



## **ANNUAL MEETING 2010**

### **Robin Evans, Chief Executive, British Waterways**

Welcome and thank you for making the effort to come today. I very much appreciate your continuing interest and support – it is very valuable – essential in fact at this critical time.

It is remarkable how far we've come since our last Annual Meeting. The proposal to create a national trust for the waterways has caught the imagination of people across the country. It is now Government policy and a flagship Big Society proposal within Defra and Government.

We - and I say 'we', quite deliberately – because this involves us all, it's a collaborative process where we must pool our ideas and our resources to achieve the best outcome. We are building a new, exciting, inclusive Charitable Trust that will mark the most dramatic change in the way waterways are managed since nationalisation.

That is a big statement - and one all of us – you and me and everyone who cares for our waterways – has to live up to. Its not going to be a smooth road to 2012, I still foresee real challenges ahead and we will need to present a united force and united voice if we are to succeed.

Scottish Government have now said that our Scottish Waterways will not form part of NWC. They have decided that their canals will remain in public ownership. BW will therefore remain north of the border until such time as Scottish Government decides whether to operate it as a stand alone organisation – which is unlikely – or merge it with another part of the public sector. There are Scottish elections in May next year and these may affect the timetable for change.

You are also all aware that BW has been working with the EA and Defra on the future of the EA navigations. The joint working group has shown that both organisations are equally capable of operating the navigations – the issue is around the maintenance and future costs of the large dual purpose (i.e. navigation, flood and water control) structures. These are large in number (with 190 weirs on the Thames alone) and sometimes very large. NWC could not take the liability of these without a sizeable dowry or grant – neither of which is likely to be forthcoming. So we are now exploring how NWC might take responsibility for the locks, but the large dual purposes structures remaining with EA. We expect that Defra will make a decision by the year end.

Over the past year – and increasingly more frequently – we have been discussing, exploring and explaining our proposals to many of you in this room. You have helped us get where we are today and your involvement will continue to be vital to the successful formation of NWC.

I want to explain the current thinking on the governance arrangements for the charity. These arrangements will continue to develop as we gather ideas from you and others and Defra completes its consultation. They are far from being the final word but a clear structure is emerging that we think meets the needs and expectations of most of you in this room.

I'm going to go through the structure fairly rapidly because many of you are already familiar with these current proposals and you have a lot of the detail set out in your packs.

This is a general overview of the proposed governance arrangements.

- Our Stakeholders are a wide and varied group – we cannot get everyone in a room so we need a body who represents their views. This will be the Council. The Council is necessarily large to accommodate the widespread and different interests and views of our stakeholders.

Council will probably have 40 to 50 members. One of the most important roles is to appoint the Trustees. Think of the Council as the shareholders.

It has a vital role in scrutinising the work of the charity and shaping policy.

I sit on Reading University's Council – it is a similarly large body that meets only once a term. It cannot get into the detail but I know it has a strong influence on policy and the academic and executive leadership are very mindful of keeping Council informed and on side. So I know the NWC council will become a strong and important part of its governance arrangements

In your pack there is a slide showing the suggested constituency groups. We would welcome your feedback on this important area before and during the consultation.

- Trustees – the Charity Commission will hold the 8 to 12 trustees responsible for the proper conduct of the charity. Think of the Trustees as an unpaid Board of Directors. They are the principal governing body.
- Local Boards – these are the essential ingredient that makes this whole structure work at both the national and local level. These Boards will influence, inspire and involve people from within and outside NWC to manage waterways for the benefit of local people.

These Boards are essential if we are to capture the enthusiasm, knowledge and innovation of local people and communities.

They herald a fundamental change in the way we will work at a local level. We already have a pilot local board on the K&A and we want to set up two more pilots in early 2011 to help develop our collective experience and thinking.

The prime role of these Boards is to provide local input to - and oversight of - local management. They will have a strong influence on all local activity and will help shape the local plans and strategies

So what happens next?

Defra will shortly create a First Appointments Panel. This is a really important step as it will be a group of independent, experienced people who will advise the Ministers on who to appoint as interim trustees.

It has a limited life and will only exist to advise the Minister on the first appointments of the Trustees and Council. We expect this panel to be announced in the next couple of weeks and to meet for the first time in early 2011.

One of their first acts will be to meet and take soundings from our stakeholders and other interested parties. It is essential that they understand what the NWC responsibilities are, what the aspirations of BW and its stakeholders are and what those outside the waterway movement want and expect.

These views and opinions will influence this panel as they consider the make up of the Trustees Board and eventually the Council.

The plan is for the Seven interim trustees – three from existing Board and four entirely new people to have been appointed by April 2011.

In January next year Defra will launch a consultation:

- on governance arrangements
- scope of NWC, i.e. what is included, what is not
- transition arrangements.

So by April 2011:

- Defra will have consulted and adapted our proposals in the light of the responses received
- Defra will have appointed seven interim trustees
- And NWC will exist as a legal entity but as an empty shell ready to receive the assets, obligations and powers of BW in April 2012.

The interim trustees will then become increasingly involved working with Defra and BW:

- Sorting out the detail and processes of the governance model
- Populating the Local Boards
- Agreeing the funding contract with Government
- Approving NWC's first business plan/budget
- The objectives, purpose and 'cause' of NWC
- And a great deal more besides.

I should perhaps say something about the funding contract from Government.

Those of you at the AINA Conference heard the Minister say that he understood the need for a 10 -15 year contract and his determination to get the "charity off to the best start government can afford."

This was a long way from any promise or any idea of quantum, I had hoped it showed the Minister recognises both the need for a long term contract and that NWC cannot be created if it doesn't have a viable long term financial plan.

I have to say the mood music has changed dramatically in recent days. Defra are very short of cash.

So its not going to be easy to get the right settlement - but we must – and I am determined to. We must get what NWC needs to give the new Trustees confidence that it can manage its liabilities and have good prospects for the future. I suspect we have some difficult and challenging conversations with Defra and Treasury ahead of us.

We in this room have to demonstrate we are ready and willing to take up the challenge of Big Society but government have to recognise the enormity of the liabilities and their responsibility to ensure the waterways do not return to the bad old days.

By December 2011 we therefore hope to have:

- A fully populated interim governance structure
- A viable 10 -15 year business plan.
- Council members, trustees, local boards will all be learning about the activities and responsibilities of NWC so they can hit the ground running in April 2012.

That is quite a lot to achieve in little more than 12 months!

So what will ensure that we're successful?

First and foremost a sense of common purpose, co-operation and mutual respect. We're here today because we care about the waterways.

Each and everyone of us may have a slightly different perspective but we all share a common vision of a thriving and expanding waterway network.

It is not every day that we have the opportunity to set up a new national charity to run 80% of the country's waterways but it will not be straight forward. We need to build on our common purpose and not dwell on our differences. We need to speak openly and plainly to each other – so we understand each other's aspirations and concerns. We all have something to contribute and all our views and experiences are relevant. But there are lots of us and we cannot expect each and every one of us will be accommodated.

Those of us in BW who are responsible for achieving the move to Civil Society are fully aware of your deep interest and willingness to get involved.

We admire your selflessness and your seemingly inexhaustible enthusiasm and time. We are desperate to embrace and harness your extraordinary contribution, but you must also appreciate that we cannot debate every point with every person. We rely on you to take the debate to your people and your interest groups and feed back your collective views through the various channels and forums that exist. Very importantly we need you to lead those debates so we get coherent and achievable proposals back. And while we do all this we must not forget we have a business to run and a workforce that is undergoing more change and more uncertainty than ever before.

Some of you make great play of NWC being "a completely new organisation", one that "is not BW dressed up in new clothes", "not BW as we know it today". I understand why you want to make the distinction and I agree NWC has to be different in many respects but I don't think you understand how demoralising it is to the 1,700 people who are employed by BW today and will almost entirely make up the staff of NWC. They are the people by and large who have achieved all that Tony outlined earlier, they are the people who gave government the confidence to make the changes that are now before us. It is their expertise, enthusiasm, professionalism that will make NWC a success. They will be the same people on April 2012 as they were in March 2012 – don't expect them to think BW and its employees are something different from NWC and its employees

Sure they understand and will embrace a new governance arrangement, and will work hard to make them a success. They will also respond to the new influences, ways of working and changes in mindset that are bound to occur, but they will do that more quickly, more enthusiastically and more effectively if they feel appreciated, valued and respected by those who represent their new 'owners', 'employers' and colleagues.

I said earlier I was using we deliberately because as someone recently said “we’re all in this together” We need to start believing and acting that now. Over the past year nothing has dented my enthusiasm for the new charity or my conviction that it is the best solution for the future prosperity of our inland waterways. In fact almost everything that has happened has made me even more convinced it is the right move.

Public sector cuts, the new Government’s Big Society agenda, growing community identity and sense of empowerment. The distrust and disenchantment with top down, the compelling and often conflicting demands on our water, waterways and towpaths. All this points to the need for an organisation that is held in high regard by both local and national communities, one that reflects local views when formulating national policy, one that has a wide and diverse funding base, one that has the freedom to realise all its opportunities one that is free from government control, and one that is clear and unambiguous about its core purpose.

All of that is and will be true of NWC.

I am proud to be part of a team that is making this possible and hugely excited at the potential of NWC.

Together we really can make it happen and provide a lasting change to the viability and sustainability of our inland waterways.