



CONSERVATORS OF THE RIVER CAM

Navigation authority for the River Cam, between Cambridge and Bottisham Lock

MINUTES OF A MEETING OF THE CONSERVATORS HELD ON MICROSOFT TEAMS ON THURSDAY 29th OCTOBER 2020 at 9:30AM.

Present:

Conservators: Dr Robin Walker (Chair), Prof. Keith Richards (Deputy Chair), Mr Clive Brown, Dr David Munday, Cllr Anna Bradnam, Ms Ceridwen Salisbury, Dr May Block, Cllr Damien Tunnacliffe, Cllr Mike Sargeant, Ms Kate Hurst.

Observers: Mr John Martin, Mr Bill Key, Mr Stephen Foote, Ms Emma Wynne, Mr James Macnaghten, Mr Rod Ingersent.

Officers: Mr Tom Larnach (River Manager), Mrs Pearl Gonsalves (Admin & Finance Officer).

1. Welcome and apologies received

Apologies for absence had been received from Mr Paul Separovic, Cllr Nicky Massey and Mrs Helen Cleary.

1.1: The Chairman welcomed the new Observer Jane Murphy who is representing the Cambridge Canoe Club.

2. Minutes of the Board meeting on 28th January 2020

The Chairman invited the Board members to comment on the accuracy of the minutes.

Mr Macnaghten pointed out that the following comments were not reflected in the minutes:

- Item 6.1: Cllr Mike Sargeant stated that he would like the justification of an increase of 20% compared with 7.5 % elsewhere and the Conservators require more explanation to justify this increase.

Cllr Mike Sargeant stated that he is happy for his comment to be included in the Minutes.

- Cllr Anna Bradnam requested more details and background on proposals that need to go to the Regulatory Committee. The River Manager stated that the purpose of the Committee meetings is to avoid detailed information going up to Conservators. The Conservators have to be making decisions in a more informed way.

Cllr Anna Bradnam responded that she has no objection in including this statement in the Minutes.

- The Chairman stated that part of the crisis the Conservators find themselves in is that the Conservancy does not have the expertise and skills to produce a 5 year business plan report of the sort that the Conservators would like to see.

The Chairman stated his comment was recorded in a different but positive way in the minutes.



CONSERVATORS OF THE RIVER CAM

Navigation authority for the River Cam, between Cambridge and Bottisham Lock

RESOLVED: It was agreed that the minutes were a true and accurate record of the Conservators' meeting on 28 January 2020, after the above amendments are recorded.

3. Matters arising (not otherwise on the agenda)

The Chair asked if there were any matters arising from the minutes which were not on the Agenda.

Cllr Anna Bradnam asked whether item 6.2: **Self-certification of insurance and identification requirements** was resolved. The Chairman invited the River Manager to comment. The River Manager stated that this was discussed at a Regulatory Committee meeting and it was decided that this proposal for self-certification would not be adopted and that evidence of valid insurance would be required.

There were no other matter arising.

4. Matters for Decision

4.1 2019/20 Audit including Letter of Representation to be agreed and signed.

The Chair referred to the papers relating to the audit.

The River Manager stated that as the Business Manager is on annual leave, any questions with regard to the audit report that cannot be answered today, will be referred to the Business Manager and she will be respond, by email, upon her return to work.

The Chair invited comments from the Board.

Cllr Mike Sargeant stated that as the accounts are not drafts there will be no room for adjustments but feels that the auditor's report requires quite a few rectifications. He questioned whether the draft accounts and auditors report will agree with each other. This will be referred back to the Business Manager.

Prof Keith Richards stated that the accounts are a draft until the Letter of Representation has been signed. The content of the audit report and accounts has been approved by the auditors. He also stated that all of the adjustments identified in the report had been made.

Mr Clive Brown added that the General Purposes Committee had a lengthy meeting with the auditors and went through audit report and accounts in details. He agreed with Prof Keith Richards that all the required adjustments were made in the accounts and the report as presented today should be approved by the Board.



CONSERVATORS OF THE RIVER CAM

Navigation authority for the River Cam, between Cambridge and Bottisham Lock

Cllr Sargeant required clarification on the auditors approving the report subject to post balance sheet events up to the date to the point of signing the Letter of Representation.

Mr Clive Brown stated that matters that arising after the year end which might cause the auditors not to issue their audit certificate relate to the 'going concern' issue. He further stated that the auditors need to be satisfied that the Conservancy is going concern for at least twelve months after the date of acceptance of the accounts and the letter of representation.

Mr Ingersent raised a question on item 3 in FY20 Draft Audit Matters, with reference to pension deficits. The Chairman explained that there are two members of staff on this pension scheme and once they cease employment with the Conservancy, we will no longer be contributing towards the scheme and will have pay the pensions scheme a lump sum of nearly £500,000 which is currently the amount calculated as the deficit on termination of the scheme. The requirement to pay the lump sum is triggered when there are no members of staff left in the pension scheme, The River Manager stated that when the last member contributing towards the pension scheme leaves, the Conservancy will then cease to contribute towards the scheme. An actuarial report is produced annually by the pension company and cessation fee is based on this report. This fee is due in full as a lump sum once the last contributing member leaves the Conservancy. The pension scheme and the actuaries are in discussion with regards to spreading the cost of this lump sum over several years.

Mr Macnaghten stated that the last members of staff could leave in the next few years and asked whether, if the pension figures change, the pension scheme can request more money. The River Manager stated that this is being discussed in Business Plan Working Group (BPWG) and will be addressed in the five-year business plan.

Mr Ingersent asked for clarification on tangible fixed assets in the document FY20 draft accounts. He questioned how the locks were accounted for as they are a massive liability as well as an asset. He was not convinced that the manner they are accounted for reflects the possible problems the Conservancy could face financially if there was major structural damage to one of the locks. Mr Ingersent also asked how the Halingway and tree works are accounted for.

In response, the Chair stated that the Halingway is part of the Freehold property. The costs are charged at historic cost valuation and were transferred to tangible fixed assets.

The Chairman referred to the Powerpoint presentation document.

With regard to Section 2 on page 6, Cllr Sargeant asked if there was an average figure of what the declining cash is each year that the five-year business plan will need to address.

The River Manager stated that the auditors requested the Conservancy to provide them with a five-year cash flow forecast which included several business models. The current business model shows a steady decline in cash. Another business model, which the BPWG are working on, shows an increase in cash.



CONSERVATORS OF THE RIVER CAM

Navigation authority for the River Cam, between Cambridge and Bottisham Lock

The auditors, in considering the cash position, and satisfying themselves that the Conservancy is a “going concern” have taken into account the sale of the Conservators House and the imminent sale of Jesus Green Lock House. The River Manager further stated that there are number of business models under discussion with the BPWG which present a positive financial position going forward.

The Chairman stated that now the audit report under consideration is for the year 2019/2020. The future decline of Conservancy cash is another matter which is under discussion with the BPWG.

The River Manager further stated that it is essential that the Conservancy has a viable 5 year business plan going forward, in which the operational expenditure must be kept under control and the use of the capital reserves must be limited. Income should cover expenditure and also repairs and renewals.

Cllr Sargeant stated the auditors were not completely satisfied with the trial balance and the financial information provided to them. He further asked whether there would be changes to the procedures in the light of these criticisms.

In response, the River Manager said that the management accounts are provided by third party accountants. The accountants provide the auditors with information required for the audit process. There was a difference between what the auditors required and what was provided by the accountants. In the past, the audit and accounts were done by the same firm, but last year another firm was engaged to prepare the Conservancy accounts. The River Manager said that the auditors and accountants have now met and come to an understanding as to what is expected of each other. No further adjustments will be made to the audited accounts.

In conclusion, the Chair stated that the auditors have signed off the report, and all the concerns raised by the auditors have been resolved by the Officers.

The Chair drew attention to the 2019/20 the Letter of Representation addressed to the Board of Conservators.

Resolved: The Conservators agreed that the Chair should sign the Letter of Representation on their behalf

4.2 Ratification of Executive Decisions made between 28/01/20 and 29/10/20 by the Chair in consultation with the Regulatory Committee and the General Purposes Committee:

The Chair invited the River Manager to highlight on the below:

(a) A budget was agreed on 11th March 2020 but income figures in it have been superseded by the decision to reduce commercial punting registration fees. The River Manager said that the budget had been approved during the lockdown. It was initially decided that the annual



CONSERVATORS OF THE RIVER CAM

Navigation authority for the River Cam, between Cambridge and Bottisham Lock

licence fees for the Commercial Operators would increase by 20%, but due to COVID-19 and the Government restrictions imposed Chairman and General Purposes Committee decided to reduce them to 7.5% (See subparagraph (e) below). All non-essential capital works were excluded from the budget. The General-Purpose Committee authorised the operational budget for 2020/21.

(b) Berky Harvester repairs: The River Manager stated the Harvester's hull was in a poor condition and failed its insurance inspection resulting in emergency repairs. There were also major systems failures such as the hydraulic pump. The Chairman and General Purposes Committee agreed that a complete overhaul of the Harvester should be undertaken as it would not be safe to carry on operating it in its present condition. The River Manager sent out tenders to three different companies for the repair work. The work was expected to be undertaken early next year and would take up to 12 weeks to complete. Contingency plans are in place for while the Harvester is being repaired and a replacement vessel is on standby. The cost of the repair work is approximately £120,000 which is yet to be accepted by the General Purposes Committee.

(c) Capital investment/appointment of independent Financial Advisor: Prof Richards was invited to report. With the Conservators' House sold and the imminent sale of the Jesus Green Lock House, the Conservancy will have cash resources available to invest as a long-term capital asset. Various investment options are being investigated. Unfortunately, the Conservancy statutes limit the kind of investment that the Conservancy is permitted to make to Gilts, cash and real property in England. Open ended property funds provide a means of investing in property without the Conservancy directly owning it and having to manage it. It was agreed that expert advice be obtained to enable the Conservancy to make such an investment. Briefs on the matter has been submitted to several financial advisors and three financial advisors were short listed. Interviews are anticipated to take place by the end of November.

Cllr Sargeant raised concern that the income received from the sale of the Conservators' House and Jesus Green Lock House will be used for repairs. Prof Richards assured the Board that this is being taken into consideration by BPWG which is looking at appropriate transfers of funds to repairs and renewals.

(d) Security Fencing at Clayhithe: During the lockdown, members of the public were seen using the Conservancy slipway to launch their kayaks and for swimming. Young children were seen climbing in and out of Conservancy vessels. The Conservancy could be held liable for any injuries resulting from this trespassing. A physical barrier is required to prevent the public from entering Conservancy property. The Chairman and General Purposes Committee therefore agreed that security fencing be installed.

(e) Changes in Licence fees for Commercial Vessels: The Chair of the Regulatory Committee was invited to report. Various discussions had taken place in June with commercial punting companies with regards to annual licence fees. The Regulatory Committee recommended that annual registration fees for commercial vessels be reduced from 20% to 7.5% and that



CONSERVATORS OF THE RIVER CAM

Navigation authority for the River Cam, between Cambridge and Bottisham Lock

payments be spread the payment over three instalments payable on 31/07/2020, 31/10/2020 and 31/01/2021. The Chair agreed this recommendation.

Mr Macnaghten said that all punts were taken off the river by the end of March, and that a request was made to reduce the annual licence fees on the basis that three month of the year was lost. The punts started operating in the Upper River in June. The response received from the Conservancy was that the fees will increase 7.5% even though income was lost during the first part of the season. Mr Macnaghten further stated that due to the current price structure they have not put any self-hire punts on the Backs because the Conservancy have priced self-hire punts off the river. He also said the Conservancy would have benefited more with the self-hire punts on the river and that the Conservancy were not prepared to negotiate with the punt operators to work out a scheme that would help all punt operators. Mr Macnaghten remarked that they did not get what was requested, which resulted in fewer jobs for people. He also questioned whether there will be a 7.5% rise in the registration fees next year, bearing in mind sales will still be down for the punt industry. He felt that putting self-hire punts on the river would financially benefit the Conservancy more than the company would take from the punts.

The Chair invited Mr Brown to comment. Mr Brown stated that all representations with regard to registration fees for the punt operators were thoroughly discussed by the Regulatory Committee. It was necessary to treat all river users in the same way, and not to grant a concession to one group which was not available to others. The Committee also took into consideration what other navigation authorities were doing. The commercial operators were given the opportunity to express their opinions in June before the revised fees were considered.

Cllr Anna Bradnam stated that the commercial punt operators must be involved and heard when considering changes to the registration fees. The operators must be given a time frame and reasoning for potential fee increase.

Mr Ingersent said that after the online meeting with commercial operators in June, he was under the impression that the increase in licence fees would be a full Board decision. He also said that a letter was sent to the Regulatory Committee but there was no response. The decision process to increase the licence fees was not a clear one. The final decision was made by the Regulatory Committee and there was no response to the letter sent by the commercial punt operators. Mr Brown said that the Committee had taken all the points made in the letter into account. There were tight time restraints which meant a full Board consultation was not possible. Mr Brown also apologised for not responding to the letter sent by the commercial punt operators, but the Committee was working under a lot of pressure at that point.

Resolved: Conservators agreed to ratify the decisions taken by the Chair and the General Purposes Committee



CONSERVATORS OF THE RIVER CAM

Navigation authority for the River Cam, between Cambridge and Bottisham Lock

4.3 Commercial Punt Code of Practice

The Chair referred to the draft Code of Practice presented to the Board and invited Mr Brown to comment.

Mr Brown gave a brief commentary on the draft Code.

Mr Macnaghten stated that the Code of Practice was being unilaterally made by the Board of Conservators without consultation with the commercial punt operators. He further stated that the Code of Practice should clearly state which are the voluntary aspects of the code, and which are legally enforceable aspects. Scudamores do not understand what they do and do not have to comply with legally. Mr Macnaghten also pointed out that the requirements for stickers actually conflict with the Conservators current rules.

Mr Brown stated that commercial punt operators had been consulted on the draft Code of Practice. He also said that the responsibility for safe operation rests with the commercial punting businesses themselves. The Conservancy does not have the resources to be an enforcement agency nor is it required to be one.

Cllr Bradnam requested it was possible to refer the comments made at the Board meeting to the Regulatory Committee before approving the Code of Practice.

Ms Hurst agreed that the punt operators must be involved in the consultation process and the comments be taken back to the Regulatory Committee for further discussions. There must be quicker and accurate communication.

Cllr Bradnam left the meeting at 11:55.

The River Manager stated that from an operational perspective, the Conservancy does not have the resources to enforce the majority of what is included in the Code of Practice. The employer of a company is responsible for the health and safety of its employees. The Conservancy can enforce the byelaws, but due to shortage of staff this is currently not possible.

Prof Richards reminded the Board the reason for re-drafting the Code of Practice. This was because of an incident in the past where very serious accidents were witnessed on the river which involved near drowning. Punt operations on the river were not safe and extensive discussions has taken place on the Code of Practice. Prof Richards further suggested the Code of Practice should be reviewed later next year and that the proposed Commercial Punt Code of Practice be put to a vote at the Board meeting.

The Chair proposed that the document put forward to the Board be formally adopted today and the matters raised today be referred to the Regulatory Committee for further review.

Votes in favour: 9



CONSERVATORS OF THE RIVER CAM

Navigation authority for the River Cam, between Cambridge and Bottisham Lock

Abstention: 1

Votes against: 0

Resolved that the Code of Practice for Commercial Punt Operators be formally adopted. And written submissions for suggested changes be taken to the Regulatory Committee and reviewed in April 2021.

5 Reports

5.1 Finance & Registration

The Chair invited the River Manager to comment.

Finance

The River Manager stated that the key points to note were the following:

- Under Investment Capital, there is a variance against budget in Q2 of £500,000. This represents the anticipated proceeds of sale of Jesus Green Lock House which is expected to be sold this year and for which there is an offer in hand.
- Our income YTD is better than expected due to the registration fees received from some commercial punt operators when lockdown restrictions were lifted in July and the punt industry were able to resume business.
- Monthly Section 15 income is being received from the Chesterton bridge project.
- Expenditure was all on target except legal fees. This was largely to do with Conservancy led decisions seeking legal advice on specialist subjects.
- A small business grant was received from Cambridgeshire County Council.

Registration

The COVID-19 pandemic has not only had an effect on the revenue of the Conservancy but has also had an effect on the Conservancy as an organisation. Urgent contingency plans had to be put in place.

- Several customers were struggling to keep up with payments, so deadlines were extended.
- Boat safety inspections were delayed so allowances were made until the end of August to complete the process.
- Reduction in Commercial punt registration fees from 20% to 7.5%.
- Enforcement was conducted in August which enabled customers enough time to register.

5.2 Appointment of Business Planning Working Group (BPWG)



CONSERVATORS OF THE RIVER CAM

Navigation authority for the River Cam, between Cambridge and Bottisham Lock

It was reported that a Business Planning Working Group had been appointed by the GPC with the following members:

Prof Keith Richards – The Chair
Mr Clive Brown – Conservator
Dr David Munday – Conservator
Ms Kate Hurst - Conservator
Cllr Anna Bradnam – Conservator
Mr Tom Larnach – River Manager
Mrs Helen Cleary – Business Manager

Professor Richards said that the BPWG is beginning to draft a structure of a business plan that identifies the business risks and strategies to be adopted to deal with those business risks. The aim was to produce a draft which it was hoped would be ready for the January 2021 Board meeting. The topics covered in the discussions are finances, capital assets, repairs and renewals, staffing and structure, governance and a whole series of issues that are all interconnected.

Stakeholder inclusion was recommended by Mr Macnaghten. Suggestions for the business plan were welcome via emails to Prof Richards.

5.3 Interchange Agreement

Mr Brown said that discussions are ongoing on the future of the Interchange Agreement which will expire at the end of 2020/21 financial year. The Middle Level Commissioners now have authority to register the craft within their area. There are discussions between the three licencing authorities about a new form of arrangement to enable boats to navigate across all three regions. This will be a less complicated process than the Interchange Agreement, and will involve any boat owners wanting to navigate outside their home waters paying a fee in addition to their licence fees. The Environment Agency will collect the additional fees and distribute between themselves, Middle Level Commissioners and Cam Conservancy. The Conservancy will no longer be making a payment to the EA under the Interchange agreement.

5.4 Section 15 Update

The Chair invited the River Manager to report.

The River Manager listed the completed Section 15 works on the river for 2020 as follows:

- St John's College – Repairs to failing stonework of the New Court building.
- Installation of a sewage outlet into the river from a local resident.
- Clare College – Installation of temporary Mabey bailey bridge
- Cambridge City Council – Remedial works to remove existing failed wooden cladding from metal bank piles



CONSERVATORS OF THE RIVER CAM

Navigation authority for the River Cam, between Cambridge and Bottisham Lock

Following were ongoing Section 15 works on the river:

- Cambridge City Council – Development of Riverside mooring pontoons. A number of pontoons have been installed. There are some ongoing issues with the Council regarding annual pontoon licence fees.
- Cambridge County Council – Construction of the new Chesterton Bridge, Jetty and culvert. The bridge lift will take place on the 7th of November.
- Cambridge County Council – Replacement of timber deck walkway at Quayside. There are legal issues being discussed between the County Council and the Conservancy.
- Balfour Beatty Rail Ltd – Replace timber sleepers on the railway bridge over the river. A section 15 licence is yet to be signed.

6 Dates of future meetings (on Microsoft Teams until further notice)

- 28 January 2021
- 29 April 2021
- 29 July 2021
- 28 October 2021

7 Any Other Business

The Officers received an email from an Observer with regard to Great Ouse Boating Association (GOBA) mooring at Waterbeach. The email read as follows:

'GOBA have been contacted by Anglian Water who indicated that as part of the need for new housing they have to relocate the Milton water treatment plant. As a possible alternative they are looking at utilising land which is owned by GOBA and the Cam sailing club at Waterbeach . Environmental studies are being set up to assess suitability. Goba purchased the land from Cam Sailing club and although compensation would be offered it would be difficult to find an alternative suitable mooring site.

In view of the impact this could have on visitors to the Cam the observer would like to ensure that full support is given by the Cam Conservators to retain this mooring'.

Mr Brown expressed concerns on the above. Cllr Sargeant suggested that the Conservators should not get involved as it involves planning permission and does not fall under Conservancy statute.

The Chair stated as there is not enough information on the subject the matter will not be pursued till a formal consultation is made.



CONSERVATORS OF THE RIVER CAM

Navigation authority for the River Cam, between Cambridge and Bottisham Lock

CATHERINE HURST

The Meeting concluded at 12:50 pm.