, the draft Handbook will be presented to the Council for comment at the March 2015 meeting prior to publication. The Handbook does not require formal adoption by the Council.

3. RECOMMENDATION

Subject to discussions and comments, Trustees are invited to approve the draft Handbook before it is shared with the Council.

ROGER HANBURY
Head of Governance Services



Governance Handbook

Draft of 14 January 2015

Drafting Note:

The intention is that the handbook be in everyday language. There is repetition to allow chapters to be read on their own.

Some cross references to clauses in the articles and to the rules (R) and other documents are included and in later drafts the Trust could explore converting them to hyperlinks. A balance of these has been sought as too many would make the handbook difficult to read especially in the opening chapters.

Where possible the text uses the same wording as in governance documents. This will avoid confusion when readers cross refer.

In 2012 early drafts of parts of this handbook were reviewed by Bates, Wells and Braithwaite.

Our vision

Living waterways transform places and enrich lives.



Living waterways: we want our waterways to be vibrant, at the centre of communities, alive with people, boats, wildlife and activity, as well as repaired and in a safe condition.

Transform places: canals can define the character and personality of a village or town, something that explains its history and makes it special today.

Enrich lives: waterways provide a unique environment and special places to visit – for recreation, relaxation and wellbeing. They make people's lives better.

Our goals and objectives

Our vision is underpinned by six strategic goals – waterways, places, prosperity, people, influence and resources – that encompass the breadth of the Trust's ambition.

Each of our goals has five objectives. Everyone in the Trust is working to align their output to support these objectives.

- We will continue to look after our waterways so that they are available for everyone to use and enjoy
- We will involve others in helping us care for them, to support local priorities and connect with people
- The Trust will become more customer and community focused
- To do all of this, we need to be a strategy-led organisation and develop our plans and personal targets to meet our strategic goals

Our values

The Trust has also defined how it will function with a set of five values that define the most essential characteristics that everyone at the Trust is expected to adopt.



Caring



Open



Local



Involvement



Excellence

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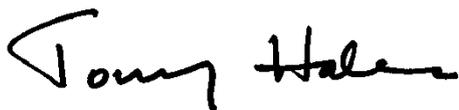
1 Introduction

Excellent governance is a crucial ingredient of effective civil society organisations. From its inception the Canal & River Trust has paid great attention to ensuring that we have the highest standard of governance. We consulted widely and sought advice on the structure of our governance, we have invested appropriately in our governance processes, we strive to ensure all meetings add high value and we expect the highest standards of governance behaviours.

Our governance is quite complex, because we are a multifaceted organisation delivering multiple objectives for a wide range of stakeholders. That means we all have to invest time in understanding our governance arrangements and making them work outstandingly well. To this end we have also committed ourselves to important codes of governance practice.

This handbook is designed to help everyone appreciate our governance and how to make it work most effectively. It gives an overview for people who are new to the Trust and a handy reference with cross-referencing for people already contributing to our governance.

I am acutely conscious that governance exists to ensure that we achieve our vision and objectives more effectively. We can inspire people to become involved with our canals and rivers most effectively if we continue to have excellent governance.



Tony Hales

Chair

The Canal & River Trust is a company limited by guarantee registered as a charity. The assets and undertaking of British Waterways in England and Wales were transferred to the Trust by a Statutory Transfer on 2nd July 2012.

2 Charity governance in general

Charity governance in England and Wales has been variously defined. It can be thought of as:

the systems and processes concerned with ensuring the overall direction, effectiveness, supervision, and accountability of a charity.

Charities in England and Wales were first codified in law under a 1601 act of parliament. The preamble to this Elizabethan act and its interpretation by the courts guided charities for centuries. In the last decade new acts were passed by parliament which updated the law. Some of these acts have been consolidated in the Charities Act 2011.

Charity regulation in England and Wales is the responsibility of the Charity Commission for England and Wales. The Charity Commission provides information for those involved in the governance of charities (see chapter 18).

All charities require a legal format. The Canal & River Trust (the Trust) is a company limited by guarantee. Thus it is also controlled by company law and regulated by Companies House.

The principal governing body of a charity such as the Canal & River Trust, is the board of trustees. It is the board of trustees that is required to report to the Charity Commission. When the charity is also a company, the trustees are usually also its company directors.

The principal governing document of a charity that is a company is its **Articles of Association**. Key clauses of the Articles are the objects clauses which set out the **charitable objects** of the organisation, and the powers clauses which set out the main powers that the charity may use in pursuit of its objects.

Governance of a large charity is usually distinguished from its management. The board of trustees appoint a chief executive who is responsible to it. The chief executive leads the management of the charity. Further details are in chapter 6.

3 An overview of our governance

The main elements of governance of the Canal & River Trust are:

- The Charitable Objects
- The Articles of Association
- The Rules
- The Board of Trustees and its Committees
- The Council of Members
- A Joint Council and Trustees Appointments Committee
- The Waterway Partnerships

Their interrelationship of these bodies with other elements of the structure of the Trust is illustrated in the diagram at the end of this chapter.

3.1 The Charitable Objects

At the core of any charity are its charitable objects or purposes. They are the whole reason for the existence of a charity and it is their effective pursuit and promotion that is the focus of the system of governance. Accordingly anyone involved in the governance of the Trust needs to be fully aware of the Trust's charitable objects and to seek to fully understand them. Any action or decision made by or on behalf of the Trust, at whatever level, needs to pass the test of whether it ultimately will contribute to or help bring about these charitable objects.

3.2 Articles of Association and Rules

The **Articles of Association** (Articles) of the Trust is the legal document that is the constitution of the organisation. They set out the detail of the governance arrangements for the Trust. They were adopted on 27th March 2012. This handbook summarises many of the key elements of the Articles and gives cross-references to clauses of the Articles.

The **Rules** are the second tier constitutional document that includes provisions that supplement the Articles. They are made under powers contained in the Articles and are intended for provisions that may require updating or revision on a more frequent basis than the Articles. Rules may be changed with less formality than the Articles but nevertheless are binding. Changes to the Rules were agreed by Council on 24th September 2014, most of which will take effect from 1st March 2016 (Rules).

3.3 Board of Trustees

The Board of Trustees is the key body responsible for the governance of the Trust. At any one time there can be between 8 and 12 Trustees. The Trustees are sought and proposed by the Appointments Committee and appointed by the Council of Members for a term of office. As the

Trust is also a company limited by guarantee the Trustees are also the Directors of the Company. The Board appoints the Canal & River Trust Chair. Further details are in chapter 5.

3.4 Council of Members

The Council appoints and can advise the Board. It is composed of up to 50 members elected or appointed by different stakeholder bodies for a term of office. Council members are the Members of the Company¹. The Secretary of State is a Member of the Company but with special powers. The Secretary of State does not have a vote at Council except in particular circumstances. Further details are in chapter 7.

3.5 Joint Council and Trustees Appointments Committee

The Joint Council and Trustees Appointments Committee is a joint committee of the Board of Trustees and Council with an equal number of each. It contributes to governance appointments. Further details are in chapter 8. It is also referred to simply as the Appointments Committee.

3.6 Waterway Partnerships

Waterway Partnerships comprise representatives of a broad range of stakeholder groups interested in the waterways. The local Waterway Manager or other relevant manager is a member *ex officio*.

Although they are advisory bodies rather than governing bodies, Partnerships are linked into the governance of the Trust by the *ex officio* membership of the Council by their Chairs.

Partnerships have the capacity to be influential within their regions or functions. Further details, including a full explanation of their role, are in chapter 10.

This handbook identifies in later chapters other elements that are not always considered part of governance but may have an influence on it.

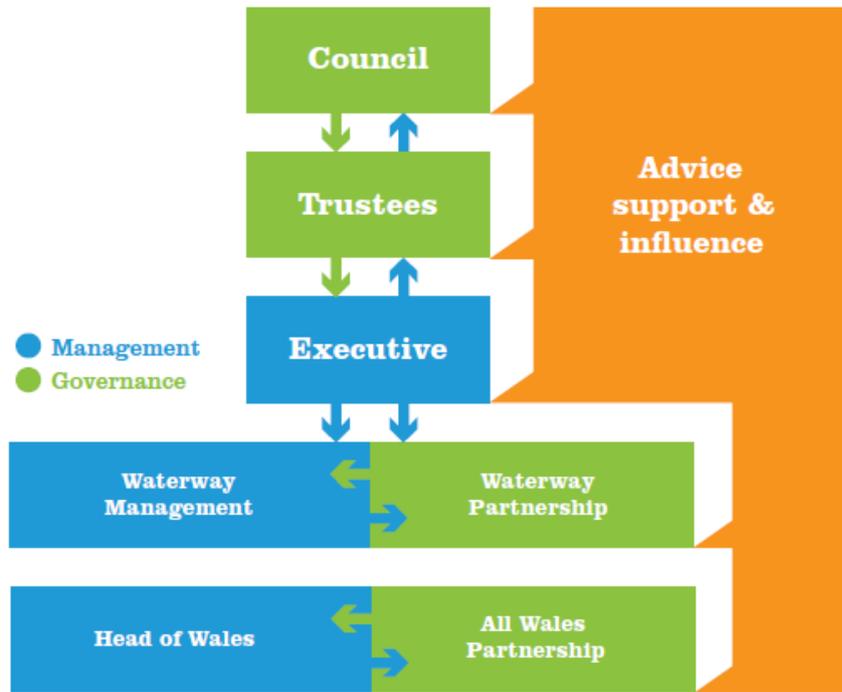
The respective roles and functions of the Board of Trustees, Council of Members and Waterway Partnerships as the main elements of governance are summarised in the diagram below:

¹ While the Canal & River Trust has 'trust' in its name its formal legal format as a registered charity is as a company limited by guarantee rather than a trust as such.



All those who serve on the primary governing bodies of the Trust do so in an honorary unpaid capacity. Expenses incurred and agreed can be reimbursed (Expenses Policy).

Below a chart outlines in more detail the relationship between relevant elements of the Trust.



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4 The Charitable Objects

The objects of any charity are a key part of its constitution. As the Canal & River Trust is a company limited by guarantee its top level constitutional document is its Articles of Association, most of which deals with governance arrangements. The vision, values, strategic objectives and strategy of a charity all need to accord with its objects (see inside front cover).

The charitable objects of the Trust are set out in the Article 2 as follows:

2. Objects

The Trust's objects are:

- 2.1 to preserve, protect, operate and manage Inland Waterways for public benefit:
 - 2.1.1 for navigation;
 - 2.1.2 for walking on towpaths; and
 - 2.1.3 for recreation or other leisure-time pursuits of the public in the interest of their health and social welfare;
- 2.2 to protect and conserve for public benefit sites, objects and buildings of archaeological, architectural, engineering or historic interest on, in the vicinity of, or otherwise associated with Inland Waterways;
- 2.3 to further for the public benefit the conservation protection and improvement of the natural environment and landscape of Inland Waterways;
- 2.4 to promote, facilitate, undertake and assist in, for public benefit, the restoration and improvement of Inland Waterways;
- 2.5 to promote and facilitate for public benefit awareness, learning and education about Inland Waterways, their history, development, use, operation and cultural heritage by all appropriate means including the provision of museums;
- 2.6 to promote sustainable development in the vicinity of any Inland Waterway for the benefit of the public, in particular by:
 - 2.6.1 the improvement of the conditions of life in socially and economically disadvantaged communities in such vicinity; and
 - 2.6.2 the promotion of sustainable means of achieving economic growth and regeneration and the prudent use of natural resources; and
- 2.7 to further any purpose which is exclusively charitable under the law of England and Wales connected with Inland Waterways;

provided that in each case where the Trust undertakes work in relation to property which it does not own or hold in trust, any private benefit to the owner of the property is merely incidental.

5 The Board of Trustees

This and the next chapters give more detail about the main governance bodies, Board of Trustees, Council of Members, Appointments Committee and Waterway Partnerships under the sub-headings:

- Role
- Composition
- Expectations
- Regulations, review and performance.

Most of what appears under the first two headings is taken from the Articles and Rules. Some of what appears under the Expectations sub heading is taken from Canal & River Trust policy or statements and some from accepted charity governance good practice.

References in brackets are to other chapters, numbered clauses in the Articles, and when prefaced by 'R' to the Rules, and to other governance documents. IN THE FINAL VERSION OF THE HANDBOOK IT IS PLANNED THAT THESE WILL BE HYPERLINKS INSERTED BY THE TRUST

5.1 Role

The Trustees are legally responsible for governing or directing the Trust and for approving high level strategy and policy to deliver the Trust's objects.

The initial Board of Trustees was appointed by the Council of Members on 27th March 2012.

Trustees of the charity are also the directors of the charitable company. The role profile for Trustees sets out the role ([Link](#)).

The Charity Commission summarises the role of trustees as:

(1) Trustees have and must accept ultimate responsibility for directing the affairs of a charity, and ensuring that it is solvent, well-run, and delivering the charitable outcomes for the benefit of the public for which it has been set up. (CC3²).

It then spells out three specific duties – **compliance**, **prudence** and **care**, saying that charity trustees must:

Compliance

(2) Ensure that the charity complies with charity law, and with the requirements of the Charity Commission as regulator; in particular ensure that the charity prepares reports on what it has achieved and Annual Returns and accounts as required by law.

² This Charity Commission publication *The Essential Trustee – what you need to know* is due to be issued in a revised version in 2015.

(3) Ensure that the charity does not breach any of the requirements or rules set out in its governing document and that it remains true to the charitable purpose and objects set out there.

(4) Comply with the requirements of other legislation and other regulators (if any) which govern the activities of the charity.

(5) Act with integrity, and avoid any personal conflicts of interest or misuse of charity funds or assets.

Prudence

(6) Ensure that the charity is and will remain solvent.

(7) Use charitable funds and assets reasonably, and only in furtherance of the charity's objects.

(8) Avoid undertaking activities that might place the charity's endowment, funds, assets or reputation at undue risk.

(9) Take special care when investing the funds of the charity, or borrowing funds for the charity to use.

Care

(10) Use reasonable care and skill in their work as trustees, using their personal skills and experience as needed to ensure that the charity is well-run and efficient.

(11) Consider getting external professional advice on all matters where there may be material risk to the charity, or where the trustees may be in breach of their duties.

The Trustees are responsible for the management of the Trust's business, for which purpose they may exercise all the powers of the Trust (Article 7).

The Trustees are the Board. They must appoint one Trustee to be Chair (8.1).

The Board may appoint committees and delegate any of their powers or functions to such committees (9 and chapter 9).

The Board delegates the day to day management of the Trust to a Chief Executive which it appoints (9.6). The Chief Executive reports to the Board of Trustees through the Chair.

5.2 Composition

The Board of Trustees is at any time composed of between 8 and 12 Trustees (21).

Trustees are generally appointed by the Council of Members following proposals received from the Appointments Committee, which is a joint committee of the Council of Members and the Board of Trustees (22.2).

There is also a procedure whereby on recommendation of the Appointments Committee the Board of Trustees can appoint Trustees to fill a vacancy or in addition, provided the total number is not more than 12 (22.4).

No Trustee may serve a single term of longer than three years. A third will be required to retire each year (23). No Trustee may serve more than two terms continuously (23.5), except for the Chair who may serve three terms (23.6).

Trustees are not Members of the Company/Council. They are though entitled to attend and speak at general meetings of the Council of Members but not to vote (41.1).

5.3 Expectations

To deliver its responsibilities the Board is required to meet at least four times each year (13.1). In practice it intends to meet six times a year for regular meetings and once for a special meeting to approve the Annual Report and Accounts.

It is assisted by:

- receiving appropriate and timely information and advice from the Chief Executive and his/her team of executive directors and senior managers
- receiving advice from Council on matters of strategic importance, both on request and on being proffered
- external professional advice when sought
- being able to invite specific others to attend Board meetings.

The Board of Trustees has committed itself to the Seven Principles of Public Life ([Link](#)) and takes cognisance of *Good Governance – a Code for the Voluntary and Community Sector* ([Link](#)).

The Charity Commission does not permit Trustees to represent any particular interest and requires them to act for the good of the whole and in pursuit of the charity's objects and state that trustees 'must act solely in the interests of the charity; it's not their role to represent or lobby on behalf of the group or body that appointed them'.

The participation of Trustees with conflicts of interests or duties in a matter is regulated by company law, charity law and the Articles (18.4 – 19). The Trust's code of conduct and ethics statement refer to this ([Link](#))

The wider responsibilities of Trustees are summarised in the diagram on page 7.

5.4 Regulations, review and performance

The Articles and the Rules offer regulation and guidance on a number of matters. In addition to those mentioned above, these include:

- permitted benefits (4.3 – 4.4)
- indemnities³ (6)
- decision making (12 and 17)

³ The Trust has trustee liability insurance.

- meetings (13 – 15)
- disqualification and removal (24).

Attendance at Board meetings will be reported at least annually.

The Charity Commission encourage boards of larger charities to review their performance periodically. The Trust commissions an independent review of the Board's effectiveness every three years. This typically involves discussions with all Board members, the Chief Executive and some executive directors. The findings are then discussed with the Chair and reported in summary to the Board as a whole so that any required changes can be made.

The Chair undertakes appraisals of individual Trustee performance and the Vice-Chair appraises the Chair. The Board meets without the Chair present at least once a year to consider the appraisal of his or her performance.

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6 The Executive

As in most charities the Board of Trustees appoints a Chief Executive and delegates to him or her the authority and responsibility for managing the Trust on their behalf.

6.1 Role

The broad division of role and responsibilities between Trustees and Executive is summarised in the diagram below:



Detailed responsibilities are set out in job descriptions and in a *Scheme of Delegation from the Board of Trustees*.

6.2 Composition

The Chief Executive is appointed by the Board of Trustees. At any one time the Chief Executive is assisted by a team of Executive Directors and senior managers. The Board of Trustees approve the method of these appointments and determine through the Chair any appropriate involvement they may have in the appointment process.

6.3 Expectations

As in other charities responsibility for certain matters is retained by the Trustees. In the Trust in addition to the above these fall into four areas:

- **Structure and governance** including making changes to governance, overseeing risk management, approving the formation of subsidiaries and the initiation of any major litigation
- **Planning and reporting** including approving the annual budget and long term plans, approving the annual report and accounts, and monitoring performance against plans
- **Financial matters** including approving a framework of financial controls, expenditure or certain commitments over £10m, and novel or contentious projects
- Certain matters related to **pensions**.

6.4 Regulations, review and performance

The Board requires that certain matters are authorised by the Chief Executive. These include major expenditures, Board papers, and some employment matters. The Chief Executive may sub delegate to Executive Directors and senior managers.

The Chief Executive is accountable for implementing the Trustees' policies and objectives and for implementing an appropriate organisational structure that delivers the approved strategy. A system of individual annual performance appraisal known as *Performance Excellence*, focused on deliverables and behaviours, operates throughout the Trust.

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7 The Council of Members

The initial Council of Members was appointed on 27th March 2012. The Council helps to shape policy and is one means by which Trustees are held to account⁴. While it does not run the Trust it has a key role in appointing the Trustees. Its members reflect the wide appeal of the waterways and include a mix of elected and independently nominated individuals together with the 12 Waterway Partnership Chairs.

7.1 Role

Along with the Secretary of State⁵, Council members are the legal Company Members of the Canal & River Trust. As such they have certain legal responsibilities. They also have responsibilities granted them by the Articles and by the Board of Trustees from time to time.

7.1.1 Legal responsibilities

Their legal responsibilities include:

- meeting at least once every calendar year in an annual general meeting as called by the Board of Trustees (Article 33)
- attending other general meetings of which there will be at least one other in a year (R1.20) and other meetings if called by the Trustees (34) or other not formally constituted General Meetings (R1.20)
- transacting at these and other meetings the business required by company law at the time and the business laid before them by the Chair. Company law currently provides that company members shall:
 - appoint the trustees/directors
 - make any changes to the Articles by special resolution requiring a 75% majority (subject to entrenchment provisions in the Articles (58))⁶
 - be able to view the annual accounts
 - be able to require the Trustees to call a general meeting of the Trust.

The Council has additional responsibility under the Articles to:

⁴ Trustees are also formally accountable to the Charity Commission and less formally to donors, customers and beneficiaries.

⁵ The Secretary of State is a 'B' Member and has somewhat different responsibilities to all other Members who are 'A' Members. He/she is not a member of Council. See chapter 13 for details.

⁶ There are 10 Articles that may only be changed if the Secretary of state votes in favour of a change. See chapter 13.

- make, repeal or amend Rules as to the governance of the Trust but only on the recommendation of the Trustees (11.1), including as to the structure of Waterway Partnerships (26.1)

7.1.2 Other responsibilities

The Board of Trustees is responsible for determining policy and strategy of the Trust. To assist it to do so but not to fetter it, the Council (29.4):

- offers advice as the long term guardian of the values of the Trust
- assists by debating important points of principle to provide guidance and perspective
- suggests issues of concern for the Trustees to pursue
- acts as a sounding board for the Trustees for the development of proposals and policies.

While Council Members bring a wide range of perspectives and experience to the Trust, and are elected or appointed by different groups, they act at all times in the interest of the Trust as a whole, taking full account of the views of other Members of Council. Council Members bring perspectives from a wide range of constituencies but they are not delegates and should not be mandated to take particular positions on particular issues.

7.2 Composition

The Appointments Committee identifies appropriate constituencies or stakeholder bodies to nominate or elect Council Members (27.2 and R1).

There is a limit of 50 on the size of Council (29.2).

The first Council formed in March 2012 now has 34 places as follows⁷:

	Group	Initial number of Council Members		
		Elected	Nominated	Total
1	Private boating	4	1	5
2	Boating business	2		2
3	Volunteers		1	1
4	Other supporters – walkers, anglers, cyclists, neighbours, donors, etc		4	4
5	Employees	1		1
6	Historic environment		2	2

⁷ On 1st March 2016 the total number will change to 39 and changes occur in the table below. See new Rules ([LINK TO WEB](#))

7	Natural environment		2	2
8	Local government		2	2
9	Local Partnerships Chairs (including All Wales Partnerships)			12
10	Co-options		3	3
Initial total places				34

In line with the Rules (R1.10) the Appointments Committee reviewed the composition, the methods of appointment, and the overall performance of Council after three years in 2014. The resultant changes will take effect from 1st March 2016 and include an increase of the size of Council from 34 to no more than 39, the creation of places for an elected Friend (people who give a regular donation) and for an elected registered Volunteer, and for a person nominated by the Inland Waterways Association. Thus the Council will be made up as follows:

Ref	Constituency	Elected	Nominated	Total
1.	Private boating #	4	1	5
2.	Boating business	2		2
3.	Volunteers	1		1
4.	Friend of the Trust	1		1
5.	Other elected members, constituencies to be identified by Appointments Committee at future date(s)	3		3
6.	Employees	1		1
7.	Inland Waterways Association		1	1
8.	Other supporters – walkers, anglers, cyclists, neighbours, donors, etc		4	4
9.	Historic environment #		2	2
10.	Natural environment #		2	2
11.	Local government #		2	2
12.	Partnerships Chairs (11 Waterway plus All Wales Partnership)			12 <i>ex-officio</i>
13.	Co-options		3	3
	INITIAL TOTAL	12	15	39

These organisations nominate members of the Council as below:

Ref	Constituency	No	Nominating Organisations
1.	Private Boating	1	British Canoeing
8.	Other supporters – walkers, anglers, cyclists, neighbours, donors, etc.	4	Sustrans Ramblers Association Angling Trust Country Land & Business Association
9.	Historic Environment	2	Institute of Historic Building Conservation Railway and Canal Historical Society
10.	Natural Environment	2	Society for the Environment The Wildlife Trusts
11.	Local Government	2	2 members to represent local government drawn from riparian local authorities in consultation with Local Government Association and Society of Local Authority Chief Executives

The Appointments Committee is responsible for:

- from time to time recommending Council constituencies (27.2.1) that fairly reflect the diversity of beneficiaries and stakeholders of the Canal & River Trust (29.3)
- recommending whether seats should be filled by an election or nomination (27.2.2) up to a maximum of 50% being elected (29.3)
- identifying and appointing co-optees to the Council of Members to promote a suitable balance of knowledge, experience and representative qualities on Council. Such co-opted Members will not comprise more than five people or 10% of Council whichever is the less at any one time (27.2.3).

The term of office of Council Members is four years. Nominated Members can serve up to two terms. There is no limit on how many terms an elected Member may serve (29.8).

The Chair of the Canal & River Trust is Chair of Council (40.1) but is not a Member of Council and does not have a vote on Council.

Council Members may appoint proxies to attend, speak at and vote at General Meetings (48 – 49).

7.3 Expectations

To assist Council to perform its functions effectively the Trust:

- keeps Council informed of major developments
- consults it on the development of key strategic plans and major policies
- periodically keeps it informed about the overall performance of the Trust
- responds to Council's advice, and if the advice is not accepted generally gives reasons.

Having appointed the Board of Trustees and offered it high level strategic guidance, Council recognises that the Board of Trustees carries legal and regulatory responsibility for the governance of the Trust. It acknowledges the Board's responsibility to govern in ways the Board judges to be appropriate.

The budget for Council is set by the Board of Trustees.

7.4 Regulations, review and performance

The Articles and the Rules offer regulation and guidance on a number of matters. In addition to those mentioned above, these include:

- meetings (29.5 and 33 – 49)
- disqualification and removal (29.7 and R1.16)
- the form that elections should take (R1.13 and Election Regulations).

The Appointments Committee has recommended to the Trustees that the Trust's governance should be reviewed again by March 2019 and at least every seven years.

8 The Appointments Committee

The Joint Council and Trustees Appointments Committee is established by the Articles (Article 27).

8.1 Role

The Appointments Committee is required by the Articles, through open and transparent processes to:

8.1.1 Council of Members

- identify Council constituencies (27.2.1) that fairly reflect the diversity of beneficiaries and stakeholders of the Canal & River Trust (29.3)
- recommend whether seats should be filled by an election or nomination (27.2.2) up to a maximum of 50% being elected (29.3)
- identify and appoint co-optees to the Council of Members to promote a suitable balance of knowledge, experience and representative qualities on Council. Such co-opted members will not comprise more than five people or 10% of Council whichever is the less at any one time (27.2.3)
- if it desires appoint or invite the nomination of individuals to fill vacancies that arise on Council from time to time (29.9 and R1.18).

8.1.2 Board of Trustees

- manage the recruitment of Trustees (27.2.4) to fill the number of vacancies determined by the Board of Trustees (22.2)
- propose a list of candidates for the Council to appoint as Trustees having taken into account the balance of skills and experience relevant to the organisation as a whole and following a process of open advertisement (22.2)
- may recommend to the Board of Trustees an individual to fill a casual vacancy on the Board (22.4).

8.1.3 Waterway Partnerships

- appoint the Chairs of Waterway Partnerships (27.2.5).

8.2 Composition

The Appointments Committee is a joint committee of the Board of Trustees and the Council of Members consisting of an equal number of Trustees and Council Members and no fewer than two of each (27.1).

The Committee appoints its own Chair.

8.3 Expectations

To allow it to deliver its function the Appointments Committee will:

- draw on reports of the skills, experience and performance of those involved in the governance of the Trust
- focus on the overall needs of the Trust
- have a view of the future needs of the Trust.

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9 Committees and governance officers

Both the Board of Trustees and the Council of Members may form committees.

9.1 Board Committees

The Board of Trustees may delegate and form committees (Article 9). In doing so the Board:

- will indicate whether the committee is advisory or has delegated powers (26.2)
- will specify who will serve on the committee, but may also allow the committee to make co-options
- if appropriate will specify committee members other than from amongst the Trustees
- will require committees to report promptly to the Board
- will determine the budgets, if any, of committees.

The Board may also form time-limited task groups on a similar basis.

In addition to the Joint Board and Council Appointments Committee the current Board committees are:

- Audit and Risk which provides assurance and recommendations on the effectiveness of governance and the risk management framework including financial audits (ToR)
- Fundraising which provides assurance and recommendations on the effectiveness and appropriateness of the fundraising programme and policies encompassing both voluntary and statutory fundraising (ToR)
- Investment which provides oversight and assurance of investment and commercial activities (ToR)
- Nominations which consists of three Trustees and provides support and advice to the Appointments Committee
- Remuneration which determines and agrees with the Board of Trustees the remuneration and pension provision of the Executive Directors, keeps under review the appropriateness and relevance of remuneration policy, and oversees any major changes to employee benefit structures (ToR).

Some of these committees can appoint committee members who are not Trustees.

9.2 Council Committees

The Joint Council and Trustees Appointments Committee is in part a Council committee.

9.3 Governance Officers

The Board of Trustees may appoint a Secretary (53).

A Company Secretary and an Assistant Company Secretary have been appointed. An Administrator Governance Services provides support to all those involved in the governance structure.

In their governance role company secretaries tend to keep under review legislative, regulatory and governance developments that may impact on the organisation and can offer advice to the Chair or the Board of Trustees on such matters.

The following is delegated to the Secretary of the Trust:

- to sign on behalf of the Trustees reports and documents approved by it
- to cast votes and exercise other rights the Trust has as shareholder of any company incorporated under the Companies Acts
- to approve the reimbursement of the travel and other expenses of the Chair of the Board and Chief Executive
- to report serious incidents as defined by the Charity Commission to the Chair of the Board or Chair of the Audit Committee as appropriate, and report these to the Board at its meetings.

The Assistant Company Secretary can be contacted for advice on governance matters.

10 Waterway Partnerships

There are 11 Waterway Partnerships and an All Wales Partnership. The Board of Trustees recommends rules to the Council of Members for establishing this structure (Article 26.1 and Rule 2).

10.1 Role

These are advisory groups established to harness the knowledge, skills, expertise and wider connections to support and develop waterway planning, management and operations for the benefit of everyone interested in the waterway – users, local communities and business, environment and heritage interests (R2.3 and ToR).

10.2 Composition

Partnership Chairs are appointed by the Appointments Committee for a term normally of three years. They may serve up to two terms (R 2.5 and as modified).

Partnership members are appointed by the relevant Partnership Chair with the support of the relevant Waterway Manager or the Head of Wales following open competition with public advertising. Appointments are for a period of three years but members may apply to serve for additional terms such that they serve no more than six years. Partnerships have between eight and 12 members at the discretion of the Chair.

The Waterway Manager or Head of Wales is an *ex officio* member of the Partnership.

All Partnership member appointments are subject to ratification by the Board of Trustees prior to taking up appointment (R2.6).

Role profiles guide Chairs and members (LINK)

10.3 Expectations

Waterway Managers or the Head of Wales and Chairs of the Partnership work together to harness the knowledge, skills, expertise, and wider connections of the Partnership to support and develop waterway planning, management and operations for the benefit of everyone interested in the waterway – users, local communities, authorities and businesses, environment and heritage interests. (ToR 1.2)

Partnerships meet no less than four times a year and hold an Annual Public Meeting open to all.

The Trust provides the secretariat for Partnerships.

Terms of Reference (ToR) and Role Profiles (RP) contain more detail, as do letters of appointment (LINK). *Your Guide to the New Operations & Management Structure* (LINK) gives further context. *Extranet and Website Guidelines for Waterway Administrators* are also available

11 National Advisory Groups

The Trust is supported through a number of Advisory Groups covering a range of different areas. These groups provide advice direct to the management of the Trust rather than to the Board of Trustees or Council of Members and are not formally part of the governance structure. They are listed here for convenience.

- Arts (LINK TO BE ADDED WHEN AVAILABLE)
- Environmental [Click here](#)
- Freight [Click here](#)
- Heritage [Click here](#)
- Angling [Click here](#)
- Navigation – Moorings and Licensing [Click here](#)
- Navigation – Operations [Click here](#)
- Volunteering [Click here](#)
- Youth Engagement [Click here](#)

12 National Users' Forum

The National Users' Forum keeps principal users of the waterways up-to-date with strategic developments within the Trust and is an additional way for national bodies to feedback to their members on issues of national importance.

It is open to groups with recognised national membership.

[National User's Forum](#)

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13 The Secretary of State

The Secretary of State for the Environment, Food and Rural Affairs is termed a 'B Member of the Company'. This distinguishes him or her from other Members of the Company who are technically termed 'A Members'.

In certain circumstances the B Member has special powers that include (30):

- the power to remove any or all the Trustees and make replacements (30.4.1)
- the power to remove any or all of the A Members and make replacements (30.4.2)
- the power to transfer the Protected Assets to another charity (30.4.3).

The Secretary of State was required to approve in writing the first Rules of the Canal & River Trust (11.2).

The B Member does not have a vote at Council except in particular circumstances (43.3).

No changes may be made to certain Articles without the consent of the B Member (58).

14 Patrons

While not classed as part of governance, Patrons are included in this handbook for the sake of completeness.

The Board of Trustees may, but is not required to, appoint Patrons as ambassadors for the Canal & River Trust (25.1)

Their term of office is determined by the Board of Trustees and may be renewed.

They can attend the Council's General Meetings and may speak but not vote. They receive the accounts of the Trust when these are available to Members (25.2).

At present the sole Patron of the Trust is His Royal Highness, The Prince of Wales.

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15 Commercial trading subsidiaries

The Canal & River Trust has the power to incorporate and acquire subsidiary companies to carry on any trade (Article 3.22). The following is a list of subsidiaries and joint ventures.

British Waterways Marinas Limited (BWML)

This is a limited liability company and a wholly owned subsidiary. It owns and manages a portfolio of 20 marinas of which three are coastal. BWML was created in 2004 and is run according to a fair trade protocol, the main principle of which is that BWML should operate at arm's length from the Trust and not be party to privileged Trust information that is not available to marina operators generally.

Canal & River Trading CIC

The company is a wholly owned subsidiary formed to facilitate the non-primary purpose trading activities of the charity as required under charity and tax legislation. The community interest purpose of the Company is to earn profit and distribute this to CRT to spend on its charitable objectives.

The Company owns 50% of the shares in the following joint ventures:

- City Road Basin Limited – joint venture between Canal & River Trading CIC and The Miller Group Limited to carry out commercial property development of various sites around the waterway network
- ISIS Waterside Regeneration (General Partner) Limited – joint venture between Canal & River Trading CIC and the trustees of the partners of the WARP4 Limited Partnership to carry out development of mixed use, environmentally sustainable, well designed, urban renaissance projects at waterside sites around the UK
- Paddington Basin Business Barges Limited – joint venture between Canal & River Trading CIC and European Land & Property Limited to carry out the acquisition and management of barges at Paddington Basin, London, W2
- H20 Urban LLP – joint venture between Canal & River Trading CIC and Enbloc Estates Limited to carry out commercial property development of various sites around the waterway network.

Canal & River Reinsurance Limited

This is a wholly owned captive reinsurance company set up for the purpose of self-insuring a portion of insurable risks. The company is a limited liability company registered and operating in Ireland.

The Waterways Trust (TWT)

The Company is wholly owned by the Trust is a charity registered as a private company limited by guarantee with the Companies House. Following the creation of CRT in July 2011 it was

agreed that TWT should transfer its assets and undertakings to CRT and a transfer agreement was signed in April 2013.

NWM Enterprises Limited

This company was previously a trading subsidiary wholly owned by TWT. The company included shop, café and boat trips income now operated and managed by the Museums & Attractions team. This company will be formally wound up in due course.

Ribble Link Construction and Operation Limited

This company was previously a subsidiary wholly owned by TWT. The Company was created to provide for the operation and maintenance of the Millennium Ribble Link following the completion of its construction in October 2000. The Ribble Link operation and maintenance is now fully funded by CRT following the utilisation of the remaining dowry funds in this subsidiary. This company will be formally wound up in due course.

Rochdale Canal Company

This company was previously a subsidiary wholly owned by TWT. This is a statutory company incorporated under the Rochdale Canal Acts 1794 – 1965. The Company is responsible for carrying out its statutory obligation to maintain the Rochdale Canal. All operations and maintenance is fully funded by CRT which benefits from the maintenance agreements with the three local authorities, transferred from TWT.

Waterways Pension Trustees Limited

The Company is a private limited liability company wholly owned by the Trust. It is the corporate trustee of the Waterways Pension Fund and is otherwise dormant.

Canal & River Pension Investments LP

This is a limited partnership incorporated in Scotland and is the vehicle for the Pension Funding Partnership with the Waterways Pension Fund.

Canal & River Pension Partner Ltd

This is a private limited company. It acts as an intermediate holding company for the Pension Funding Partnership (PFP) structure. It holds a limited partner interest in the PFP.

Limehouse Basin Management Ltd

The principal activity of the company is managing real estates, fee and contracts. CRT owns 97% of the company.

Blackwall Estates Limited

The Company is a private limited liability company wholly owned by the Trust. It manages a development of properties on the Isle of Dogs and was transferred to CRT via the British Waterways Board (Transfer of Function) Order.

The under-listed companies are wholly owned private limited liability companies which are currently dormant:

- Canal & River Developments Limited
- Canal & River Friends Limited

- Canal & River Fundraising Limited
- Canal & River Investments Limited
- Canal & River Marinas Limited

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16 The Waterways Infrastructure Trust

The Waterways Infrastructure Trust was established to receive assets when they were transferred from the public corporation the British Waterways Board.

The [Waterways Infrastructure Trust Settlement](#) between the Government and the Canal & River Trust was signed on 28th June 2012. It ensures that the canals and rivers, and associated infrastructure required to manage them, which were previously operated by British Waterways, will remain in trust on behalf of the nation. It ensures that they cannot be sold and that free pedestrian access to the towpaths is maintained, except in the tightly controlled circumstances set out in the trust.

The Canal & River Trust has been designated the first and only Corporate Trustee of the Waterways Infrastructure Trust.

<https://www.gov.uk/government/publications/canal-river-trust-trust-settlement-with-defra>

Under the terms of the Agreements with DEFRA a Protector has been jointly-appointed to oversee how the Trust uses the commercial property portfolio to ensure it is for the purposes for which it is intended, which are to provide income for the waterways and to provide a reserve for dealing with emergencies.

The Protector provides an annual report on investment activity to the Secretary of State. The report will be publicly available.

The Protector was appointed initially for five years. The position is voluntary involving between five and ten days a year.

The Investment Committee of the Board of Trustees is responsible for the Canal & River Trust's relationship with the Protector.

<https://www.gov.uk/government/policies/protecting-and-improving-people-s-enjoyment-of-the-countryside/supporting-pages/funding-the-canal-and-river-trust>

17 The Waterways Ombudsman

The Waterways Ombudsman investigates complaints about the Canal & River Trust.

The Ombudsman is independent and impartial, and can make recommendations for action.

The Ombudsman can only consider complaints which have already been considered under the Trust's own complaints procedure and if they involve injustice because of maladministration or unfair treatment by the Trust. These complaints can be about subsidiaries.

<http://www.waterways-ombudsman.org>

The Ombudsman's work is overseen by the Ombudsman Committee. This has an independent Chair, and has five members, one from the Trust executive and one from the Board meaning that the independent members are in the majority.

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18 Resources for governance

18.1 Canal & River Trust

The main internal resources are the Articles and the Rules.

18.1.1 Articles

The Articles were adopted on 27th March 2012. With the exception of the entrenched clauses they may be amended by special resolution of the A Members/Council (58.3) which requires a 75% majority.

18.1.2 Rules

The Council may, but only on recommendation from the Board of Trustees, make, repeal or alter Rules to supplement the Articles (11.1). The first Rules had to be approved by the Secretary of State (11.2). The Rules tend to cover certain procedures (11.3).

18.2 External

The Charity Commission is a good source of guidance for those involved in charity governance. Much that is useful can be found on its website:

<http://www.charity-commission.gov.uk>

Written specifically for trustees by the Commission is *The Essential Trustee – what you need to know*

<http://www.charity-commission.gov.uk/Library/guidance/cc3atext.pdf>

A wider but lay description of charity law can be found in *Charitable Status – A Practical Handbook* by Julian Blake

<http://www.dsc.org.uk/Publications/Law/@7808>

The dynamics of charity governance are covered in *Managing Without Profit - Leadership, management and governance of third sector organisations* by Mike Hudson

<http://www.dsc.org.uk/Publications/Managementandgovernance/@27740>

A handbook of charity trusteeship is *The Good Trustee Guide* ed Peter Dyer

<http://www.ncvo-vol.org.uk/products-services/publications/good-trustee-guide>

Good Governance – A Code for the Voluntary and Community Sector

<http://www.governancecode.org/>

The main magazine produced for those involved in charity governance is *Governance* from Civil Society Media

<http://www.civilsociety.co.uk/magazines>

A number of law firms run free legal updating services for charity trustees and others. One is the Bates Wells & Braithwaite Weekly Review of Websites produced by its Charity & Social Enterprise Department

www.bwbllp.com

MEMORANDUM TO THE BOARD

AUDIT AND RISK COMMITTEE – TERMS OF REFERENCE

22 January 2015

Report by the Company Secretary

Revised Terms of Reference

The terms of reference for the Audit Committee were adopted by the Board in June 2012. It is now proposed to update the terms of reference including a change of name to the Audit and Risk Committee.

The Committee reviewed the terms of reference at their last meeting in October 2014 and recommended the adoption of the revised terms of reference to the Board. The proposed terms of reference are attached.



PHILIP RIDAL:
Company Secretary

Canal & River Trust

Audit and Risk Committee terms of reference

Constitution

- 1 The Audit and Risk Committee is a Committee of the Board of Trustees.

It is recognised that the Committee will have a wide ranging, time consuming and sometimes intensive work to do, so that members need to commit a significant extra amount of time to the job.

Purpose

- 2 The Committee shall provide assurance and recommendations to the Trust on the effectiveness of its governance and of its risk management framework.

Membership

- 3 The Committee shall comprise five Trustees (other than the Chair of the Trust) who shall be appointed by the Board of Trustees. At least one member of the Committee shall have significant, recent and relevant financial experience.

If a regular member is unable to act due to absence, illness or any other cause, the Chair of the Board of Trustees may appoint another Trustee to serve as a replacement member.

- 4 A quorum for meetings shall be two members of the Committee.
- 5 The Chair of the Committee will ensure there will be an induction programme for new Committee members, and training on an ongoing and timely basis to all Committee members.
- 6 The Chair of the Committee shall be appointed by the Board of Trustees.

Attendance at meetings

- 7 The Chief Executive, Finance Director, Head of Audit and the external auditors shall attend meetings at the standing invitation of the Committee.

The Committee may invite other Trustees, Council members, other executive directors, staff and advisers to attend meetings whenever appropriate.

- 8 There shall be at least one meeting a year during which the Committee can meet the external auditors and Head of Audit independently without management present.
- 9 The Company Secretary or his nominee shall act as secretary of the Committee.

Frequency and timing of meetings

- 10 Meetings shall be held not less than three times a year and, where appropriate, should coincide with key dates in the Trust financial reporting and audit cycle. The frequency and timing is decided by the Committee Chair.

There will be a sufficient interval between Committee meetings and the main Trustee meetings to allow work arising from the Committee meeting to be carried out and reported to the Trust as appropriate.

- 11 A meeting of the Committee may be called by any member of the Committee or by the Secretary. External auditors or the Head of Audit may request a meeting if they consider that one is necessary.
- 12 Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be forwarded to each member of the Committee prior to the date of the meeting in a timely manner.

Authority

- 13 The Committee is authorised by the Board to investigate any activity within its terms of reference. It has unrestricted access to management, books and records and is authorised to seek any information that it requires from any employee. All employees shall be directed to cooperate with any request made by the Committee.
- 14 The Committee is authorised to obtain outside legal, accounting or other independent professional advice at the Trust's expense and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
- 15 The Head of Audit shall be given the right of direct access to the Chair of the Committee.

Responsibilities

- 16 In discharge of its Purpose, the responsibilities of the Committee shall be to identify any matters in respect of which it considers that action or improvement is needed, make recommendations as to the steps to be taken and report its work, conclusions and any recommendations to the Trust. In particular, it shall:

Risk management

from time to time consider and make recommendations to the Board on the effectiveness of the Trust's risk management framework by an informed assessment of the risks to the Trust's objectives by reference to a clear definition of the types and levels of risk considered acceptable and of compliance with the appropriate controls, standards and processes and regulatory requirements

External audit

- a consider the appointment of the external auditor, the audit fee, and any questions of resignation or dismissal and, having done so, make recommendations to the Trust regarding the appointment
- b discuss with the external auditor, before the audit commences, the nature and scope of the audit and to review the auditors' quality control procedures and steps taken by the auditor to respond to changes in regulatory and other requirements
- c assess the independence and objectivity of the external auditor, ensuring that key partners are rotated at appropriate intervals
- d approve any fees in respect of non audit services provided by the external auditor in excess of the limit approved by the Committee and to ensure that the provision of non audit services does not impair the external auditors' independence or objectivity
- e discuss with the external auditor issues such as compliance with charity accounting recommended practice and proposals by the external auditor regarding the internal auditing standards
- f review, with the external auditors, the findings of their work, including:
 - discussing the major issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved
 - reviewing key accounting and audit judgements, and

- reviewing levels of errors identified during the audit, obtaining explanations from management and, where necessary the external auditors, as to why certain errors might remain unadjusted
- g review the external auditor's management letter and management's response
- h meet with the external auditor at the reporting stage post audit to discuss the audit, including problems and reservations arising and any matters the auditor may wish to discuss
- i at the end of the annual audit cycle, review the performance of the external auditors, including the cost effectiveness of the audit. In the course of doing so, the Committee should assess the effectiveness of the external audit process by:
- reviewing whether the auditor has met the agreed audit plan and understand the reasons for any changes, including changes in perceived audit risks and the work undertaken by the external auditors to address those risks
 - considering the robustness and perceptiveness of the auditors in their handling of the key accounting and audit judgements identified and in responding to questions from the audit committees, and in their commentary where appropriate on the systems of internal control
 - obtaining feedback about the conduct of the audit from key people involved, eg the Finance Director and the Head of Audit, and
 - reviewing and monitoring the content of the external auditor's management letter, in order to assess whether it is based on a good understanding of the Trust's business and establish whether recommendations have been acted upon and, if not, the reasons why they have not been acted upon.

Internal audit

- a review the annual internal audit plan, ensure coordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Trust
- b consider periodically the effectiveness of Internal Audit by reviewing the progress reports, any major external or internal audit recommendations and any major findings of internal investigations and management's responsiveness to them
- c monitor and review annually the effectiveness of the internal audit function, reporting its findings and recommendations for improvement to the Trust, and feeding back the results to the Head of Audit
- d give prior approval to the appointment or termination of appointment of the Head of Audit
- e review reports from management and Internal Audit on the effectiveness of systems for internal control, financial reporting and risk management

Annual statements

- a review, and challenge where necessary, the actions and judgements of management, in relation to the integrity of the annual statements before submission to the Trust, paying particular attention to:
- significant accounting policies and practices, and any changes in them
 - decisions or estimates requiring a major element of judgement
 - the methods used to account for significant or unusual transactions where the accounting treatment is open to different approaches
 - the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed
 - the clarity and completeness of disclosures and whether these are set properly in context
 - significant adjustments resulting from the audit
 - the going concern assumption
 - compliance with charity accounting recommended practice

- compliance with Charity Commission and other regulatory requirements
- b review the external audit representation letters before signature by management and give particular consideration to matters where representation has been requested that relate to nonstandard issues. The Committee should consider whether the information provided is complete and appropriate based on its own knowledge.
- c review and approve the statement on internal control and management of risk prior to endorsement by the Trust.

Charity and organisational matters

- a review compliance with Charity Commission guidance and regulatory requirements including Serious Incident reporting
- b review the effectiveness of procedures for handling allegations from whistleblowers
- c review policies for preventing or detecting fraud
- d consider other topics, as defined by the Trust.

Fair trading

- a monitor any complaints of non-compliance made under the internal complaints procedure or Waterways Ombudsman Scheme and where considered appropriate to make recommendations in a timely manner
- b review, and challenge where necessary, the actions and judgements of management in relation to fair trading obligations and any actual or potential risk of material non-compliance, and
- c make or commission such enquiries, audits or investigations as it considers necessary to provide reasonable assurance of the compliance by the Trust and its subsidiaries with the fair trading commitments of the Trust and/or the requirements of domestic and European competition law, making recommendations to the Trust on any improvements required

- 17 In discharging their responsibilities the Committee Chair, and to a lesser extent the other Trustees, should keep in touch on a continuing basis with the key people involved in Trust governance, including the Chair of the Board, the Chief Executive, the Finance Director, the external audit partner and the Head of Audit.

Reporting procedures

- 18 The Secretary shall minute the proceedings and recommendations of all meetings of the Committee and keep appropriate records. Minutes of the meetings shall be circulated to all Trustees.
- 19 The Chair of the Committee shall report the proceedings of the Committee to the next following meeting of the Trust identifying any matters where it considers that action or improvement is needed, and making recommendations as to the steps to be taken.
- 20 The Committee members shall conduct an annual review of their work and these Terms of Reference and make recommendations to the Trust.
- 21 The Committee's duties and activities during the year shall be disclosed in the annual report of the Trust.
- 22 The Committee Chair shall attend the Annual Meetings and shall be prepared to answer questions, through the Chair of the Trust, on the Committee's activities and its responsibilities.



MEMORANDUM TO THE BOARD

CHIEF EXECUTIVE'S REPORT

22 January 2015

1.0 INTRODUCTION & OVERVIEW

- 1.1 This report covers the period to the end of November 2014, with updates for December added where available.
- 1.2 Work on the Business Plan – reported elsewhere – has been the main item for the executive team during this period though successful delivery has continued across many activities.

2.0 PERFORMANCE

- 2.1 **Commercially confidential material removed.**
- 2.2 The KPI report is attached at Appendix 2. **Commercially confidential material removed.**

3.0 EXECUTIVE REPORTS

- 3.1 The Executive's reports feature as Appendices 3 to 10. The main points to draw to the Board's attention are:
 - As described above, the Health and Safety report (appendix 3) presents a positive trend in employee injuries;
 - The Operations & Asset Management Appendix (4) updates on the winter work programme and provides some assurance that the substantial spend planned for the last quarter is deliverable.
 - The Customer Services report (Appendix 5) presents the proposed new Visitor Mooring framework which will now be shared widely prior to its adoption, as well as proposed changes to licence terms and conditions.
 - **Commercially confidential material removed.**
 - The Volunteering and Engagement report (Appendix 7) describes further stunning progress especially with youth volunteering, and similarly the Fundraising report (Appendix 8) describes a number of recent successes, with Friends recruited and charitable income ahead of target, **Commercially confidential material removed**
 - The Marketing and Communications report (Appendix 9) outlines the campaign plan for the year ahead, with much thought being applied to political engagement either side of the general election.
 - The HR report (Appendix 10) presents proposed changes to the function, and describes the extent of current senior recruitment, including the appointment of a new Head of Customer Service (Ian Rogers), Finance Director interviews later this month and the search for a replacement for Marketing & Fundraising Director, Simon Salem, who has announced his retirement in June.

4.0 UPDATE ON OTHER ACTIVITIES

- 4.1 The final draft of 'Better Towpaths for Everyone' – our response to last summer's consultation on sharing towpaths - has been circulated for endorsement to a range of stakeholders who have been asked to support the final version of the policy. Endorsements received so far include BMF, The Angling Trust, IWA, NABO, AINA, British Canoeing, British Horse Society, Ramblers, AWCC, Sustrans, RBOA, and Living Streets. Through AINA, a number of other Navigation Authorities have asked if they may use our 'Share the space, drop your pace' campaign. We plan to roll out the final policy later this month.
- 4.2 Three independent appointments have been made to the re-formed Ombudsman Committee which will hold its first meeting in the next month or so.
- 4.3 The potential prosecution against the Trust, under the Wildlife and Countryside Act, for intentionally damaging a bird's nest, reported to the Board last month, has been withdrawn.
- 4.4 Engagement with the Environment Agency - to resume discussions about a programme of work to identify potential navigation transfer options - is expected shortly.



RICHARD PARRY
Chief Executive

APPENDIX 1: FINANCE REPORT

Report by the Finance Director January 2015

1.0 INTRODUCTION

1.1 The report provides an explanation of:

- Actual results for the eight months to November 2014,
- Full year “lite” forecast (F8) for the year ending March 2015,
- General Fund cash position,
- Investment Capital account position and forecast, and
- An update on BWML, as requested at September 2014

2.0 RECOMMENDATION AND SUMMARY

2.1 Trustees are asked to note and provide comment on the information in this report.

3.0 KEY ISSUES

3.1 The F8 forecast has been done as a “lite” forecast to allow the teams to focus on business planning and the reporting changes arising from the O&AM restructure.

3.2 **Commercially confidential material removed.**

3.3 **Commercially confidential material removed.**

3.4 **Commercially confidential material removed.**

4.0 INCOME AND EXPENDITURE

4.1 Commercially confidential material removed.

4.2 Commercially confidential material removed:

4.3 Commercially confidential material removed

4.3.1 Commercially confidential material removed

4.3.2 Commercially confidential material removed

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4.9 Commercially confidential material removed

4.10 The waterway spend at period 8 is some £8.6m behind the Plan. This, together with the out performance on income, gives rise to a YTD “bottom line” surplus of £11.2m and a variance against Plan of £17.3m. This is reflected in the cash balances discussed in section 5 below. See the Operations and Asset Management report for explanations.

5.0 Commercially confidential material removed

5.1 Commercially confidential material removed

5.2 Commercially confidential material removed

5.3 Commercially confidential material removed

6.0 Commercially confidential material removed



Philip Ridal
Finance Director

Appendix 1 – Commercially confidential material removed

Appendix 2 - Commercially confidential material removed

Appendix 3 – Commercially confidential material removed

Appendix 2
Schedule of KPIs for 2014/15

Government Contract Performance Measures	Plan 2014/15	Actual 2013/14
Number of principal assets in condition D / E (requirement to below <23% threshold)	16%	14.70%
Towpath Condition - % at Grade A, B or C (requirement to below >60% threshold)	72%	74.70%
Flood Management - % of principal culverts/ embankments at condition grades D/ E (requirement to below <4% threshold)	2%	1.57%

Measure	November 2014	Year to Date Plan	Plan 2014/15	Actual 2013/14
WATERWAYS				
Planned Preventative Maintenance (PPM) Delivery (average % achieved over last 12 months)			95%	86.3%
Nº of High Priority Customer Service or Safety related Infrastructure Defects cleared (% of identified programme)	66%	60%	90%	85.6%
Combined Employee, Volunteer and Contractor RIDDOR Accident Frequency Rates (accidents per 100,000 hours)	0.28		0.2	0.29
Public Safety: Proportion of injuries directly associated with infrastructure condition	9.9%		10%	10.18%
Nº of days of unplanned closures to navigation (current year to date)	715	667	1,000	1,647
PLACES / PROSPERITY / PEOPLE				
Nº of visits to our waterways	256 million	210 million	360 million	351 million
Growth in Nº of visitors to our museums and attractions over last 12 months (on a rolling 1 year annualised basis)			5%	TBC
Nº of people that visited our open days	2,835	4,000	11,000	10,096
Nº of children participating in face to face educational sessions (Canal and River Explorers sessions)	35,608	20,000	30,000	27,441
Nº of Volunteer Hours worked (assumes 7 hours per day)	266,698 38100 days	266,667 38095 days	400,000 57143 days	359,368 51338 days
Nº of Community Adoptions (cumulative)	77	71	80	54
% of young people participating in social action within overall total of volunteer activity	Measured Annually		10%	7%
Satisfaction –				
• Employees - Employee engagement score			45%	43%
• Volunteers - % that would recommend			87%	87%
• Towpath Users - % that would recommend	73%		85%	85%
• Visitors - % that would recommend			90%	Surveys in progress
• Boaters - Satisfaction Score			75%	71%
Employee absence / attendance (average days absence)	6.8		6.5	6.5
INFLUENCE				
% of people surveyed who are aware of the Trust (brand awareness)	33%		30%	26%
% of people surveyed who the Trust's "cause" is definitely or probably worth the public supporting (brand appeal)	69%		75%	69%
% of people surveyed who say they are definitely or probably likely to support the Trust (propensity to support)	23%		25%	19%
RESOURCES				
Annual total return on our endowment portfolio (exceeds market benchmark on a rolling 3 year annualised basis)	Commercially confidential material removed		Commercially confidential material removed	Commercially confidential material removed
Growth in gross commercial income (linked to the waterway infrastructure trust) and voluntary income (grows greater than inflation on a rolling 3 year annualised basis)	Commercially confidential material removed		Commercially confidential material removed	Commercially confidential material removed
Carbon Emissions Plan – Electricity Consumption (GWH)	13.9	17	25	26
Nº of active Friends, regularly donating	8,478	6,847	7,500	5,541

APPENDIX 3: HEALTH & SAFETY MANAGEMENT

Report by Operations & Asset Management Director – January 2015

1.0 INTRODUCTION

- 1.1 This report covers the period November and December 2014. The format of the report is in line with the format of reports presented at each Trustee meeting during the year and covers the key areas of risk – Assets, Visitors, Employees, Volunteers and Contractors.
- 1.2 It is recommended that a full year review is undertaken after the end of the Financial year rather than at the end of the Calendar year to tie in more closely with the overall performance metrics associated with our strategic development. There were six key risk recommendations agreed at the last annual review and these have been kept under review during the year and incorporated in the strategic review process.

2.0 ASSETS

2.1 Asset Inspection Process

- 2.1.1 The overall inspection process is on target.

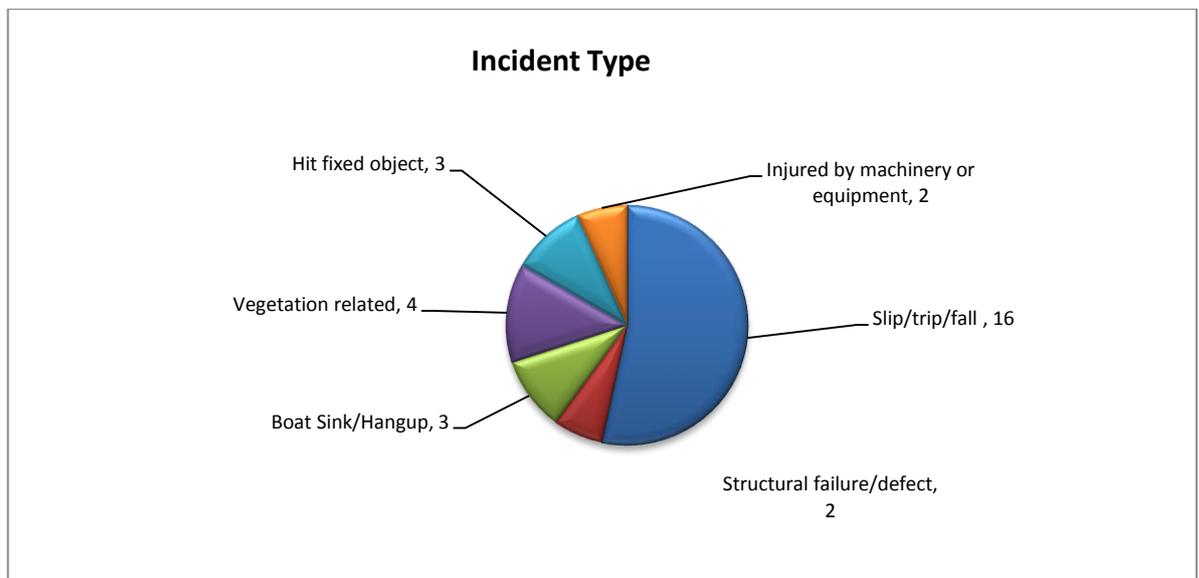
3.0 VISITOR SAFETY

- 3.1 There were 9 fatalities on our property during the period - none were the result of infrastructure failings or other cause attributable to the Trust.
- **Calder & Hebble - North East Waterway**
63 year old man was recovered from Savile Town Wharf in Dewsbury. Police were contacted by one of the occupants of a boat moored in the marina. A police spokesman said the incident was not being treated as suspicious.
 - **Trowbride Canal – Kennet & Avon Waterway**
A dog walker called the emergency services after noticing smoke coming from a boat. A 40 year old man was quickly found by firefighters and confirmed dead at the scene. Police are not treating the man's death as suspicious.
 - **Albert Dock, Liverpool Docks – North West Waterway**
Merseyside Police diving team searched for two days looking for the body of a 20 year old male who was believed to have gone missing after a night out in Liverpool, they eventually recovered the body.
 - **Bridgewater and Taunton Canal – Kennet & Avon**
Body discovered in canal. No other information available.
 - **Leeds & Liverpool Canal – North West Waterway**
Harbourmaster was contacted by Policy Underwater Search Team requesting permission to investigate lock flight to look for missing male. A body was recovered from immediately above the head gates.

- **Grand Union – South East Waterway**
Body of 82 year old male was discovered at Winkwell. Man had been reported missing. Police said death being treated as not suspicious.
- **Llangollen Canal – North Wales & Borders Waterway**
Police cordoned off Grindley Brook area. Top lock was dewatered and a male body was laying at the bottom of the lock near to the closed mitre gates.
- **St Helen’s Canal – North West Waterway**
Body of 70 year old man was recovered from Carr Mill Dam. Police are treating the death as unexplained until a post mortem has been conducted.
- **Gloucester & Sharpness Canal - South Wales & Severn Waterway**
Boaters body was found in the canal.

3.2 There have not been any reportable injuries to visitors in the period.

3.3 The analysis of incidents involving members of the public reported for the 9 months to the end of December shows 306 incidents which involved loss or injury. We concluded, following investigation, that 30 had an infrastructure related cause (i.e. a defect requiring remedial action). At 9.8% of total incidents, this rate is just below our target of 10%. The chart below shows the type and proportion of incidents:

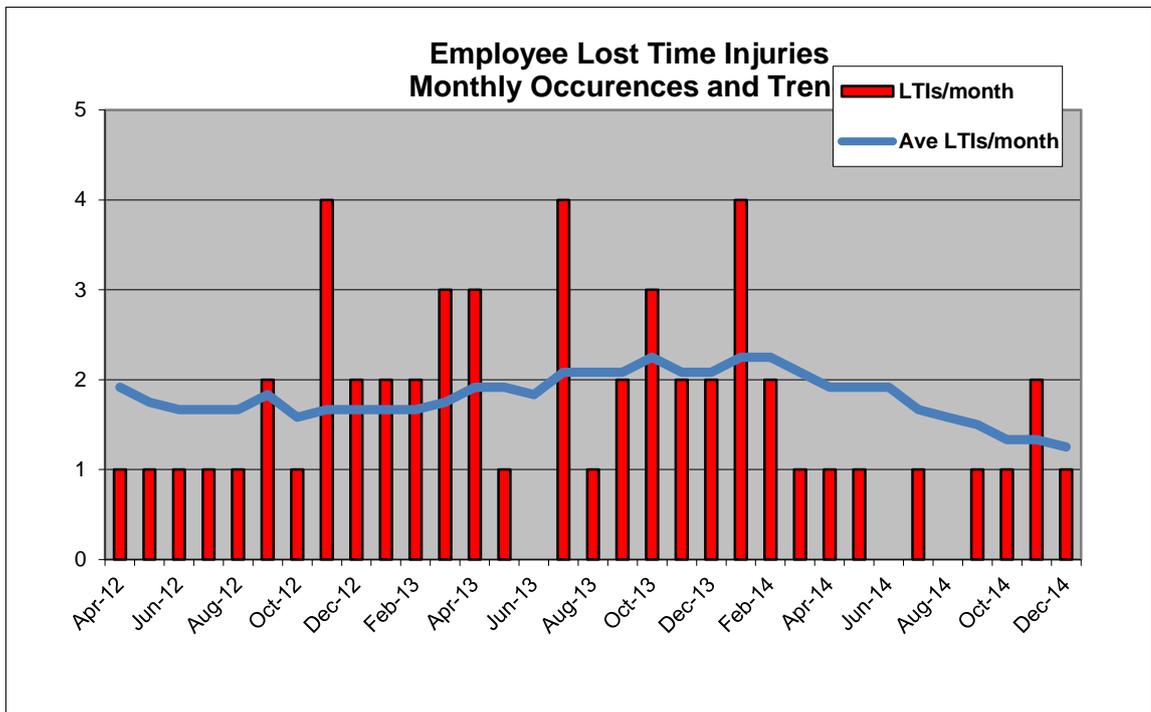


3.4 Recovery of a sunken hire craft at a lock in Bath led to discussions with hire trade industry representatives to identify any lessons from these incidents. The key issue we are actively working with them on is allowing third party contractors to more quickly recover sunken craft. This activity is likely to be limited to situations which do not require lifting or diving operations.

3.5 Following a complaint by a member of the public to the Health and Safety Executive (HSE) relating to concerns about the width of railings at the Pontcysllite Aqueduct the HSE accepted our report on the assessment of and management of the risks at the site.

4.0 EMPLOYEES

4.1 The recent performance related to employee injuries has been encouraging and the chart on the following page shows the overall position indicating the improving trend in Lost Time Injuries. It is pleasing to report, that there has been only 1 Riddor Reportable and 2 Lost Time Injuries in the period. The current performance is the best ever recorded.



4.2 Employee Lost Time Incidents during Period

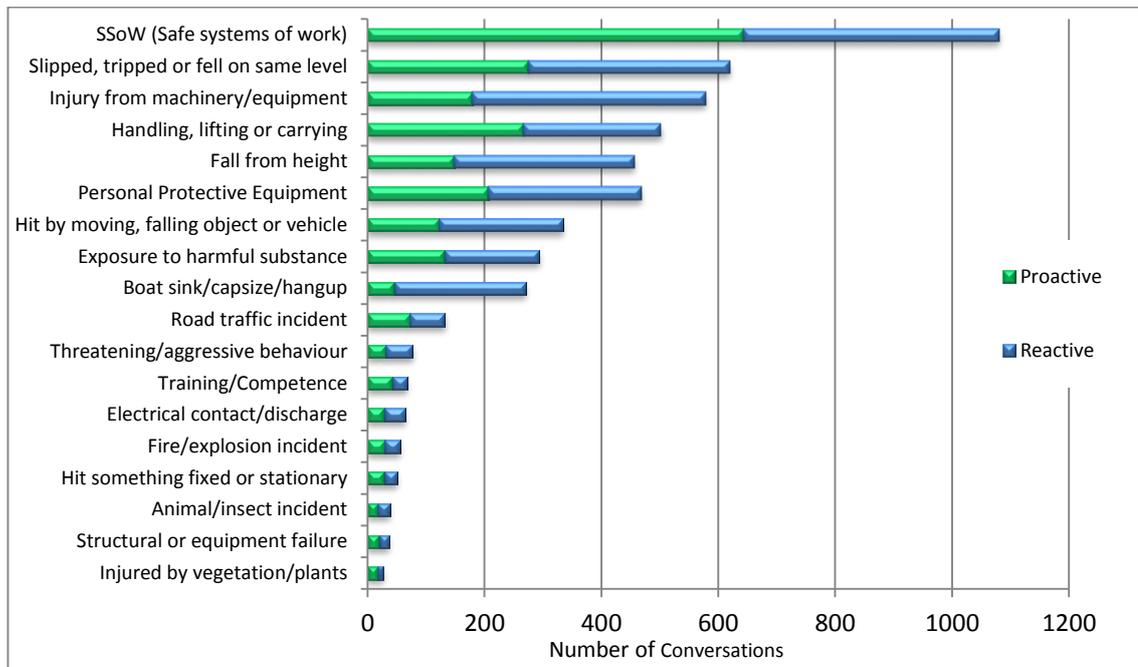
4.2.1 The following outlines the two Lost Time Injuries and Riddor reportable injury recorded during the period:

28/10/2014 - Windmill Street, Macclesfield. Trust vehicle stopped behind a private car which was turning out. The car started to drive away but missed the gap in the traffic. The driver put his car into reverse, at which point he reversed into the Trust vehicle. After the incident the Trust driver and passenger attended an NHS walk-in centre to be checked out.
 Commercially confidential material removed

10/12/2014 – Springwell Lock, Grand Union Canal. Customer services Operative was walking along the lock landing when the ground gave way beneath him and he fell into a void twisting his knee. Further investigation revealed a number of voids in the landing where fines had been washed out through the concrete piling.
 Commercially confidential material removed

4.3 Safe Behaviour

4.3.1 The number and type of safe behaviour discussions taking place in the workplace is an important indicator of safety improvement. An update on the number and subject matter of safe behaviour conversations is given in the following table and we remain satisfied that our safe behaviour programme is being well supported. To ensure this continues, we are identifying areas where performance is highest and sharing the lessons of how that is achieved. Discussions with our national safety representatives lead us to believe that the emphasis on safe behaviour is positively affecting the workforce’s approach to safety.



5.0 OCCUPATIONAL HEALTH

5.1 There has been 1 reported case of occupational ill health. An engineer had a mild case of Leptospirosis probably picked up when handling stop planks or soil samples. The infection was caught early and successfully treated with antibiotics largely due to the employee's awareness of the possibility of the disease. The employee did not have any time off work. HSE have indicated that they will be investigating in early 2015. The Trust has communicated the incident to its employees to raise awareness and we believe that we have robust procedures and training to address these types of risks.

6.0 VOLUNTEERS

6.1 There have been no reportable injuries to volunteers since the last report.

7.0 CONTRACTORS

7.1 There have been no RIDDOR reportable injuries to contractors reported during the period.

8.0 OVERALL SAFETY PERFORMANCE

8.1 Accident Frequency Rates (AFR)

8.1.1 AFR is our main safety key performance indicator and the table on the following page shows AFR for each component of Trust employees, contractors, and volunteers. It is particularly pleasing that there had not been a RIDDOR reportable injury for a period of 5 months. The target overall performance is an AFR of 0.20 which would be a significant improvement over recent performance and a step towards industry benchmarks. Recent data shows a continuing improvement towards this target though it will be challenging to reach it by the end of the year requiring no RIDDOR reportable injuries to occur during the winter period. The increase in the rate between March and June in the table shows the effect of the volunteer injuries on the overall rate. The majority of the Volunteer Riddors were related to lock keeping. To reduce the likelihood of injuries at the start of the season, we have produced a safe lock keeping video for returning and new lock keepers.

	Riddor AFR (12 month average) March 2014	Riddor AFR (12 month average) June 2014	Riddor AFR (12 month average) September 2014	Riddor AFR (12 month average) October 2014	Riddor AFR (12 month average) December 2014
Employees	0.36	0.39	0.33	0.24	0.24
Volunteers	0.45	1.13	1.13	0.96	0.94
Contractors	0.00	0.09	0.09	0.09	0.09
Combined Rate	0.29	0.39	0.35	0.30	0.28



Vince Moran
Operations & Asset Management Director

APPENDIX 4: OPERATIONS & ASSET MANAGEMENT REPORT

Report by the Operations & Asset Management Director January 2015

1.0 ASSET REPAIR AND MAINTENANCE

1.1 Major Works

- 1.1.1 The Major Works Programme continues broadly on plan to deliver agreed projects to the value of £26m including the increased dredging expenditure of £2m. Project variances and risks are being actively managed to achieve plan targets on outputs and costs. Approximately, £12m of project expenditure is planned for the January to March period and, although this is a significant amount to deliver in a relatively short period, it is fully programmed with our Framework Contractor confident of successful delivery.
- 1.1.2 Works progressing during the period include embankment repairs, cutting stabilisation, towpath upgrades through external funding and dredging schemes. Works to identify the cause of leakage on the Trent & Mersey canal at the Dutton breach site were delayed by difficult access negotiations with a local landowner prior to Christmas. Full access was enabled on 5th January and works are underway to identify the cause and prepare a repair solution. The photographs below illustrate types of work in progress:



Dutton Site - Leak Path



Coseley Cutting stabilisation – netting and bolting

1.2 General Works – Waterway Delivery

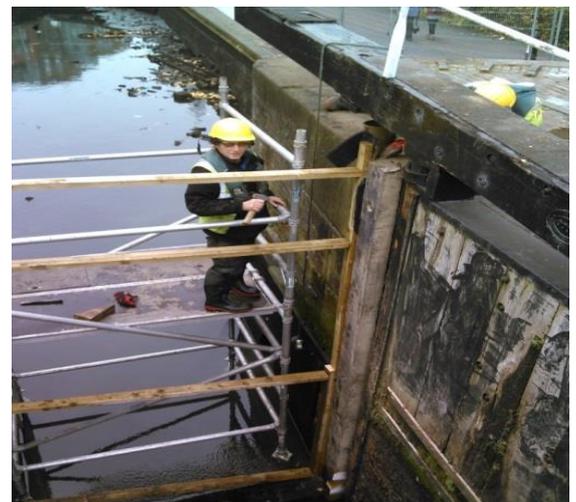
1.2.1 **Commercially confidential material removed**

1.3 Defect Repairs

1.3.1 At the end of November 66% of planned defects had been repaired which is slightly ahead of target and will increase further as the winter stoppage programme enables the completion of further defects. A wide variety of tasks are included and the photographs below give an illustration of the types of works undertaken by various waterway teams:



Quadrant repairs



New quoins being fitted



New stop plank grooves



Reconstructed cill

1.3.2 **Planned Preventative Maintenance** – Scheduled maintenance plans have been delivered to plan so far this year.

1.3.3 **Unplanned Urgent Works** – The nature of the waterway infrastructure inevitably produces arising tasks which have to take priority over planned works in the interests of safety and/or customer service. Tasks can involve a wide range of activities such as fallen trees, lock gate damage, bridge operability, towpath safety, vandalism and much more. **Commercially confidential material removed.** Other more minor issues have been some boat damage to structures, vehicle strikes and vehicles being driven into canals.

2.0 CUSTOMER SERVICE

2.1 **Customer Operations Contract Performance** – The main customer facing contracts of vegetation, waste, facilities maintenance are all performing well. The winter edge to water's edge grass cut programme has been completed and hedge cutting and offside vegetation clearance are the main priorities for the remainder of the winter period with around £4m of works to be completed. The offside vegetation management programme is progressing well at various locations including some notable volunteer input on the Macclesfield canal. The photographs below illustrate typical works being undertaken:



Birmingham & Fazeley Canal



Knowle cutting before and after

- 2.2 **Winter Works Programme** – The programme of lock gate replacement, repair and associated works commenced in early November as planned and progressed to plan to the Christmas break. The post-Christmas programme has mobilised to plan.
- 2.3 **Volunteering** – The period has seen the continuing contribution of good quality volunteer outputs covering a wide range of activities including small scale maintenance and repair and general environmental clean-up.
- 2.4 **Serious Pollution Incident, Grand Union Canal Leicester line** – Over the Christmas period the Environment Agency demanded the closure of a large section of the canal to deal with pollution from adjacent farmland which had the potential to decimate fish stocks and create widespread water course pollution. We have supported a major clean-up operation, which is still in process, involving flushing water from nearby watercourses. The costs we are incurring in this operation are being captured in the hope that they can be recovered in any subsequent Environment Agency prosecution process.

Vince Moran
Operations & Asset Management Director

APPENDIX 5: CUSTOMER SERVICE

Report by CEO – 22 January 2015

1. INTRODUCTION

- 1.1 This report summarises the status of the main issues surrounding the delivery of customer service during the past two months. At present this focuses largely on boating issues but the scope of the report will expand into other areas in future.

2.0 APPOINTMENTS

- 2.1 Ian Rogers has been appointed as the Trust's permanent Head of Customer Services with a strong experience of delivering customer service improvements across a range of sectors. Ian joins in early February. Dean Davies stood down from the interim role at Christmas after making an excellent contribution during his six month secondment which Ian will be able to build upon.

3.0 KEY ACTIVITIES

3.1 Visitor Moorings Framework

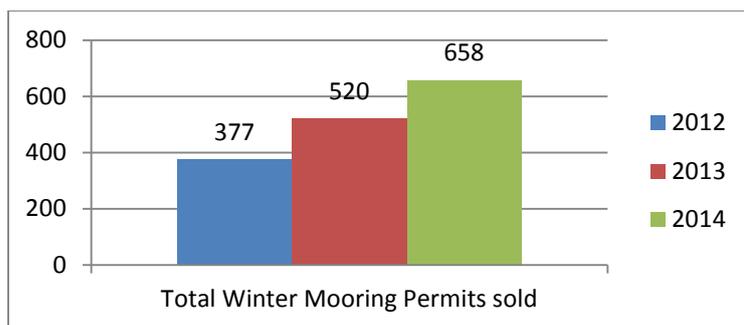
The national framework for visitor moorings, to ensure consistency of approach as described at the last Board meeting, has been drafted, and is attached. It is now being shared with the main boating customer groups, ahead of a wider consultation.

3.2 London

Local authority and residents' concerns were aired at a facilitated open meeting at the London Canal Museum in early December with boaters represented also. The group will meet again to define a Central Regent's Action Plan and a London moorings strategy to try to address the main concerns. The London Boating Liaison team transferred to the London Waterway from 1 January to support the transfer of local accountability for customer and stakeholder relationships.

3.3 Winter Moorings

Commercially confidential material removed



3.4 Boat Licences / Terms & Conditions

Commercially confidential material removed

4.0 COMMUNICATIONS AND ENGAGEMENT

4.1 Facebook Q&A

A second Facebook Q&A with the Chief Executive was held in December. As a trial, it took place in day-time hours with a smaller but still healthy response from boaters. A plan for a different approach to boater meetings in 2015 is being developed.

4.2 Structure of Leisure Boat Licences

Our Navigation Advisory Group (Licensing & Moorings) are proposing to undertake a wide-ranging consultation on the future structure to be used as the basis for private boat licences. Commercially confidential material removed. It is proposed that the consultation will be launched around Easter.

4.3 Welfare

Since joining the Trust in early November, Welfare Officer Sean Williams has been developing a draft Welfare Policy for the Trust which will be ready for consultation shortly. He has also dealt with around 15 vulnerable boater cases, gaining valuable insight into the problems experienced by some of our customers. Quick wins to give some immediate benefit have been targeted – for example, standard templates to help customers challenge housing benefit rejections. Meetings have also been held with key external groups notably the Waterway chaplaincy organisation.

RICHARD PARRY
for Head of Customer Service

Annex: Draft Short Term Moorings Framework (2014) Page 1

FRAMEWORK FOR CHANGE

The purpose of this approved process is to allow waterway managers to make local decisions around changes to short term moorings whilst ensuring the approach, evidence gathering, consultation and final decision is undertaken consistently. This process will form part of the Trust's wider short term mooring strategy.

Applicable date: March 2015. Review to be undertaken by October 2016

Responsibilities:

Waterway Managers

- Will ensure that the process is followed whenever a change is required to an existing or new short term mooring, gaining the support of other colleagues and ensuring the finances needed for these changes are in place.
- Using the evidence gathered, the Waterway Manager will make the informed final decision as to whether the change will enhance the visitor experience.
- If the visitor need or demand cannot be provided within the Framework then the Waterway Manager will agree any modifications with the Head of Customer Services.

Head of Customer Services

- Will ensure that this framework has been followed and that clear and factual evidence is in place.

Summary:

To allow Waterway Managers to make informed decisions around any changes to current short term mooring provision in a consistent way. They will need to:

- I. Conduct quantitative monitoring of craft that use the mooring and local area over a length of time, taking into account various factors including time of day, time of year, weather and other such influencing factors
- II. Consult with all those potentially affected by any changes, from local & visiting boaters to local retailers as appropriate
- III. Pilot the potential changes over a period of time gathering data and feedback, allowing the proposals to be amended as required
- IV. Inform visitors of all changes in a meaningful, clear and consistent way that ensures confusion is avoided

Monitoring:

Head of Customer Services

- Will bi-annually validate the accuracy of a sample of data submitted.

Internal Audit

- Will review the overall effectiveness of the process.

1 Short Term Moorings – Definitions:

Short Term moorings are all lawful towpath and offside moorings managed by the Canal & River Trust which are not designated as a long term site. The default maximum period that you can stay in the same place is 14 days. Types of short term mooring are:

Visitor Mooring

A length of bank that has been designated for periods of less than 14 days. They tend to be at popular locations and time limits are designed to enable as many different boaters as possible to enjoy the use of the mooring during a cruise.

Service Mooring

Locations adjacent to water, sewage and refuse disposal points. These are for use only while craft are using the facilities and short time limits apply. This may also include temporary or permanent restrictions for a specific purpose, such as a trip boat stop.

Casual Mooring

Mooring up alongside the towpath during the course of a journey. These can be anywhere else along the towpath which is unsigned and where the maximum stay time is 14 days. Each site has different customer and maintenance requirements. These requirements have been categorized to identify common expectations and standards.

2 Key Areas of Consideration:

Seasonality

The number of craft using a short term mooring will vary from day to day based on many factors, from the weather; day of the week; is there an event on to; what pubs and marinas are nearby. But there is one factor that affects all short term moorings more than any other - is it boating season? In the summer (particularly around school and bank holidays) craft are much more active and therefore the demand for a short term mooring will be much higher than that of a cold, wet Tuesday in December! In order to ensure short term moorings provide a service that is proportionate for the demand and time of year, we advise that all short term moorings during the **winter** period will revert to 14 day maximum stay unless there is a clear safety or customer need to provide otherwise, with exceptions clearly signed on site.

NB: For the purposes of this framework Summer = 1 April to 31 October, Winter = 1 November to 31 March each year.

Business Craft

Business craft are not subject to any relaxation to the Short Term Mooring stay times.

If a business craft makes a request to overstay for welfare reasons, refer the customer to the local enforcement officer who will follow the national process.

If a change is needed to a current or new mooring to provide a permanent business mooring, then the process within this framework should be followed, with the Waterway Manager making the final decision.

Disabled Moorings

A number of moorings that are suitable for disabled customers are located sporadically around the canal network. The Canal & River Trust does not operate a disabled badge scheme for boaters with signed disabled moorings being only advisable as the Trust does not have the powers or resources to enforce eligibility for visitors to moor at disabled moorings. However the Trust is committed to ensuring that accessible moorings are available across the canal network.

If a disabled boater seeks to have reasonable adjustments to moor longer at short term moorings then please refer the customer to the local enforcement officer.

National Perspective

Whilst providing short term moorings are a local waterway responsibility, the current national perspective also needs to be taken into account when looking at providing new or changing existing short term moorings. This includes considering whether the mooring is on a national circular / through route for other waterways to investigating current strategic plans being developed by the Trust, its advisory groups and partner organisations.

NB: All current Trust policies, standards and procedures need to be adhered to.

APPENDIX 7: ENGAGEMENT

Report by Marketing & Fundraising Director – 22 January 2015

1.0 VOLUNTEERING

1.1 Overview

Volunteering activity is now on target to reach the 2014/15 target of 400,000 hours. At the end of November the number of volunteer hours worked was 266,698 hours (38,099 days). Time recording has been improved in several waterways.

1.2 Adoptions

We will exceed the Adoption target of 80 adoptions this year. At the end of December there were 81 active adoptions.

1.3 Marks & Spencer Volunteering Event

M&S have now confirmed their intention to hold a canal clean up event on 20th – 23rd April 2015 for their staff on the same basis as the past two years successful events. The central and waterway teams are now planning for this event, which is likely to be the last to be held in this format. **Commercially confidential material removed**

1.4 Marsh Christian Trust Awards

The Marsh Christian Trust is supporting the Canal & River Trust to recognise the outstanding commitment of our volunteers. Three separate volunteer award categories were launched to coincide with International Volunteer day in early December and nominations are now open. The nominations will be judged in early February by three judging panels.

Nicholas P Gair of the Outward Bound Trust and Duke of Edinburgh Award, Charlotte Hill, CEO of Step Up To Serve and Chloe Donovan, Chair of the Trust's Youth Engagement Advisory Group have already agreed to be part of the Youth Category judging panel.

The other two judging panels (for Long Serving Volunteer and Explorer Education Volunteer) are being established. Some Trustees have been invited to help judge the nominations.

1.5 Volunteer Lock Keepers

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Based on their own estimates, in an average week the volunteers interacted with nearly 8,000 boaters and towpath users. They also estimate that they save around 1,500 lockages each week by helping boaters double up in locks.

Nearly 60% of lock keepers are volunteering at least a day each week. Feedback on communications, induction and training suggests that we can still improve in these areas. The highest motivation for volunteering in this role is getting fit and active, closely followed by a desire to conserve and care for the waterway heritage. The results of the survey are being shared across the Trust and improvements to communication and induction processes are underway.

Recruitment is starting in the early New Year for the 2015 lock keeping team. This will include 52 existing sites. In addition, 29 new sites have been identified for volunteer recruitment in 2015.

1.6 Saying 'thank you'

Across the Trust local teams have been taking the opportunity to thank our loyal and hardworking volunteers by arranging trips to waterway visitor attractions and hosting Christmas lunches and events. These events have been very warmly received, with many volunteers posting complimentary comments and photos on our Trust Volunteer Facebook site.

2.0 YOUTH ENGAGEMENT

2.1 Scouts – A Million Hands

The Trust's engagement team and allocated project manager, Paul Brown, continues to work positively with the Association's senior staff and other charity partners to build the foundations of a national partnership to be launched in the Spring of 2015.

Commercially confidential material removed

2.2 Commercially confidential material removed

2.3 Action Squad Programme (Youth Social Action Journey Fund)

The project is progressing well with a total of 421 young people engaged at the end of December. New Action Squads for the final quarter of the project include a Liverpool based practical group, a Digital Action Squad who will support the Trust's Digital Comms Team and a performing arts group who have adopted a stretch of the Leeds / Liverpool Canal.

2.4 **vInspired Talent (Vulnerable & Disadvantaged Young People's Fund)**

Since the second cohort of young people started in October 2014, one participant has left the programme as he has been offered an alternative, paid training programme with another provider. The 13 remaining participants have started the Social Action Project phase of the programme which will involve uncovering an overgrown lock along the Caldon Canal. The young people are all working towards their Level 2 Certificate in Work Based Environmental Conservation. One participant from cohort 1 has stayed on as a Lead Volunteer for cohort 2.

2.5 **Stratford to Stratford**

The project is progressing well with initial workshop sessions planned for January 2015. **Commercially confidential material removed.**

2.6 **Coast to Coast Canoe Trail**

The first Project Steering Group is on 15 January. Recruitment of the Programme Manager and first Outreach Leader will follow the official announcement / project launch.

2.7 **Uprising / SLYNCS**

The Trust is working in partnership with Blackburn-based organisation Strengthening the Links between Youth Networks, Communities and Specialists (SLYNCS) to develop and deliver a youth leadership project in the North West. The project will use the established and highly regarded model developed by Uprising, a youth leadership organisation currently operating across 6 areas in England <http://www.uprising.org.uk>. The funded project offers the opportunity for the Trust and SLYNCS to develop a 6 month long, one day a week, environmental skills development and social action programme, using the Uprising toolkits and approaches. **Commercially confidential material removed** The project will engage local young people, primarily from BME communities.

2.8 **Commercially confidential material removed**

2.9 **Young Advisors**

The Trust is working with Young Advisors to conduct some research into the effectiveness of our current communications with young people – with a particular focus on digital channels and websites. In January 2015 Young Advisors will train up 4 young people who will then develop consultation questions and run a focus group with their peers before producing and submitting a report with key points and recommendations to the Trust.

2.10 **Safeguarding – Young People and Vulnerable Adults**

A wholesale review of the Trust's working with Young People guidance has been undertaken by the National Youth Engagement Manager in light of the Trust's desire to

step up its youth work. A first draft of a new safeguarding policy is currently being reviewed by Directors and Trust legal team. The new guidance reflects current best practice in the youth sector and brings staff guidance up to date with regard to current legislation and DBS (Disclosure and Barring Service) procedures. It's intended to launch the new guidance in the early part of 2015, together with a coordinated training package for those staff likely to plan work with or work with young people in the future.

3.0 EDUCATION & INTERPRETATION

3.1 Overview

After a very busy summer and autumn term, the education team are already exceeding the ambitious target of reaching 30,000 children through the Explorers Education programme in 2014/15, having reached **Commercially confidential material removed** children in face to face sessions to the end of November.

3.2 Heritage Lottery Success in Gloucester & Ellesmere Port

The recent successful HLF bid in Gloucester Museum will provide funds to employ a dedicated Explorers education officer to develop the education offer at the site and develop a more consistent volunteer base to serve the site and surrounding area.

The HLF bid at National Waterways Museum was also successful; the education team will also be delivering the learning elements of this project, including a major outreach element using a heritage boat on the Leeds & Liverpool Canal.

3.3 Explorers' Schools Marketing Campaign

The December issue of the Explorers' Schools e-newsletter led to 91 additional teachers/senior leaders registering for the CRE education newsletter. Many of these signed up on the first day enticed by the offer of a free Explorers school bag stuffed with water safety resources! Growing the database of named school leaders is an important part of our ongoing marketing strategy and will lead to a closer and more productive relationship with schools.

3.4 Learning Outside the Classroom Quality Badge

We are delighted that our application to the Council for Learning Outside the Classroom to gain the Learning Outside the Classroom Quality Badge for the Canal & River Explorers programme at 20 Canal & River Trust sites has been successful! The sites are: East London, West London, Crofton Pumping Station, Newbury Wharf, Monmouth & Brecon Canal, Devizes Canal Museum, Bingley Five Rise Locks, Sefton, Lancaster & Lune Aqueduct, Anderton Boat Lift, Stoke Bruerne Canal Museum, Standedge Tunnel, Gloucester Waterways Museum, National Waterways Museum, Fradley Junction, Foxton Locks, Hatton Locks, Etruria, Trent Lock and Red Bull Wharf.

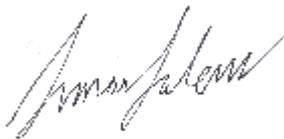
The Learning Outside the Classroom Quality Badge is a nationally recognised indicator of good quality educational provision and is an award that combines the essential elements of provision – learning and safety – into one easily recognisable and trusted accreditation scheme.

Holders of the LOtC Quality Badge are required to pass a robust assessment designed to ensure that they are meeting schools' learning and risk management needs, no matter what activities they offer.

4.0 ANGLING & FISHERIES

4.1 Anglers Newsletter

The first issue of our new Angling customer focussed newsletter was sent out on 27th November to 788 people. As at 12th December, 49.4% had opened the newsletter, with click through rates to the website of 15%. This is a very positive start at engaging more proactively with this audience. <https://canalrivertrust.org.uk/news-and-views/features/anglers-update>

A handwritten signature in black ink, appearing to read 'Simon Salem', written in a cursive style.

SIMON SALEM
Marketing & Fundraising Director

APPENDIX 8: FUNDRAISING

Report by Marketing & Fundraising Director – 22 January 2015

1.0 INTRODUCTION

- 1.1 This report provides an update on voluntary fundraising and on statutory fundraising through the enterprise team. All income and expenditure figures are as at end of November 2014, although numbers of regular givers are as at 6th January 2015.

2.0 HEADLINES

2.1 Voluntary

- At P8 we are confident of exceeding both income and Friends recruited targets, with every aspect of the Fundraising portfolio performing well.
- At 6th January 2015 we had recruited a total of **Commercially confidential material removed** regular givers (Friends and Sponsors) since launch and had **Commercially confidential material removed** active supporters – already exceeding our year end active target of 9,000.
- **Commercially confidential material removed** – as well as confirming new corporate partnerships with Rolls Royce and Esri.

2.2 Enterprise

- Positive decisions from HLF on all current outstanding round 2 bids have been received, namely Grantham, Gloucester and NWM Windows on the World.
- **Commercially confidential material removed** Birmingham Cycle revolution is 50% completed, having delivered **Commercially confidential material removed** of improvements to date. In total, the project will deliver c15 miles of high quality towpath improvement, along with many access enhancements and several new access points.
- An additional **Commercially confidential material removed** has been awarded to the Peak Pedal project which will deliver further towpath improvements to the Leek Arm.
- **Commercially confidential material removed**

- Skills for the future trainees who commenced in October have generally been working well within their waterway placements and training.

3.0 VOLUNTARY FUNDRAISING – DETAIL

3.1 We forecast (F6) that we will exceed budget this financial year and will exceed our target number of regular supporters – both recruited and active.

3.2 Individual Giving

3.2.1 Regular Givers

We have now recruited 5,373 Friends and Sponsors this financial year and have a total active regular giving base of 9,768. Since launch we have now recruited 14,199 Friends and Sponsors in total. **Commercially confidential material removed**

3.2.2 Towpath Fundraising

Towpath fundraising continues to form the core of our programme with over 3,700 Friends recruited on the towpath this year. Open Days and indoor venues are helping us continue to fundraise during the winter months and the iPad test has been a success in London, meaning that we will roll this new technology out across the country.

We are currently undertaking an internal review of our Fundraising Plus model after the first 6 months of operation to ensure it is operating as we expected and to make changes to increase effectiveness further.

3.2.3 Integrated Marketing – Fundraising Tests

The calls to prospects recruited via the marketing campaign have now closed. We have recruited a total of 432 new Friend and 827 Waterside Watch sponsors through these two test campaigns. **Commercially confidential material removed**

3.2.4 Giving Tuesday

On 2nd December, we celebrated Giving Tuesday: The intention was to get involved with Giving Tuesday in keeping with its friendly, light and human-focussed tone. We wanted to reach new people, position CRT within the charity space (particularly for our social channels) and to trial a different way of delivering content that could be utilised for future products or campaigns. Vinnie the vole took over our Twitter page and he was an incredibly popular chap with over 90,000 page impressions on the day (normal level c11,000).

3.3 Corporate Partnerships

3.3.1 **Commercially confidential material removed** Significant updates from November and December include:

- Rolls Royce have confirmed support for the development of a new education programme Brindley Brainwaves for 7-14 year olds delivered by 16-24 year old youth volunteers. This programme will focus on the new education curriculum that aims to engage children in STEM subjects (Science, Technology, Engineering and Mathematics). Rolls Royce will be recruiting a design team to develop an interactive workshop to take into schools and to be delivered by youth STEM ambassadors. **Commercially confidential material removed**
- Our first tranche of funding has commenced from Sport England, to pilot sport participation on our waterways in the South East. A 2 year partnership, this aims to evaluate how our unique outdoor space can engage with local communities with sport whilst demonstrating the health benefits of increased exercise. **Commercially confidential material removed**

Software Company Esri UK are working with us to pilot a project that will map our towpaths and give information on the accessibility of the towpaths. The pilot scheme will run on the Aylesbury branch of the Grand Union Canal where Esri UK are based. They will work with our GIS team to develop a tool that will allow us to gather all the necessary information and then produce a public facing tool to display this information. This will enable the Access for All project survey data to be incorporated. They are also working with us to maintain this area of the canal with their staff volunteering. **Commercially confidential material removed**

3.4 Trust Fundraising

3.4.1 **Commercially confidential material removed**

3.4.2 Significant developments in November and December were:

- After 12 months of negotiation, we have secured a grant of **Commercially confidential material removed** from the Wolfson Foundation, which will pay for the restoration of “Mossdale” - an important historic vessel at Ellesmere Port’s National Waterways Museum. This is an important grant from a very significant funder, **Commercially confidential material removed**
- We have secured **Commercially confidential material removed** from Leverhulme Trust to pay for our first Artist in Residence at the archives of the National Waterways Museum. From spring 2015, Francesca Millican Slater - a performance artist – will be resident at the museum for 9 months.

We have 9 applications for funding currently pending, totalling **Commercially confidential material removed**. These include funding for the full shortfall of the Gloucester Museum HLF-funded refurbishment project as well as funding towards the National Waterways Museum HLF-funded restoration project. **Commercially confidential material removed**

3.5 Major Donor Fundraising

3.5.1 Commercially confidential material removed

4.0 ENTERPRISE

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4.2 Heritage Lottery Funding

4.2.1 Grantham Canal

The project hosted 2 HLF East Midlands committee members - Chair Jim Harker (Leader of Northamptonshire County Council) and David Stocker (Director of the British Archaeological Association and Trustee of the British Archaeological Trust) - as part of their decision making process. The committee visited the locks and Woolsthorpe Depot for a presentation by the EM which was well supported by members of the Grantham Canal Society and Waterway Recovery Group.

The project has now been granted the full grant request of **Commercially confidential material removed** and subject to CRT receiving the **Commercially confidential material removed**

4.2.2 Commercially confidential material removed

Commercially confidential material removed

4.2.3 Gloucester Waterway Museum – From Birmingham to the Sea



Sketch of Sabrina 5 river barge interior following restoration and adaption for educational use.

Following submission of our Stage II Heritage Lottery Fund application for the Gloucester Waterway Museum at Gloucester Docks, we received confirmation on the 27th November that our application was successful. The HLF has awarded **Commercially confidential material removed** towards the project which has an eligible expenditure of **Commercially confidential material removed**. The project which will last for 30 months will deliver improvements to the lower two floors of the museum, along with the construction of a new

entrance lobby to the front of Llanthony Warehouse and the restoration and adaption of the historic river barge Sabrina 5 as a floating education space for 33 children (see artists image above).

4.3 Other Funding (highlights only)

4.3.1 Peak Pedal Project, Central Shires –with Staffordshire County Council

Confirmation has now been received from the Department of Transport for an additional **Commercially confidential material removed** of funding towards the Staffordshire link Pedal Peak project, and will enable the 5km of the Leek Branch Canal to be surfaced and improved to create a vital link between Leek and the Churnet Valley. Clarity on the conditions and timescale for spend is currently awaited.

4.3.2 Ilkeston Gateway

Working with Derbyshire County Council the Trust has secured £1.35m for this project which will on-highway and off-highway infrastructure and signage improvements to help people travel sustainably to Ilkeston Railway Station.

4.3.3 Greater Manchester Wetlands Partnership

This partnership has received an earmarked grant of **Commercially confidential material removed** from the Heritage Lottery Fund (HLF) through its Landscape Partnership (LP) programme for its Carbon Landscape project. A development grant of **Commercially confidential material removed** has been awarded by the HLF which will enable further work to be undertaken over the next 18 months to develop a full project scope. CRT is part of the GM Wetlands Partnership and the project area includes the Leigh Branch of the Leeds Liverpool Canal. At this point the actual investment in the canal corridor is to be determined.

4.3.4 Devizes Town Centre Towpath Improvements

Following twelve months of development working closely with Wiltshire Council, Sustrans, Cycling Devizes and Devizes Town Council, **Commercially confidential material removed** has been secured from Wiltshire from a combination of Transport funding and planning gains (Section 106). This funding will support the first of three phases of towpath improvements through Devizes, with the town centre section from London Road to Cemetery Bridge being upgraded, along with associated access improvements along the route. The works will be completed by the late spring of 2015.

A handwritten signature in black ink, appearing to read 'Simon Sale', written in a cursive style.

SIMON SALEM
Marketing & Fundraising Director

APPENDIX 9: MARKETING & COMMUNICATIONS

Report by Marketing & Fundraising Director – 22 January 2015

1.0 MEDIA

All Trustees receive the weekly news round-ups highlighting interesting news and features. At the end of this appendix, is a summary of major marketing and communications activity for 2015. We will update this periodically.

October was a record month for media coverage with 321 episodes of coverage mentioning the Canal & River Trust by name – with over 90% positive in tone and just 3.4% negative. 72.8% of coverage was the direct result of proactive work from the team.

November was also above average with 247 episodes of coverage – again mostly proactive and overwhelmingly positive. The focus of PR activity throughout November and the remaining winter is on the Trust's programme of winter maintenance and open days. Coverage figures for December – and for 2014 as a whole – will be available in the New Year.

The main negative issue we have been managing has been the publicity surrounding the book barge in London, which began a petition after losing out on a tender for a commercial mooring. This has led to coverage in Time Out, the Guardian, Private Eye, and BBC London TV and radio news, and social media chatter.

2.0 PUBLIC AFFAIRS

2.1 Contact Programme

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2.2 HS2 Campaign

- The Trust continues to liaise with HS2 Ltd, political and local stakeholders. The priority public affairs activity throughout November and December has been stakeholder mapping, in preparation for the Trust's appearance before the HS2 Committee in the New Year (date to be confirmed) and also forthcoming work in relation to the projected Phase Two route.

2.3 2015 Public Affairs Work Plan

- Our priority for the next six months is to consolidate relationships in Westminster and Whitehall during the pre- and post- election period, increasing awareness of our work at a local level and protecting the Trust's political neutrality.
- We are putting in place a 'leading light' programme for 2015, exploiting the Trust's existing relationships and creating new platforms, to raise awareness of our work.

3.0 FILMING

We have generated £157,000 from filming since April 2014. Highlights include: **Commercially confidential material removed**; a Channel 4 drama about androids filmed on the River Lee; Strictly Come Dancing and Take Me Out scenes on London's canals; a BBC detective series used locations in docklands; and we hosted a fashion shoot at Three Mills.

John Sergeant's 'Barging Around Britain' will be broadcast on primetime ITV from February onwards. The second series of Channel 4's 'Great Canal Journeys' is now in post-production with an anticipated broadcast date in March on More4. **Commercially confidential material removed**

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4.0 ARTS

Super Slow Way – Tony Hales chaired the inaugural meeting of the project board for this **Commercially confidential material removed**, Arts Council England backed project, paving the way for a major arts and community engagement programme along the Leeds & Liverpool Canal over the next 2½ years.

- **The Landmark Trust** has launched its 50th Anniversary Programme for 2015, which includes an Anthony Gormley statue on our land, opposite a Landmark Trust cottage, at Lawsonford Lock on the South Stratford Canal. We are a key partner in the project and the sculpture will be unveiled on the weekend of May 16/17.
- We have appointed the third artist in the series of six research residencies for artists on Welsh canals. Supported through an £80,000 grant from the **Arts Council of Wales** the steering group for the initiative includes senior staff at the Arts Council of Wales and the Chair of the All Welsh Partnership, Mark Lang. The artist chosen was a local artist based in Newtown.
- A series of events around the **Newton's Cottage** sculpture straddling Carpenters Lock in the Olympic Park came to an end in November. The project and associated engagement activities was a partnership between the Trust and London Legacy Development Corporation.
- In November Tim Eastop introduced the Trust's Arts on the Waterways programme at the influential **ISAN Outdoor Arts Conference**.

In December Tim met **Arts Council England**, our strategic partner for Arts on the Waterways, to discuss the extension of our MoU and **Commercially confidential material removed**

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5.0 MARKETING

5.1 Value Exchange Campaign – Wildlife Spotter’s Guides

Across October and November we ran the Wildlife Spotter’s Guide value exchange campaign across digital platforms and outdoor advertising media. As with the summer campaign we are using this one mechanism to feed into multiple strategic objectives and the results were as follows:

- **Increase brand awareness:** Reach 19.7 million, with 9,300 leads
- **Encourage visitor numbers:** handy guide to encourage people to visit waterways and spot wildlife, all year round
- **Sign up new Individual givers:** Sign-ups to Waterside Watch: 683 new regular givers

5.2 Duck Campaign

A cross functional campaign is set to go live in the run up to Easter around the concept that: ‘Ducks need a healthy diet too’. We are developing a new low-cost value exchange product – a small branded bag and menu card for healthy duck treats from the kitchen cupboard. We’ll use digital and outdoor to publicise this. We are also working with the Guardian on a partnership which will include a co-branded digital campaign, with an in-site Canal & River Trust hub. This will be complemented by a big push from the PR and education teams.

5.3 Brand Bible

We are working on producing a brand bible which will help colleagues in the Trust in terms of a one-stop shop for design and photography guidelines, brand portal, tone of voice, audience types etc. to help us maintain a consistent look, feel and voice, including ‘boiler plate’ statements and a suite of meaningful ‘calls to actions’.

5.4 Website

We are partway through our project to update and refresh our website adopting a user-led approach. We have created and tested new information architecture for the site and tested interactive wireframes for each page. We have now moved onto the design and build phase. Through the process we will set up a 'test site' where we can give access to view progress and comment before we go live.

Alongside this we are working with Richard Fairhurst (ex-editor at Waterways World and mapping expert) to help us develop, test and implement new options for mapping.

5.5 Monthly Prospecting Email

Our new programme of monthly emails to engage with potential supporters – Humans of the Waterways - is performing above industry and past internal benchmarks in terms of open rate (46%) and click through rate (15%), whilst conveying the brand message of enriching lives. Please sign up via the homepage of the website if you haven't already.

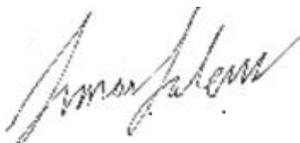
5.6 The Big Bus Challenge

A number of our design agencies entered for this award on our behalf, around the theme of brand awareness and visit waterways. The prize was free bus-wrap advertising. Whilst we were not successful in winning, we did manage to secure free digital advertising space at train stations as a result of attending the ceremony and negotiating with the organiser after our shortlisted campaign failed to be displayed. The first free adverts went live in November and ran for a two-week period at 44 train stations. The advertising space value was £28k. We expect a second phase just before half-term.

6.0 2015 NEWS & CAMPAIGNS

We have an exciting programme of announcements and initiatives coming up next year, and lots of opportunities to raise awareness of the Trust. The following tables list some of the key announcements that we know of and other activities which will be ongoing throughout the year.

Our winter works open days and repairs remain the backbone of our programme, and we are looking to expand these into the summer, as well as a series of initiatives aimed at increasing our reach among new and existing audiences.



Simon Salem
Marketing & Fundraising Director
January 2015

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APPENDIX 10: HUMAN RESOURCES

Report by Head of HR– 22 January 2015

1.0 INTRODUCTION

This is the HR report for December 2014 setting out an overview of the Trust's performance and key activities relating to its people and organisation.

2.0 METRICS

Analysis of recent absence data shows significant variances both from month to month within functions but also between functions. The data for the year continues to show an average of 6.7 days absence per employee which is 0.2 per cent above the 6.5 per cent target.

In 2015 the existing attendance policy will be revised to make the management of attendance a simpler and more consistent process.

3.0 EMPLOYEE ENGAGEMENT

Plans are being put in place to take our employee engagement process to the next level in 2015 – by undertaking one-on-one discussions with large numbers of employees to better understand their thoughts on the Trust as a place to work. This will give us greater insight into our engagement profile and provide us with the relevant information we will require to continue to improve our engagement scores and achieve greater levels of participation in shaping our future.

4.0 LEARNING AND DEVELOPMENT

The training and development modules for Managers designed to support the Performance Excellence process continue to be rolled out. So far circa 200 managers have attended 'Motivation & Engagement' and 120 have attended Feedback Skills. The third module 'Coaching Skills' has recently been launched and is being rolled out to managers and supervisors. The fourth module 'Difficult Conversations' will be launched in February 2015.

Feedback regarding these modules has been very positive from participants and our managers and supervisors are starting to see the value of engaging with employees. We are anticipating that we will observe improvements during the Performance

Excellence process in 2015 as a result of the investment in this training and development.

5.0 REWARD AND RECOGNITION

We are undertaking a review of the Trust's strategy focussing on a number of key areas, with a more detailed paper being considered by the RemCom:

- a) A review of existing grades and bands with a view to potentially adopting a simplified 'broad banding' model.
- b) The development of a total compensation model to appropriately value the existing remuneration packages.
- c) Exploring the use of an annual external commercial benchmarking survey – to replace the existing internal ad hoc arrangements.
- d) A review of regional pay rates across the UK is being undertaken for inclusion in the 2015 pay review planning process.

6.0 STRUCTURAL REVIEW PROGRAMME

HR is presently supporting the Operations function to recruit three replacement Waterway Managers across a number of locations and has begun a process to identify and select candidates for the newly established Development and Engagement Manager; this includes an assessment centre which will be held at Warwick University during January.

7.0 SENIOR RECRUITMENT

The process to recruit a Head of Customer Service is now complete and Ian Rogers will join the Trust from AON on 2nd February 2015.

The process to hire a new Finance Director is now underway with second stage interviews being conducted in late January.

The role of Head of Museums has also been advertised externally and shortlisting has been undertaken with interviews to take place in the next month.

The process to find a replacement for the Director of Marketing and Fundraising when Simon Salem retires will be started imminently.

8.0 HR STRATEGIC REVIEW

The strategic review of the HR function is ongoing and a process will be set out in early 2015 to change the team structure to simplify and clarify responsibilities and to align it with the Trust's strategic vision. A process to map all the work presently undertaken by HR is being developed to understand the existing HR workload and to inform decisions regarding the planned restructure.

9.0 SUCCESSION PLANNING

Data has now been gathered from all functions that shows the immediate and medium term successors (where they exist) for each Senior Management role. We have also identified the 'critical roles' in each function, the high potential employees and the key attributes and development needs of each employee. This is being reviewed with the RemCom. The next stage is to develop this data and our understanding of it, and to engage with individual employees and start to map and understand individual career aspirations and development requirements.

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11.0 DIVERSITY

Discussions are ongoing with Investors in Diversity (IID) regarding their support to the Trust to better understand and start to address our significant Diversity issues. If this progresses favourably then a programme of work will commence with IID in the spring.

Nigel Cadman
HEAD OF HUMAN RESOURCES