

Board Meeting Minutes



Meeting: Scottish Canals Board

Date and Time: Tuesday 25th March 2025
16:30 to 17:30

Venue: MS Teams

Members:	Maureen Campbell	Chair
	Carolyn Sawers	Vice Chair
	Rob McGregor	Board Member
	Robin Strang	Board Member
	Michelle Wailes	Board Member
	Neil McDonald	Board Member
Attendees:	John Paterson	Chief Executive Officer
	Richard Millar	Chief Operating Officer
	Sarah Jane Hannah	Director of Finance & Business Services
	Nicola Christie	Head of Governance & Legal Services – Secretary
	Brian Auld	Head of Health, Safety & Sustainability
	Vikki Fleming	Executive Personal Assistant – minutes
	Andy Robinson	Head of Governance and Special Projects, Transport Scotland
Apologies:	Amelia Morgan	Director of People, Safety & Governance

Item	Topic	Action
1.	Welcome, Apologies and Declaration of Interests 1.1 The Chair thanked all for attending the additional Board meeting as a follow up to the Board meeting held on 13 March 2025. 1.2 Apologies for absence as detailed above were noted. 1.3 There were no declarations of interest.	
2.	(i) Annual Business Plan 2025/26 2.1 The Board reviewed the revised draft Annual Business Plan 2025/26 reflecting the views of the Board discussed at the Board strategic workshop held on 13 March 2025 and acknowledged Executive Management Team's (EMT) efforts to effectively incorporate the Board feedback.	

	<p>2.2 The Board noted that the revised Business Plan 2025/26 reflected the reduction to the projected budget overspend. Savings had been made through the removal of material repairs budget, reducing seasonal contracts, holding significant vacancies for 2025/26, and decreasing investment in digital systems. The Board further noted that the reduction in the budget overspend increased consequential risks, specifically regarding resources.</p> <p>2.3 The Board approved the Annual Business Plan 2025/26. The Board was assured that the EMT would undertake a further sense check of the Annual Business Plan 2025/26 and, if required, adjust the narrative of the activities and performance measures 2025/26 to ensure alignment with the reduced budget overspend prior to circulation internally, submission to the Transport Scotland sponsor team and publication on Scottish Canals website.</p> <p>ACTIONS:</p> <p>(a) The EMT to undertake a further sense check of the Annual Business Plan 2025/26 and, if required, adjust the narrative of the activities and performance measures 2025/26 to ensure alignment with the reduced budget overspend.</p> <p>(b) The Annual Business Plan 2025/26 to be circulated internally, submitted to the Transport Scotland sponsor team and published on Scottish Canals website.</p> <p>(ii) Budget 2025/26</p> <p>2.4 The Board considered the revised proposed budget 2025/26. The Board was updated on the additional work undertaken by the EMT to scrutinise budget allocations and underpinning assumptions to determine savings initiatives as summarised in paragraph 2.2 above. The implementation of these savings had reduced the scale of the projected budget [REDACTED] discussed at the Board strategic workshop held on 13 March 2025.</p> <p>2.5 The Board was concerned that the reduction in the projected overspend would increase and compound future operational risks which would be challenging for the EMT to manage. The EMT highlighted that under-resourcing was a significant risk which would impact income generation, maintenance of the infrastructure and addressing compliance improvements.</p> <p>2.6 The Board was assured that the EMT would continue to monitor vacancies monthly and assess the consequent risks of pausing</p>	<p>EMT</p> <p>Board Secretariat</p>
--	---	-------------------------------------

	<p>recruitment. A list of current vacancies indicating the length of time the vacancies have been unfilled, and the associated risks would be reported to the next Board meeting.</p> <p>2.7 The Board was assured that the EMT continued to stress-test the budget in relation to cost control measures and projections around expected income and would continue to review operational activities, capitalisation options and remedial actions in collaboration with the Senior Leadership Team. The Board would be updated at the next meeting on initiatives which could be deployed to address the projected budget overspend. The Board was advised of work ongoing to assess the risks to asset management following the reduced budget for material and repairs to support property and engineering works. The outcomes of this ongoing work would be reported to the Board in Q2 2025/26. Budget reforecasts would continue to be reported to the Board on a quarterly basis.</p> <p>2.9 The Board discussed further potential contingencies and levers to address the projected budget overspend with a view to achieving a more balanced budget position at the year end. The Board noted that in recognition of the challenges to change ways of working to be more efficient and effective across the public sector, Scottish Government had set up a revenue-based Public Sector Invest to Save Fund for 2025/26. Scottish Canals had applied to Transport Scotland to secure additional funds to assist Scottish Canals in realigning its services to operate with the optimum level of efficiency, assessing and redesigning the delivery model. The Board would be kept updated on progress. In addition, discussions with the Transport Scotland sponsor team were ongoing regarding Scottish Canals structural deficit and potential additional in year financial support in recognition of increased risks to the infrastructure although it was noted that this could not be guaranteed.</p> <p>2.10 The Board acknowledged the need to optimise Scottish Canals' commercial opportunities. It was noted that the existing Investment Programme optimised Scottish Canals' ring-fenced resources for investment in future sources of recurring revenue. [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	
--	---	--

<p>2.11 The Board acknowledged that the revised budget with a significantly reduced projected overspend for the financial year 2025/26 reflected the best operational fit with corporate objectives and commended the EMT for the challenging work undertaken to achieve this position. The Board agreed the recommended budget allocation for the organisation and approved the budget 2025/26.</p>	
<p>ACTIONS:</p>	
<p>(c) A list of current vacancies indicating the length of time the vacancies have been unfilled, and the associated risks to be reported to the next Board meeting.</p>	<p>EMT</p>
<p>(d) The Board to be updated at the next meeting on initiatives which could be deployed to address the projected budget overspend.</p>	<p>EMT</p>
<p>(e) The assessment of risks to property and engineering works would be reported to the Board in Q2 2025/26.</p>	<p>Chief Operating Officer</p>
<p>(f) [REDACTED]</p>	<p>Chief Operating Officer</p>
<p>[REDACTED]</p>	<p>Chief Operating Officer</p>
<p>[REDACTED]</p>	
<p>[REDACTED]</p>	
<p>[REDACTED]</p>	

	<div data-bbox="343 338 1197 409" style="background-color: black; height: 32px; width: 535px;"></div> <div data-bbox="296 445 1209 589" style="background-color: black; height: 64px; width: 572px;"></div> <p>(iii) Capital Investment Programme 2025/26</p> <p>2.16 Following a full discussion of the draft Capital Investment Programme 2025/26 at the Board strategic workshop held on 13 March 2025, the Board approved the recommended Capital Investment Programme 2025/26, subject to Scottish Government approval.</p> <p>(iv) Commercial Investment Programme 2025/26</p> <p>2.17 Following a full discussion of the draft Commercial Investment Programme 2025/26 at the Board strategic workshop held on 13 March 2025, the Board approved the recommended Commercial Investment Programme 2025/26.</p>	
<p>3.</p>	<p>Health & Safety Strategy</p> <p>3.1 The Board reviewed and discussed the draft Scottish Canals Health and Safety Strategy 2025/2028. The Board welcomed the clear strategy which outlined Scottish Canals commitment to maintaining a safe and healthy workplace, protecting workers, visitors, and members of the public from the risk of harm, and responding to the wider evolving safety risks associated with canal operations. The Board noted that the strategy reflected Scottish Canals values as set out in the Corporate Plan 2023/2028 and complimented the principles of good health and safety management by incorporating a strategic approach to organisational health, safety, and wellbeing.</p> <p>3.2 The Board approved the implementation of the Scottish Canals Health and Safety Strategy 2025/2028 from April 2025. The Board highlighted the requirement for appropriate resourcing to deliver the strategy. A Health and Safety delivery plan would support the strategy and would be monitored by the National Health and Safety Committee and progress would be reported to the Board quarterly.</p> <p>ACTION:</p> <p>(h) Progress on delivery of the Health and Safety delivery plan to be reported to the Board Quarterly</p>	<p>Head of Health, Safety & Sustainability</p>

<p>4.</p>	<p>Scottish Canals Framework Document</p> <p>4.1 The Board noted that, following input from the Transport Scotland sponsor team, the proposed Scottish Canals' Framework Document adhered closely to the most recent version of the Scottish Government Model Framework Document for Executive Non-Departmental Public Bodies published in June 2024. The Board was assured that the Framework Document acknowledged Scottish Canals statutory duties and purpose in addition to confirming that optimising income from all sources should be a priority. The current delegated authorities had been retained as they remained workable for both parties. The Board further noted that Transport Scotland had confirmed that Scottish Canals Investment Strategy was aligned with Scottish Canal's statutory ability to act commercially when appropriate.</p> <p>4.2 The Board noted the legal advice notes circulated for information setting out Scottish Canals' current powers to undertake commercial development and investment. This advice was sought to inform the Investment Strategy to achieve long-term income streams and financial resilience. It was recommended that further consideration of the legal advice be added to the agenda for the next Board meeting.</p> <p>4.3 The Board noted that the Framework Document expressly stated that Scottish Canals comply with Scottish Government Pay Policy in relation to staff. Scottish Canals would continue to engage with Transport Scotland on pay policy in challenging economic circumstances.</p> <p>4.4 The Board approved Scottish Canals' Framework Document as proposed. The finalised version to be issued by Transport Scotland would replace the current version on Scottish Canals website and shared with the internal and external auditors. The Board thanked all involved for concluding this matter.</p> <p>ACTION</p> <p>(i) The legal advice notes setting out Scottish Canals' current powers to undertake commercial development and investment to be considered at the next Board meeting.</p>	<p>Head of Governance & Legal Services</p>
<p>5.</p>	<p>Scottish Canals Net Zero Goals and Renewables Projects Update</p> <p>5.1 The Board was updated on the delivery of the strategic outcomes and goals outlined in the Scottish Canals Net Zero RouteMap 2023. Following a gap analysis undertaken by the recently appointed Sustainability Manager five priorities had been identified for implementation as follows: soft skills and communication; improvements to buildings and</p>	

	<p>assets; fleet management; generation of renewable energy and carbon offsetting.</p> <p>5.2 A detailed work plan to address the five priorities would be implemented with effect from Quarter 1 2025/26 and progress would be reported to the Board annually. In addition, the Board noted that discussions were ongoing with Scottish Government to share expertise and resources in relation to climate adaptation.</p> <p>5.3 The Board welcomed the significant progress reported towards achieving Scottish Canals stated goal of achieving a 90% reduction in Scope 1 and Scope 2 gas emissions by 2030 and noted that the priorities identified were relevant to underpin the Budget 2025/26. The successes highlighted would be promoted internally and externally.</p> <p>ACTION:</p> <p>(j) Progress on delivery of the work plan to address the five priorities arising from the Scottish Canals Net Zero RouteMap 2023 to be reported to the Board annually.</p>	<p>Head of Health, Safety & Sustainability</p>
6.	<p>Any Other Business</p> <p>6.1 On behalf of the Board the Chair acknowledged the complexity and challenges Scottish Canals faced and commended the EMT for the work undertaken to date to deliver an achievable and manageable budget 25/26 together with a proactive action plan to monitor progress. On behalf of the EMT the CEO thanked the Board for its support.</p> <p>6.2 a robust approach to financial sustainability and a clear strategy to address the budget 26/27 would be planned for discussion in Q3 and Q4.</p>	
	<p>Date of Next Meetings</p> <p>22nd May 2025 at The Falkirk Wheel</p>	

Signed

Date

Maureen Campbell
Chair