Board Meeting Minutes

Scottish Canals

Meeting:	**Scottish Canals Board**
Date and Time:	**Thursday 22nd May 2025** **09:30 to 13:00**
Venue:	**The BluePrint Room, The Falkirk Wheel, Lime Road, Falkirk**

MEMBERS	Maureen Campbell	Chair
	Carolyn Sawers	Vice Chair (joined at agenda item 10)
	Rob McGregor	Board Member
	Robin Strang	Board Member (joined the meeting at 09:35)
	Michelle Wailes	Board Member
	Neil McDonald	Board Member
ATTENDEES	John Paterson	Chief Executive Officer
	Richard Millar	Chief Operating Officer
	Sarah Jane Hannah	Finance & Business Services Director
	Brian Auld	Acting Director of People, Safety & Governance
	Nicola Christie	Head of Governance & Legal Services (Secretary)
	Vikki Fleming	Executive Personal Assistant (Minutes)
	Andy Robinson	Canals Policy & Sponsorship Manager, Transport Scotland (Item 2 onwards)
	Ross McMillan	Head of Destinations (item 9iii only)
	Emma Neilson	Development Manager (item 9iii only)
APOLOGIES	Amelia Morgan	People, Safety & Governance Director

Item	Topic	Action
1.	**People Update** [redacted] [redacted] [redacted]	

	[redacted]	[redacted]
2.	**Welcome, Apologies and Declaration of Interests** 2.1 The Chair welcomed all to the Board meeting following the closed item, specifically Brian Auld as acting Director of People, Safety & Governance and Andy Robinson, Canals Policy & Sponsorship Manager, Transport Scotland. 2.2 Apologies for absence and the unavoidable delayed attendance of Carolyn Sawers as detailed above were noted. 2.3 There were no declarations of interest.	

3.	**Approval of Board Meeting Minutes** 3.1 The Board considered and approved the draft minutes of the Board meeting, and the notes of the strategy closed session held on 13th March 2025. 3.2 The Board considered and approved the draft minutes of the Board meeting held on 25th March 2025 subject to the inclusion of, "however, to do so would be detrimental to longer-term financial sustainability" at the end of the second sentence of paragraph 2.10.	
4.	**Review of Previous Actions & Matters Arising** 4.1 Scottish Canals maintains an action log of all key decisions and actions from the Board meetings. This ensures that requests can be actioned in a timely fashion by the correct individual. The updated action log was reviewed, and the Board approved the closure of the completed actions. 4.2 The Board also approved the closure of outstanding action 723 related to current vacancies risk which would continue to be scrutinised and monitored as part of the quarterly corporate risk report to the Board. 4.3 The Board noted that an introductory meeting with the sponsor team and the recently appointed replacement Scottish Government Finance Business partner for Scottish Canals would be arranged in Q2 2025-26. This meeting would include an update on the Smart Canal strategic investment, and the Board approved the closure of the related outstanding action 726. The Smart Canal Partnership Agreement would be circulated to the Board members for information. **Action:** **c) The Smart Canal Partnership Agreement to be circulated to the Board members for information.**	**Head of Governance & Legal Services**
5.	**Business Plan 2024/25 Q4 Performance Report** **CEO Overview** 5.1 The Board noted the comprehensive CEO strategic, operational and stakeholder updates as detailed in the CEO overview. The Board welcomed the many achievements of the 2024-25 financial year and acknowledged the input of the sponsor team in supporting Scottish Canals activities and assisting with good engagement with the Minister. 5.2 The Board was assured that despite intense activity in Q4 there were no adverse trends regarding the health and wellbeing of staff in the monthly People report monitored by the Executive Management Team. The	

	outcomes and action plan arising from the recently completed staff survey would be reported to the Board in Q2 2025-26. 5.3 [redacted] **Q4 Key Performance Indicators (KPIs)** 5.4 The Board noted the Q4 performance against the Business Plan commitments and corporate KPIs as detailed in appendix 1 to the CEO overview. The Board was updated on additional investment in resources to increase Scottish Canals cyber security resilience and that further improvements were planned to continue to promote vigilance. **Q4 Health & Safety Dashboard** 5.5 The Board noted the health & safety quarterly summary. The Board was assured that staff engagement in Health & Safety was regularly encouraged and that well-being and line management duty of care were re-emphasised at the staff huddle held earlier this week. **Q4 Corporate Communications & Marketing Report** 5.6 The Board noted the communications and marketing update which was on track. **Q4 Corporate Risk Report** 5.7 The Board noted the Q4 summary of the corporate risk movements and risk activity undertaken as detailed in the Corporate Risk Report. The Board commended the reported progress to mitigate Health & Safety risks together with the focus on emerging risks.	
6.	**Q4 2024/25 Finance Report** 6.1 The Director of Finance & Business Services updated the Board on the financial position for the 2024/25 financial year, together with a summary of ongoing financial issues as detailed in the Q4 Finance Report. 6.2 The Board was updated on the outline external audit plan for 2025-26 to be reported in detail to the Audit & Risk Committee at its meeting on 5th June 2025 with the aim of signing the Annual Report & Accounts 2025-26 in December 2025. The Board would be kept updated on progress.	
7.	**Initiatives to address Budget 2025/26 overspend** 7.1 The Board was updated on the governance of the Transformation Programme which would form part of the Executive Management Team	

	meetings going forward. The Executive Management Team continues to oversee the implementation of the investment strategy. 7.2 The Board was advised of positive progress on Scottish Canals invest to save proposal to Transport Scotland for £300k to assist in realigning Scottish Canals services to operate with the optimum level of efficiency and assessing and redesigning a delivery model in accordance with public service reform. The Scottish Government letter, received the day before the Board meeting, would be circulated to the Board for information, however, clarification of the loan terms, impact on Grant in Aid, AI projects consideration and outputs was required in discussion with the sponsor team and SG finance business partner. The Board would be kept updated on progress. 7.3 The Chief Operating Officer presented a detailed overview of initiatives to progress multi-year efficiencies to improve the effectiveness of Scottish Canals. The Board welcomed the multi-faceted strategy focussed on income generation, pursuing efficiencies to optimise service delivery and making a case to Scottish Government for continuing support. The Board acknowledged the need for reliable data to inform workforce deployment to optimise performance. 7.4 The presentation would be circulated to the Board for information and progress on in year savings would be reported to the Board quarterly. The Scottish Canals report to Transport Scotland on its sustainable finance review and associated escalating risks would be reported to the August Board meeting. **Actions:** **d) The Scottish Government invest to save response letter to be circulated to the Board for information and the Board to be updated following clarification of the loan terms.** **e) The presentation on initiatives to address Budget 2025-26 overspend to be circulated to the Board and progress on in year savings to be reported to the Board quarterly.** **f) The Scottish Canals' report to Transport Scotland on its sustainable finance review and associated escalating risks to be reported to the August Board meeting.**	 **Finance & Business Services Director** **Board Secretariat** **EMT**
8.	**Q4 2024/25 Capital Investment Programme (CIP) Report** 8.1 The Board noted that the 2024/25 CIP had fully delivered increased capital investment into Scottish Canals Assets totalling [redacted]. The Board welcomed the continuing safe delivery of Scottish Canals Asset	

	Management Plan to ensure compliance with the Transport (Scotland) Act 1968 and Reservoir (Scotland) Act 2011 and congratulated all involved in the successful delivery of this significant asset investment programme. 8.2 The Board noted and approved the adjustments to several major projects as detailed in the Q4 CIP Report in accordance with the requirements of the Scheme of Delegation and current Ministerial guidance.	
9.	**Q4 2024/25 Commercial Investment Plan Report** 9.1 The Board noted the Q4 2024/25 commercial investment update on the approved projects for the financial year 2024-25. [redacted] **Commercial Investment Legal Framework** 9.2 The Board discussed the legal advice notes dated September and December 2019 which set out Scottish Canals' current powers to undertake commercial development and investment. The Board noted that external legal advice had been sought to inform Scottish Canals transition from a public body to a Non-Departmental Public Body. The legal advice also underpinned Scottish Canals Investment Strategy to achieve long-term income streams and financial resilience. 9.3 The Board was assured that canal-side investment in property, destinations and joint ventures was consistent with the Scottish Government policy, Framework Document and statutory framework and that both the external and internal auditors had been satisfied that Scottish Canals activities were consistent with its operational and statutory framework. The sponsor team was also kept fully informed of Scottish Canals commercial investment activities. 9.4 It was confirmed that the legal advice notes would be included in the Board induction information pack for new Board members to ensure Board awareness of Scottish Canals ability to undertake commercial development.	
10.	**Future Water Management Developments** 10.1 The Chief Operating Officer presented an overview of current and future water stewardship opportunities to unlock public benefit by repurposing Scotland's canals. The potential contribution to climate mitigation and net zero and biodiversity targets was highlighted. The Board was updated on the Smart Canal as well as future opportunities including Kilsyth flood	

	mitigation partnership and supporting the UK's energy transition by facilitating Pump Storage Hydro (PSH) projects in the Great Glen. 10.2 As the navigation authority for the Caledonian Canal Scottish Canals was in an important strategic position to work towards maximising the benefits of using the Caledonian Canal during the construction and operational phases of the PSH projects as a sustainable freight transport route to mitigate the impact on the Great Glen road network and increase the use of the Caledonian Canal for freight in line with the Scottish Government's objectives. The Board noted that the additional pressures caused by the construction and operation of the PSH schemes would necessitate significant infrastructure investment along the Caledonian Canal whilst acknowledging the implications of freight schedule, water control and developments on the canals and communities. 10.3 The Board acknowledged the significant economic development opportunity required a collaborative partnership approach with developers and Government to create a legacy for Highland communities, including solutions that supported the sustainability of the canals, the Highland economy and the transformation and de-carbonisation of the UK power grid. The Board noted discussions with both the UK and Scottish Government were ongoing. The significant opportunity for Scottish Canals would be highlighted in Scottish Canals' report to Transport Scotland on its sustainable finance review. This significant investment would require a business case to be developed and shared with Transport Scotland.	
11.	**The Falkirk Wheel Masterplan – Update** 11.1 Ross McMillan, Head of Destinations and Emma Neilson, Development Manager joined the meeting to present The Falkirk Wheel Masterplan to unlock additional economic benefit at the site. The asset required investment to refresh the visitor attraction experience. 11.2 The Board congratulated the team on a well-researched and inspiring presentation. The Board was fully supportive of the phased approach to develop The Falkirk Wheel and looked forward to being updated on progress of the Business Case whilst recognising the challenging funding context. [redacted]	
12.	**Any Other Business** 12.1 The Board discussed planned key stakeholder engagement site visits including an invite for the Minister to visit The Kelpies and witness The Kelpie Experience.	

	12.2 The location of the next Board meeting was to be confirmed.	
	Date of Next Meeting: Thursday 28th August 2025	