

Canal and River Trust Regular Grant Agreement Performance Meeting

Tuesday 20 April 2021

15:00 – 16:30

Video conference

Attendees:

Defra

Adrian Cooper (Deputy Director - Chair)

Redacted

Redacted

Redacted (Secretariat)

Redacted

Canal and River Trust

Richard Parry (CEO)

Heather Clarke (Strategy, Engagement & Impact Director)

Steve Dainty (Finance Director)

Tom Deards (Head of Legal and Governance Services)

Samantha Muir (Strategic Transformation Team Manager)

Apologies:

Allan Leighton (Chair of Trustees)

Georgina Collins (Defra Director)

Redacted (Defra Legal)

Minutes of the Meeting

1. Introductions

The Defra Chair welcomed everyone and introduced redacted as a new member of the Defra Inland Waterways policy team.

2. Minutes of the last meeting

The minutes of the last meeting held on 9 December 2020 were agreed.

Actions from the last meeting:

There were two actions rolled over from the September 2020 meeting:

Defra and CRT to discuss the risk register in more detail, including rationale, approach and calculation/methodology for scoring.

Considered completed; discussions were ongoing, and the issues would be captured within the grant review technical evidence collection and assurance process.

CRT to provide a 1-page summary on the issues [CRT interests in MHCLG planning reforms], and outlining specific areas where CRT are seeking Defra's support.

Considered completed; the Defra offer of support remained open to CRT should it be helpful.

There were eight actions recorded in the minutes of the December 2020 meeting, of which two remained to be completed:

CRT to provide Defra with a copy of the table of asset category/condition from the Council November Update report.

Completed.

CRT to approach Defra if/when further discussions with policy teams on the water abstractions would be helpful.

Considered completed for the purposes of the meeting as this was open-ended and ongoing.

CRT to share the 2019 [grant confirmation] letter for context, and then Defra to provide CRT with a copy of the formal 2021 grant confirmation letter.

Not completed – in progress; Defra working with Commercial colleagues to produce the grant confirmation letter for 2021/22.

CRT to provide Defra with key public safety documents and on the infrastructure trust policy as they are compiled/developed/consolidated.

Not completed – the documents are under development by the CRT and will be shared when available.

Defra to provide CRT with comments on the draft Heritage data letter to the Secretary of State, and then CRT to issue this letter.

Completed.

Defra to ask the Green Recovery Challenge Fund team about feedback on CRT's failed bid and provide a response to CRT.

Completed. The GRCF team provided appropriate feedback on Round 1 funding decisions.

CRT to consider the matter of Defra's attendance at future Council meetings and advise Defra of their decision.

Completed.

CRT to arrange an introductory meeting between Defra's Commercial Policy Deputy Director and the CRT Chair of Trustees at the earliest convenience.

Completed.

3. Matters arising

There were no matters arising.

4. Chief Executive's Update

Defra and CRT agreed that for future meetings a shorter more focussed update from the Chief Executive would be helpful.

Action: CRT to include a Chief Executive update for the next meeting, and to include the most recent Council update report as an annex for information on the wider operational context.

Defra noted the number of reported fatalities, and that CRT were taking active measures to address the issue. CRT explained that the matter had been discussed at some length by the Board with engagement with many water safety initiatives. The CRT noted that it was an ongoing risk that despite best efforts to reduce it, it would sadly never be completely eliminated given the open-access nature of the canal network, especially in urban areas where canals were most often integral to the fabric.

Defra noted that extreme climate events such as Storm Christoph earlier in the year often caused significant damage, and asked about reprioritisation of planned works to undertake emergency works. CRT explained that the Board had decided that re-planning of scheduled works was inefficient and resulted in more delays. Instead, any emergency works would be undertaken in addition to the scheduled works, and the capacity and resources necessary would have to be found from within the organisation.

Defra noted that some key personnel were due to be retiring or leaving CRT in the coming few months, and asked whether this would impact on the grant review evidence collection process. CRT provided assurance that business continuity and knowledge management had been taken into account fully when recruiting replacements and measures taken to ensure any impact on the review process would be minimal.

5. Finance Director's Report

Redacted.

CRT expect to be able to meet the statutory timeline for publishing the 2020/21 Annual Report and Accounts in July. The unaudited final figures would be available probably in May, and CRT offered to share those with Defra ahead of publication.

Defra expressed a desire to better understand the financial reporting, which might also involve a change in the reporting format for the regular Grant Agreement meetings. CRT agreed that a separate meeting to discuss the matter once the final year figures were available in May would be useful.

Action: CRT and Defra to arrange a meeting in May to discuss financial reporting.

6. Business Plan (“B21”)

CRT explained that B21 was the next three-year business plan from April 2021 to March 2024. The plan had taken account of the impact of the Covid pandemic and potential further such impacts, overall global movement towards greener and more inclusive societies, Government policy agendas and economic recovery plans, and CRT’s financial challenges in the medium term. B21 seeks to drive CRT towards being a leaner more efficient organisation, including delivering with fewer resources and yet continuing to be impactful by aligning more closely with, and being more reflective of, the communities being engaged with. B21 would also focus on growing CRT’s charitable income.

Redacted.

Defra commented on the volunteering numbers and hours for the year, which had held up well despite the impact of the Covid pandemic. CRT felt that this had been due in large part to the towpaths being kept open during the lockdowns, enabling more people to use them and experience being close to water. People were therefore more ready to sign up on the towpaths as volunteers. There was a challenge in encouraging people to move from being passive supporters (receiving newsletters, etc.) to active supporters. Numbers of financial supporters had dropped during the pandemic as people’s financial situations had changed. Overall, CRT felt that the support base had held up better than other large membership charities, as people supported CRT because of the heritage element. CRT were confident of being on track to achieve volunteering targets of 1 million hours by 2025.

7. Risk management update

CRT reported that the development of the new corporate risk register was ongoing, aligning it more closely with the strategy and policy framework. The aim was to rank risks on their residual impact after mitigations. With the introduction of the loss of life weighting, risks around assets had risen up the rankings significantly, which was then reflected in the focus on funding asset improvement. Further development work was being done on introducing a ‘risk appetite’ element, and a dynamic indicator for tracking change in risk levels over time.

Defra noted that the weightings system didn’t include a key, and CRT agreed to provide that additional detail in the subsequent papers.

Action: CRT to provide Defra with a clarification of the risk register weightings system and categories.

Defra asked about confidence in the risk measurement metrics, as an example the loss of political influence risk after mitigation was still showing as red. CRT explained that there were also other factors at play, including performance of investments that could have an effect on risk impacts through less funding being available. Post-mitigation risk ratings would be reviewed as part of the ongoing development work.

With the emphasis on the loss of life element to risks, CRT were working with the Royal Society for the Prevention of Accidents to ensure that it credibly reflected the situation on waterways in the light of their open access nature.

8. Any Other Business

Abstractions: CRT noted that discussions remain ongoing with the Environment Agency in determining permits for CRT's historic water abstractions, though professional relationships have been positive and constructive. The first batch of drafts had been received, and CRT suspected that they might seek to appeal a number of the proposed conditions.

Grant Review process: Defra clarified that the Cabinet Office Complex Grants Panel consisted of experts that operated across government to identify possible fraud, etc., and also provided advice and an assurance on grant delivery and development processes, but that the Panel does not advise on policy or strategy. Defra had met with the Panel before the Covid pandemic, and again about a month ago. The Panel had endorsed the approach Defra is taking to reviewing evidence for the Grant Review, and Defra would continue to engage with the Panel going forward.

Within Defra there was an Investment Committee consisting of senior managers and financial experts whose role was to be a 'critical friend' and scrutinise significant expenditure proposals and advise on business case development before submission to the Treasury for approval. All government departments had something similar in place. Under the grant review, the Investment Committee will be asked to review the outline business case and then full business case at the appropriate opportunity.

Date of Next Meeting

5 August 2021, 11:00 – 12:30

Venue tbc