

BM/12 i/AUGUST/2025

COMMERCIAL

AWARENESS

CLOSED CONFIDENTIAL

TITLE:	2025/26 Commercial Investment Plan – Q1 Update
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EMT APPROVED DATE:	20 August 2025

PURPOSE

This paper provides an update to the Board as to progress on the delivery of the approved 2025/26 Commercial Investment Plan.

RECOMMENDATION

The Board is asked to note the content.

BACKGROUND

The 2025/26 Commercial Investment Plan was approved by the Board at its March 2025 meeting. This paper updates on progress to deliver the approved projects and highlights any forecast variations in spend, timescale or scope.

ASSESSMENT

The quarterly summary of progress is provided in Appendix 1.

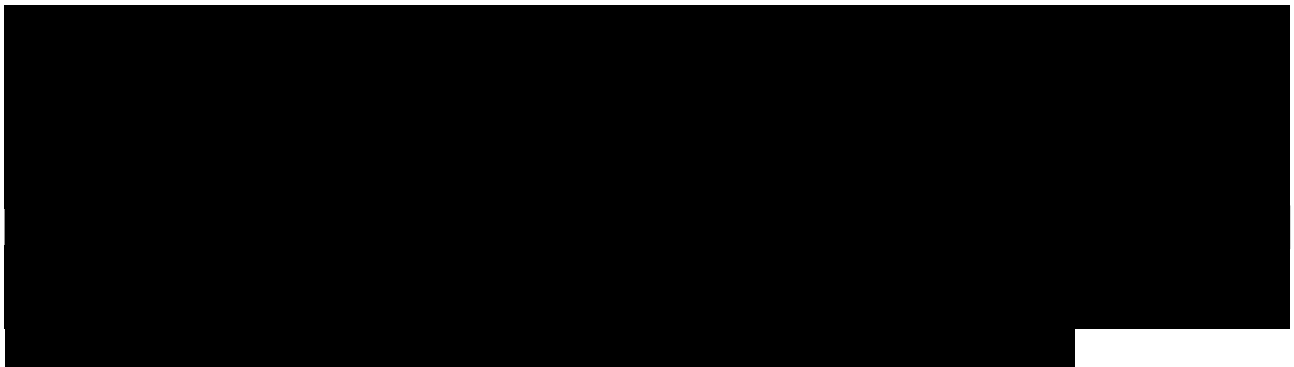
The planned full year expenditure is expected to increase by approx. [REDACTED]. This is due to delayed spending on the 24/25 project *"Borrone Street Business Park – refurbish U23/24 to let"* as well as an increase in the total project cost. Per the 2024/25 Q4 Update, [REDACTED] of delayed spend on this project has moved from FY24/25 to current year. An additional [REDACTED] of spend was also approved by the Investment Committee in May due to a necessary specification change in respect of the roof works. The refurbishment project is now complete and our property agent is actively marketing the space for let.

Three projects currently sit amber on RAG status; Falkirk Hire Boats relocation which may be delayed depending on the outcome of an options appraisal, delivery of moorings strategy and 43/45 Clachnaharry Road refurbishment where limited project management capacity may result in projects extending into next financial year. Work is underway to mitigate delay as far as possible.

The TFW masterplan continues to develop with several design challenges to be resolved. Therefore, progress is slightly delayed and proposed spend for this year is lower than originally anticipated whilst design is developed and third-party funding opportunities are pursued.



During Q1 the Investment Committee approved additional design spend on previously approved projects; TFW Masterplan including Falkirk Hire Boats and additional spend required to complete the Unit 23&24 Borron Street refurbishment project. No new projects were approved during Q1.



CORPORATE CONSIDERATIONS ANALYSIS

Strategic Priorities	The 24/25 Commercial Investment Plan aligns with Scottish Canals' Investment Strategy and supports Corporate Plan and strategic priorities around financial sustainability. Scottish Canals can also contribute to public service reform through transformation, collaboration and revenue raising.
Health & Safety	N/A
Financial	Nothing additional to note. Commercial Investment spend is subject to Investment Committee approval and Scottish Government approval is sought, where appropriate, as per current Scottish Government advice on spend thresholds.
Legal	N/A
Risk / Risk Appetite	The investment plan aligns with corporate risk appetite in that Scottish Canals has a cautious risk appetite to undertaking activities that provide value for money and guaranteed future revenue streams.
Sustainability	Opportunities to achieve carbon efficiency in consideration of Scottish Canals' net zero ambitions forms part of the due diligence on all investment projects.
Environment	Consideration of environmental risks and opportunities forms part of the due diligence on all investment projects.
People	N/A
Fair Work	N/A
Communication	As individual projects are delivered, internal and external communication requirements will be determined. Work continues to maintain appropriate internal communications around TFW Masterplan proposals.
Community & Third Sector	Each individual investment project is evaluated against various criteria including economic regeneration and impact on communities. Unlocking the potential of canal side assets through investment can enhance place and benefit communities through community wealth building, active travel, tackling inequalities etc.
Commercial	Per this paper which updates on commercial investment activity designed to deliver additional sustainable income. The 2025/26 Commercial Investment Plan aligns fully with Scottish Canals' Investment Strategy.
Asset	The Investment Strategy seeks to maximise value from non-operational assets. Property refurbishment proposals will upgrade and protect the fabric of our building assets, securing their purpose for years to come. The Investment Plan aligns fully with our Corporate Plan commitment for a ten-year plan to have either repurposed or agreed a plan of action for all our long-term derelict buildings.

RECOMMENDATION

The 2025/26 Commercial Investment Plan was approved by the Board at its March 2025 meeting. This quarterly update advises of an increase to the forecast annual plan ([REDACTED]) being delayed spend from last year and informs on progress.

The Board is asked to note the content.

OUTCOME

[REDACTED]