

ROBIN EVANS - TARGETS 2008-09

		Maximum Points Available
Strategy Review		
1.	Lead the strategic review and submit to the Board a menu of options to reduce costs by £10m per annum. An outline paper to be presented at September 2008 Board, will full recommendations (which may be for a lesser amount) to November 2008 Board.	10
2.	To submit detailed implementation plan and communications plan for agreed strategy, including any status options, to the January Board and meet milestones within it for the remainder of year.	10
3.	To lead the consultation with Governments and stakeholders on the proposed strategy, involving the Chairman and the Board. To engage constructively with all interested parties, seek out innovative solutions and achieve a general consensus that a range of cost reduction and income producing solutions is required to ensure a sustainable future for the waterways (i.e. not just demand more from Governments).	10
4.	To develop a blue print service level agreement for use with local authorities and to sign up £100,000 p.a. of new commitments in the year, to give us confidence in seeking significant income from this source in the next five years. 5 points for SLA and 1 point for every £20k raised.	10
5a.	Complete 90% of authorised major works (i.e. AR approved) within budget 81% achieved 1 point Then 1 point for every 2% improvement to 90%.	5
5b.	Complete Liverpool Link, MB&B and Olympic Lock projects to within 5% of Board approved project cost. Within 5% 1 point Within 4% 2 points Within 3% 3 points Within 2% 4 points Within 1% 5 points.	10

I certify that this document is a true and correct copy of the personal bonus targets of Robin Evans for the financial year 2008-09, as approved by me in accordance with minute 6.2 of the meeting of the British Waterways Board Remuneration Committee held on 11 June 2008.

Maggie Carver *Maggie Carver*
Chair, BW Remuneration Committee

Date: 12/2/09

SIMON SALEM – PERSONAL TARGETS 2008/09

		Maximum Points Available
1.	Achieve less than 8.1% evasion at November 2008 (10.4% in 2007) National boat check and indicative 6.7% evasion by April 2009 1 point for every 0.3% reduction in National Boat Check 2 points for achieving indicative 6.7% in April 2009	10
2.	Successfully introduce late payment charge by December 2008	5
3.	Exceed licence planned net contribution for financial year 2008/09 from licences of £13.1m 1 point for every 100k above plan	5
4.	Together with the Finance Director, review the existing methodology for issuing licences and create a plan to improve this to a high modern standard (comparable with DVLA) whilst also maintaining and/or improving efficiency. This plan to have the backing of the business and approval of the Board by March 2009	5
5.	Increase fairly/very satisfied communications score in employee survey to UK average 57% (currently 52%) 1 point for every 1% above 52%	5
6.	Demonstrate ideally through a concluded public consultation exercise, that there is widespread support for the Board's emerging strategy.	10

(on both sides of the page)

I certify that this document of 8 pages (each of which I have signed) is a true and correct copy of the personal bonus targets for the financial year 2008-09 of each of the executive directors of British Waterways mentioned in it, as approved by me in accordance with minute 6.2 of the meeting of the British Waterways Board Remuneration Committee held on 11 June 2008.

Maggie Carver *Maggie Carver* Date: *12/2/09*
 Chair, BW Remuneration Committee

PHILIP RIDAL – PERSONAL TARGETS 2008/09

		Maximum Points Available
1.	Devise and publish an achievable, understandable, credible and measurable Sustainable Development Action Plan and have the first quarter's measures reported by March 2009	10
2.	Work with the Technical Director to develop a stewardship score which will have been endorsed by the Board and Defra and measurement begun by March 2009	5
4.	Together with the Marketing & Customer Service Director, review the existing methodology for issuing licences and create a plan to improve this to a high modern standard (comparable with DVLA) whilst also maintaining and/or improving efficiency. This plan to have the backing of the business and approval of the Board by March 2009	5
5.	Improve BWML 2008/09 planned CBT CBT of £1,015k achieved 0 points 1 point for every £25k achieved over plan up to maximum of 10 points	10
6.	Achieve an improvement to the (year end IPD adjusted) EVC target of (£32215k) 1 point for every £250k above target to maximum of 10 points	10

Maggie Carter
12/2/09

MARK BENSTED – PERSONAL TARGETS 2008/09

		Maximum Points Available
1.	Savings in office costs to be achieved in 2008/09 and subsequent years Minimum saving of £100k achieved in 2008/09 Business Plan C – 2 points £500k savings achieved in 2009/10 plan from 2008/9 plan (1318k) – 2 points A further 2 points for every £100k savings achieved.	10
2.	Obtain outline planning consent for Wood Wharf proposal and detailed planning consent for phase 1	10
3.	Achieve London EVC target (adjusted for IPD benchmark at year end) BP8 target (£7,662k) 1 point for every £100k achieved above (adjusted) target	10
4.	Achieve settlement with Thames Water for abstraction on River Lee Annual Payment of £[xx]m achieved – 1 point Annual Payment of £[xx]m achieved – 2 points Annual Payment of £[xx]m achieved – 5 points Annual Payment of £[xx]m achieved – 8 points Annual Payment of £[xx]m achieved – 10 points	10
5.	Deliver Olympic Lock construction and no more than current Board agreed BW contribution No points for contribution above £[xx]m 1 point for every £100k below £[xx]m	10

Maggie Carter

R/2/09

JIM STIRLING - PERSONAL TARGETS 2008/09

		Maximum Points Available
1.	Work with Finance Director to develop a stewardship score which will have been endorsed by the Board and Defra and measurement begun by March 2009	5
2.	Achieve an overall business score of at least 75% for environmental compliance by March 2009	5
3.	Devise a model that is verifiable and that is endorsed by the Board that demonstrates the consequences of underspending on steady state	5
	Less than 60% 0 points	
	60% to 65% 2 points	
	66% to 70% 3 points	
	71% to 74% 4 points	
	75% 5 points	
4.	Devise and implement a reporting structure that generates a year end report which will demonstrate what actual works have been achieved through major works and core waterway spend compared to business plan targets. Report to be on financial spend and physical outputs	5
5.	Achieve a 25% reduction in lost time injuries to BW employees. 2 points for every 5% reduction	10
6.	Complete 90% of authorised (AR completed) major works within budget.	10
	81% achieved, 1 point	
	Then 1 point for every percent improvement to 90%	

Maggie Carter

12/2/09

VINCE MORAN - PERSONAL TARGETS 2008/09

		Maximum Points Available
1.	Increase volunteer days by 50% from 10k days per annum to 15k days per annum	
	Less than 20% increase 0 points 21% to 30% increase 3 points 31% to 40% increase 4 points 41% to 50% increase 5 points	5
2.	Put in place combined general works and/or vegetation management contracts for 2009/10 to deliver 20% savings on existing expenditure. Minimum saving £750k	
	Saving less than £750k or 10% 0 points 10% to 15% saving 4 points 16% to 19% saving 8 points 20% saving 10 points For every % above 20% 1 point to maximum of 5 points	15
3.	Achieve an overall business score of at least 75% for environmental compliance by March 2009	
	Less than 60% 0 points 60% to 65% 2 points 66% to 70% 3 points 71% to 74% 4 points 75% 5 points	5
4.	Devise and implement a reporting structure that generates a year end report which will demonstrate what actual works have been achieved through major works and core waterway spend compared to business plan targets. Report to be on financial spend and physical outputs	5
5.	Increase utilities CBT from £19m in plan 1 point for every £200 over plan up to maximum of 10 points	10
6.	Increase contribution from Waterside Pub Partnership from £213k in plan 1 point for every £10k over plan up to a maximum of 5 points.	5

Maggie Cross

12/2/09

NIGEL JOHNSON – PERSONAL TARGETS 2008/09

		Maximum Points Available
1.	Obtain Board approval to a 2020 Strategy that is suitable for putting out to public consultation. Target Date: end November 2008.	5
2.	Complete all stages leading up to, and achieve publication of, official notices in London and Edinburgh Gazettes of re-classification proposals for Kennet & Avon Canal; Forth & Clyde Canal & Union Canal. Target Date: end February 2009.	10
3.	Complete redraft of existing England & Wales Byelaws to form suitable for new terms to be approved by the Board. Target date: end 08/09 financial year.	10
4.	Deliver all necessary legal, regulatory & advisory input to a new residential moorings policy sufficient to obtain Board approval. Target date: end 08/09 financial year.	5
5.	Information omitted on grounds of professional legal privilege	5

Maggie Arnold

12/2/09

STUART MILLS – PERSONAL TARGETS 2008/09

		Points
1.	Achieve an improvement to the (year end IPD adjusted) EVC target of (£32215k) 1 point for every £250k above target to maximum of 10 points	10
2.	Develop and implement new strategic direction for ISIS that has both Executive and Board approval <ul style="list-style-type: none"> • Personnel/overhead reduction by November 2008 (3 points) • Strategic plan for sites by December 2008 (3 points) • Debt restructure agreed with banks on Manchester and Leeds by March 2009 (3 points) • Business plan 2008 profit target achieved (1 point) 	10
3.	Complete Residential Property review and obtain Executive, Board and Government's approval for proposed transaction Outline business case approved by March 2009 – 5 points for Board and 5 points for Government approval.	10
4.	Lead BW's representation on JVs (2 points for each of): Wood Wharf <ul style="list-style-type: none"> • Outline planning secured • Feet in water land acquisition resolved Gloucester Quays <ul style="list-style-type: none"> • 15% target FOC lettings and full HBOS funding accessed • No further equity funding utilised beyond currently approved £[xx] [Information omitted on grounds of commercial confidentiality] H2O <ul style="list-style-type: none"> • 4 new sites contracted for acquisition by H2O 	10
5.	[Information omitted on grounds of commercial confidentiality].	10

Maggie Cover

12/2/09

MINUTES

Minutes Title Remuneration Committee
Date 11 June 2008
Venue Sheldon Square, London
Present: Maggie Carver (MC)
John Bywater (JB)
Jon Hargreaves (JH)
In Attendance: Tony Hales (TH)
Robin Evans (RE)
Vince Moran (VM)

1. Apologies for Absence

Duncan Sutherland gave his apologies.

2. Minutes of Previous Meeting

The Minutes were agreed.

3. Matters Arising

There were no matters arising.

4. Executive Directors Performance Bonus Recommendations 2007/8

4.1 Corporate Bonus Recommendations

4.1.1 RE summarised the report he had submitted to the Committee which outlined corporate performance during the year and presented performance "highs" and "lows". He explained that CBIT performance was below target largely due to Joint Venture performance and, therefore, there would be no bonus eligibility under this element of the annual bonus scheme.

4.1.2 RE said that after year end reconciliations, EVC was £4.8m which was significantly ahead of plan and even better when adjusted to compare with IPD indicators. He said that further checks against IPD would be undertaken to ensure that data timing differences were not materially affecting the comparison. He would confirm this to MC. JB confirmed that it was important in the volatile property market to be clear on comparators. JH questioned the degree of difficulty in achieving the out performance given BW property mix. RE explained that the Property Sub Committee of the Board paid particular attention to such issues and had concluded that benchmarking to IPD was appropriate.

4.1.3 RE went on to outline safety and customer service performance referring to the annual reports that had been submitted to the Board and he recommended that both hurdle indicators had been achieved. Following discussion about maintenance levels and effects on customer satisfaction, TH indicated that the development and introduction of a Stewardship Score would greatly improve judgements in this area in the future.

4.1.4 **The Committee accepted the Chief Executive's recommendation for a corporate bonus payment of 10% (15% for Chief Executive).**

4.2 Directors' Individual Appraisal and Personal Bonus Recommendations

4.2.1 RE referred to the appraisals that had been submitted and expanded on his methodology for judging overall performance (VM left the room during discussion of his appraisal). He explained that he considered performance against each personal target to arrive at a score out of 100. He said, that in some cases, he slightly adjusted this score to reflect additional factors of importance.

4.2.2 **The Committee accepted the performance assessments awarding bonus payments in the range 5% to 8% from a potential of 10%.**

4.2.3 TH covered the personal performance of RE (who left the room during the discussion) recommending 7% to reflect continuing strong leadership and performance. **The Committee accepted this recommendation.**

5. Executive Director Remuneration Review

5.1 RE introduced the review that was based on analysis and recommendations by Kepler Associates. He referred to a series of meetings that had taken place, led by MC, to fully understand the market comparators for BW Executive Director roles. RE said that the analysis had demonstrated that in relation to total remuneration package (basic pay, annual bonus, pension value, Long Term Incentive Plan), BW Executive Directors were below market median principally due to the absence of a Long Term Incentive Plan (LTIP).

5.2

5.3

5.4

The Committee stressed the need for the plan to be very clear on measures and eligibility criteria. A document fully outlining the detail of the plan would be prepared for the Committee's approval

5.4 The Committee then considered the proposed changes to the Annual Bonus structure which allocated half the 30% potential (40% for Chief Executive) to personal target achievement and half to overall commercial performance. **The Committee agreed this.**

5.5 **To complete the review of Executive Director Remuneration, the Committee approved the awarding of 3.5% salary increases from 1 July, with higher awards for London and Scotland Directors to reflect growth in role and retention factors.**

6. Annual Corporate and Personal Targets 2008/9

6.1 The Committee agreed that contribution from revenue generating activities would be the measure of corporate performance for the executive team, with EVC performance to be reflected in specific personal targets, where appropriate.

6.2 The Committee asked RE to refine and re-submit to MC the personal targets to produce a more succinct version with clearer measures of success and weightings to give clarity of performance expectations to each Director.

7. Remuneration Report for Annual Accounts

7.1 The Committee recommended a number of amendments to the Report which would be included in the final version. JH said that emerging best practice in this area was to include reference to the targets that directors were expected to achieve. The Committee agreed to review this approach next year. The Committee also considered, but decided against, removing some of the Director's salaries from the annual report.

7.2 The Committee considered the arrangement to compensate directors for retirement at age 60.

7.3 **It was agreed that this arrangement would stay in place for current directors but would not be applied in any future director appointments.**

8. Head of Audit Performance and Reward

Recommendation accepted.

9. Any Other Business

There was no other business.

10. Date of Next Meeting

To be confirmed.