

Executive Summary

New Opportunities

By engaging communities to develop social enterprise and community assets NWC has the opportunity to deliver significant new public benefit whilst generating substantial new income. Such a trajectory has the potential to move NWC to become a financially self-sustaining organisation at the same time as reconfiguring its approach to ensure that it focuses on maximising an extended range of public and local community benefits.

The Waterways Project's initial estimations of new income from such an approach are in the tens of millions of pounds and realisable, given the right conditions, in a relatively short period of time, certainly within a decade. This may come in the form of commercial income earned by NWC establishing socially entrepreneurial activities itself, or in third party income by partnering with social enterprises wishing to develop and manage new activity. A benefit from the latter approach would be the externalisation of financial and operational risk, the creation of new committed and engaged stakeholders and access to local expertise and innovation.

Key areas where public benefit and new income can be realised are on-water housing, renewable energy generation, enterprise, payment for ecosystem services and food production.

Community Utilisation

A necessary prerequisite to galvanising the wholesale participation of communities to generate new income and realise new public benefit is the creation of a framework for engagement between communities and NWC. This framework could take the form of "a presumption in favour of community utilisation" based upon the new "community rights" outlined in the government's Localism Bill. It would give first call to competent charities and community organisations to lease or manage NWC assets and facilities. It would potentially externalise risk and maximise public benefit as well as bring new expertise and investment into Britain's waterways.

Our Concerns

We have a number of concerns relating to the current consultation and the proposals outlined for NWC.

An overarching concern is that it provides only one detailed option for NWC. It does not provide alternatives for consideration, nor does it adequately describe why the option presented has been chosen. In a number of places this has made responding difficult as the questions presuppose the existence of the proposed model and leave little room for the exploration of alternatives or more general governing principles for NWC.

With regard to NWC itself we are concerned that the proposed mission, vision, structure and governance are overly centralised, backward looking and lacking in accountability. The transfer of assets and powers to NWC is an opportunity for a transformative approach to the function and management of

Britain's waterways. We wish to see the new organisation at the forefront of new approaches to supporting social enterprise, community asset development and delivering real localism by ensuring that the waterways are managed in ways that are inclusive and demonstrate a commitment to localism.

The current proposals risk creating a top down organisation with limited charitable objectives; one that is reliant on volunteerism and philanthropy and which appeals only to a narrow subsection of the public.

A Summary of Our Response

We have provided full responses to each of the consultation questions. Our response is summarised within each of the key themes below.

Charity Mission & Vision

The mission and vision of the charity must ensure that the waterways are operated in order to *maximise* public benefit; and *actively promote* the sustainable social, economic and environmental development of communities living on and alongside the waterways.

The charity should promote and support a diversity of uses for waterways assets in order to promote greater public engagement and extend the range of public benefits they offer. It should support the provision of sustainable affordable housing both on and alongside the waterways, conserving the heritage and protecting the rights of those who make their homes on the waterways.

Transfer of Powers

At the time of submission the Public Bodies Bill is still subject to further amendment and it is therefore unclear the extent of the powers that may be transferred. However the powers currently proposed under the amended Bill are inappropriate for a charity and, given the centralised governance and limited accountability provided by the current proposals, would be unacceptable.

We therefore believe it is imperative that a full public consultation is undertaken after the Bill is passed and prior to the approval of the Ministerial Order.

Governance Structures

The current proposals for a highly centralised, top down and representative governance structure risk failing to engage a new generation of stakeholders or enabling distinctive local management to meet specific local needs.

We propose that NWC should be a membership organisation from the outset and that members should elect representatives of each of the major stakeholder groups to a larger number of more truly local Local Partnerships (at least 30 rather than the 11 regional bodies currently proposed). Local Partnerships should elect their own Chairs and decide their own strategic frameworks, working closely with local management units.

We believe that the National Council should be made up of representatives of each of the Local Partnerships and should elect a proportion of the Trustees.

Such a 'bottom up' approach would deliver a more local and responsive organisation and would enable different user groups to arbitrate tensions and differences at a more appropriate level than is currently proposed.

Engagement and Involvement

We believe that the most effective way to engage local people in the waterways is to ensure that NWC actively seeks to provide benefits which are relevant to canal-side communities (renewable energy, affordable homes, opportunities for enterprise, local food etc). Furthermore we believe that there should be a presumption in favour of local communities being able to access and utilise waterways assets in order to deliver these benefits themselves in the form of social enterprise and community asset development activities.

A sense of ownership and relevance will ensure that the waterways rapidly attract new committed stakeholders willing to provide resources to support their continuing sustainable development.

The Community Interest Company

We are concerned by the proposal that all trading should be undertaken through a wholly owned subsidiary CIC and that Board members (who may include NWC Trustees) will be remunerated.

We believe that in order to ensure that NWC maximises the public benefit it delivers it should seek to maximise the primary purpose trading that takes place within the charity in line with its charitable objectives. Only those activities which are purely commercial should be undertaken by the trading subsidiary (which may take a form other than a CIC) and the charity should seek to minimise the proportion of trading which is not in direct support of its charitable objectives. This split between primary purpose and commercial trading should be subject to scrutiny and the executive and non-executive functions of the subsidiary should remain clearly separated.

Finances

We believe that by developing social enterprise activities across a range of sectors (housing, renewable energy, local enterprise, food production) either directly or in partnership, NWC has the potential to both reduce its costs and rapidly develop significant new income streams.

By working at a community scale, and harnessing the innovation and passion of those engaged in the waterways, social enterprise and community asset development, NWC has the potential to benefit from activities which generate financial returns whilst delivering direct public benefit to local communities.

Conclusion

What is proposed within this consultation response differs significantly from the intended course of action outlined by Defra and BW. However the current proposals do not place NWC on a sustainable financial footing, even in the long term, nor do they seek to realise a sufficiently broad set of public benefits in the spirit of charitable endeavour.

We believe that is imperative in undertaking a flagship transfer such as this that the change that is delivered serves the maximum number of people and is in the widest possible public interest.

We believe the proposals outlined here could stimulate relatively simple but profound changes to the proposed NWC that would radically transform our waterways from a gently decaying liability to a thriving asset realising substantial new income, delivering substantial new public benefit and contributing to the sustainable development of local communities.

A handwritten signature in black ink that reads "Mark Walton". The signature is written in a cursive style with a thick horizontal line underneath.

Mark Walton

A handwritten signature in black ink that reads "Ben Metz". The signature is written in a cursive style with a large loop at the end.

Ben Metz

Co-founders of The Waterways Project @ CIVA.