

CRT Grant Review Meeting
Thursday 7th August 2014 14.00 – 17.00
Nobel House room 104

Attendees:

Defra:
Sarah Hendry (Chair)
[names redacted]

CRT:
Philip Ridal
Tony Hales
Richard Parry

Apologies:

John Richards
Tom Surrey

Note of meeting

1. Introductions

The Chair welcomed everyone to the meeting.

2. Actions from the last meeting

Updates were given on completed actions:

- Work is continuing on the Civil Service Quarterly article, which is intended to be published in the next edition in mid-October.

ACTION – Defra, CRT and Cabinet Office to take this forward

- CRT updated that they no longer need details on the car purchasing agreement as they have moved ahead with their salary sacrifice car scheme.
- CRT updated that the Ombudsman issue is now being resolved.

3. Performance against relevant standards

The table below was presented (from paper CRTGR6.03), and CRT explained that the Trust was well within all warning and breach thresholds and that the data on which the assessments had been based had been audited this year.

Relevant Standard	Measure	Warning Threshold	Breach Threshold	Result July 2012	Result 2012/13	Result 2013/14
1a. Safe Waterways	Principal Assets in Grades D&E	23%	25%	17%	15.2% 	14.7% 
1b. Safe Waterways	Compliance with PAS 55	Not defined	Not defined	Not defined	See Appendix B 	Progress Appendix B 
2. Towpath Condition	Towpaths in Grades A, B, C	60%	50%	75%	76.3% 	74.7% 
3. Flood Management	>£2m breach damage D&E culverts and embankments	4%	7%	2.3%	1.32% 	1.57% 

CRT also explained how they are working towards an asset management system that is in accordance with PAS 55 as per the Relevant Standards. Paper CRTGR6.03 sets this out as follows: in 2009 CRT's maturity level was assessed at 2.3 (out of 4). Their improvement actions are designed to move the asset management system to a score of 2.85 or 95% of PAS 55 level 3.0 by 2015, with a target of 100% or a score of at least 3.0 over the period of the next AMP (2015 to 2020).

The meeting agreed that all standards are well within the agreed limits, although some have deteriorated slightly. It was asked if that was due to winter flooding. CRT did not think it was directly attributable.

Defra were pleased that CRT are within the safe zone but wondered if the relevant standards presented enough of a challenge as they seem to be met easily.

CRT noted that there has not been much movement on the standards since the trust was formed, and stated that they were not set in order to be a challenge, but to give some space as assets in classes D and E had previously been forecast to rise over the next 5 years. They noted there are a lot of assets in class C which could easily deteriorate into class D. CRT also said that the standards were based on long term modelling and that it had been recognised prior to creation of CRT that some assets could decline in the early years of the contract. The Trust was expecting the trend to flatten, depending on how much the Trust was able to raise to increase maintenance spend. They noted that they were more productive under CRT than before the Trust was formed.

CRT briefed on the audit carried out by Grant Thornton. Defra asked what external challenge would be carried out in next year's gap analysis. CRT replied that next year they want to have an examination of their asset condition rather than a peer review and will ask CRT's Head of Asset management, Graham Holland, to brief Defra on this.

ACTION – CRT to provide more information on their approach on external comparators

The question of the effect on inflation of the flood management damage threshold in the Relevant Standards was discussed. The meeting was reminded of what had been agreed last time, which was that it was a conscious strategy to not increase the threshold with inflation, so over time more assets would be included in the measure. Both parties agreed that the threshold will stay as it is for now, with the possibility of being reviewed if the number of assets covered by the measure increased beyond what was originally intended and thus distorts the effectiveness of the measure.

ACTION – CRT will analyse the distribution of the damage values below £2m

Defra asked about frequency of modelling the value of potential damage and noted that it had been done in 2011 and 2014. CRT said this sounded about right and that the Trust would determine if it needed to be done more frequently in the future.

Defra noted that they would be able to confirm formally that CRT has met the relevant standards for 2014.

ACTION – Defra to provide a letter to CRT confirming that they have met the standards, using terminology in the grant agreement

4. Interim financial information

CRT presented paper CRTGR6.03 and CRTGR6.04 [commercially confidential information redacted].

CRT noted that the business plan had been published online, and that the group had previously discussed it in draft. [commercially confidential information redacted]

Risks

CRT presented the risk paper. Mooring was a large risk and one of interest to many people. The number of residential boaters had increased beyond expectations due to housing shortages, including the number of vulnerable people living on boats, and CRT are therefore appointing a welfare officer. Overcrowded moorings in popular areas is also a big issue. On environmental regulation, it was noted that this will be addressed at ongoing policy meetings.

The issue of the forthcoming consultation on water abstraction licences was also raised as related to policy meetings. Defra noted that the consultation was the best

way of engaging, that it would be a user-friendly consultation and there was no need (or ability) to input separately to the draft Direction as it would be based directly on, and consistent with, the policy developed through the consultation. CRT asked for a meeting with relevant policy leads on this issue before the start or early during the consultation which was agreed in principle.

ACTION: Defra to flag to water abstraction policy colleagues.

[commercially confidential information redacted]

5. Protectors Report

Defra briefed on the Protector's report and noted that the Protector role seemed to be working well. The draft report has been circulated and doesn't raise any concerns. The Protector will report to the Minister on the 3rd September. CRT suggested that the relevant elements of the CRT accounts be extracted and added as an Annex to the Protector's report.

ACTION: CH Defra to suggest this to the Protector

6. AOB

Infrastructure Trust Property and restoration waterways

Defra briefed on the agreed process for the Minister to give approval prior to submission to the Land Registry. The group also discussed the consequences of breaching the deadline and wondered who set the deadline (the land registry?). Any change would need an amendment to the transfer scheme. ACTION –Defra to discuss further with Phil Spencer at the Trust.

Disposals Process

Defra briefed on the process and in particular about whether the process around disposals in Wales. ACTION – Defra to update and look into the process for disposals in Wales

Proactive publication of papers

Defra proposed that meeting papers will be proactively published, appropriately redacted. The timescales of publication were discussed and it was proposed that this should fit with CRT's proactive publication of its Board papers.

ACTION: Defra to agree process with Defra transparency team

[commercially confidential information redacted]

Next meeting

To take place on 26th November. Defra will liaise with CRT regarding the subsequent meeting which should be in March 2015, and to look into possible dates for a boat trip.

ACTION: Defra to agree date for March 2015 meeting and possible boat trip.

Summary of actions

Action?	Who?
Civil Service Quarterly article	Defra
Provide more information to Defra on CRT's approach to gap analysis	CRT
Provide information to Defra on the distribution of the flood management asset values, in particular on the number at the margins of the £2m threshold.	CRT
Provide a letter to CRT confirming that they have met the standards, using terminology in the grant agreement	Defra
Flag to water abstraction policy leads that CRT would like a meeting on water abstraction licences	Defra
Suggest to Protector that relevant elements of the CRT accounts be extracted and added as an Annex.	Defra
Discuss Infrastructure Trust land registration with Phil Spencer	Defra
Update on Ministerial agreement to new disposals process and look into the process for disposals in Wales	Defra
Agree process to publish meeting papers with Defra transparency team	Defra
Agree dates for Spring meeting and boat trip	Defra

Inland Waterways Team
07 August 2014