Scottish Canals

BOARD — **March 2026**
Item: 6 — **Annual Business Planning & Budget 2026/27**
6i — **Draft Business Plan 2026/27**

CORPORATE / APPROVAL / OPEN

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EMT APPROVED DATE:	03 March 2026

PURPOSE
This paper details the proposed activities and outcomes that Scottish Canals will pursue during the 2026/27 financial year reflecting the strategic priorities and commitments outlined in the Corporate Plan (2023-2028), operational conditions, corporate risk and our journey towards financial sustainability.

RECOMMENDATION
The Board are invited to:

1. Note, discuss and provide support to the Chief Executive on the proposed activities and outcomes for the Scottish Canals Business Plan (2026/27).

BACKGROUND
Scottish Canals are mandated to publish an annual Business Plan each year which will include key targets and milestones for the year immediately ahead reflecting progress with achieving the strategic ambitions and priorities outlined within the Corporate Plan (2023-2028). The Business plan must align with the National Performance Framework (NPF) and the budget for Scottish Canals as agreed by Transport Scotland to ensure sufficient resources are allocated to achieve specific objectives. Scottish Canals are required to submit a copy of the Business Plan to the Sponsor Team prior to the start of each financial year.

ASSESSMENT
Progress with developing the Business Plan for 2026/27 has been slightly delayed due to the additional work undertaken to support the "State of the Asset" report to Transport Scotland and the alignment of business activities to reflect the increased revenue and capital budget for Scottish Canals announced in January 2026. Heads of Service have had to quickly adapt from a historically prudent mindset to a more ambitious reframing of priorities and opportunities in our journey to deliver our strategic ambitions for Scottish Canals. In addition, Transport Scotland has stipulated that additional prioritisation and assurance is required to demonstrate progress with asset health, the medium-term financial plan and compliance with statutory obligations.

The design of the Business Plan follows the same structure and design of the three previous business plans under the current 5-year Corporate Plan (2023-2028). The proposed actions, progress measurements, and outcomes are included in **Appendix 1** of this report for consideration which will also be adapted into a suite of Key Performance Indicators (KPIs) for the 2026/27 financial year. Subject to Board amendments and subsequent approval, the Executive Management Team (EMT) are committed to finalising the Business Plan for 2026/27 by the last week in March.

CORPORATE CONSIDERATIONS ANALYSIS

Strategic Priorities	The business plan reflects Scottish Canals strategic direction in fulfilling our statutory purpose and contribution to the Programme for Government and National Performance Framework.
Health & Safety	The safety and wellbeing of employees and visitors/users of our canals is prioritised in our approach and commitments.
Financial	The business plan should be read in conjunction with the proposed annual budget for 2026/27 alongside update to the Capital Investment Plan and Investment Plan.
Legal	There are no immediate direct legal implications other than additional assurance requirements on statutory compliance.
Risk / Risk Appetite	Consideration has been given to our current position on risk and risk management.
Sustainability	The draft outcomes reflect progress towards our sustainability goals.
Environment	The draft outcomes reflect progress towards our environment goals.
People	In preparing this business plan, the need for addition people resources have been considered including those required in high-risk areas such as asset health and compliance.
Fair Work	The draft outcomes will not impact on our fair work commitments.
Communication	A key work strand is focused on internal and external communication and engagement. Demonstrating effective engagement, whilst seeking to enthuse and secure support from our customers and partners remains crucial.
Community & Third Sector	A key focus for this year is further engagement with community and third-sector partners.
Commercial	Further commercial growth is informed by our risk tolerance and Investment Strategy.
Asset	Focused work to provide assurance on asset health is a key strategic focus for this year's business plan.

APPENDIX 1

EXPLORE AND EXPERIENCE		
Activity	**By March 2027 we will have …**	**Performance Measures**
Maintain Visitor Safety Management	Reflected on the success of year one of the Visitor and Water Safety Risk Management Framework and continued with the implementation of phase two. Delivery of year two priorities of the Health and Safety Strategy (2023-2028). Completed the installation of specialist replacement ropes to Public Rescue Equipment (PRE) in support of the Christopher Speir's v Lives Campaign across the Lowland Canals and wider upgrades to PRE across the canal network. A new updated safety signage catalogue will be developed to support employees, customers and visitors to access and enjoy open spaces safely.	Zero-harm approach to notifiable incidents. Visitor and Water Safety Plans updated for 120 locations across the canal network. 100% replacement of PRE ropes across the Lowland Canals. Updated safety signage catalogue produced for implementation in 2027/2028.
Develop and promote destination experiences	Developed a robust business case for a new immersive experience at The Kelpies alongside an options appraisal for investment in holiday home accommodation at Fort Augustus. Invested in expanding our holiday boat fleet offerings and partnerships to increase capacity and streamline customer experiences.	Visitor numbers and income generated (£).
Quality services for customers	A Fully designed, implemented and embedded customer first service standard across all operations and functions to ensure that all customer and stakeholder enquires, and statutory requests are responded to on time.	% enquires responded to on time. % Freedom of Information Requests responded to on time.
Active Travel Strategy and Infrastructure upgrades	Approved and Implemented the Active Travel Strategy to improve towpaths and connections, and promote walking, cycling and wheeling across the canal network.	% increase in towpath usage across strategic locations. Capital investment in towpath and connections (£). % Improved condition (grade) of towpaths and connections

Growing employability and volunteering capacity	Successfully completed the second of our three-year employability programme with The Conservation Volunteers. Developed a new approach to corporate volunteering to drive unique opportunities and income growth.	Number of volunteering hours and income generated (£). Number of defects resolved through volunteer activity. Planned Preventative Maintenance (PPE) hours recorded
Navigation, transits and moorings provisions	Implementation of new five-year moorings strategy to increase moorings capacity and services across the canal network. A fully operational digital moorings platform to drive the key ambitions within the Moorings Strategy and enhanced customer satisfaction and experiences. Continue to implement Scottish Canals evasion policy to minimise the number of abandoned vessels on the waterways and reclaim disposal and administration costs. Carried out routine spot dredging and weed control to maintain navigation.	% Moorings filled (capacity) Number of new moorings installed. Number of abandoned boats successfully removed. Reclaimed costs for boat removal and disposal (£).
PLACES AND SPACES		
Activity	**By March 2027 we will have …**	**Performance Measures**
Customer facilities improvement	Developed a condition grade and assessment methodology for Customer Facilities. Continued to deliver on a multi-year programme of improvements to customer facilities across the canal network. Completed a programme identifying key customer and welfare locations to invest additional resources and to dispose of redundant facilities based.	Customer Facilities Condition Grade implemented. Customer Facilities Investment plan produced. Capital investment in facilities and services (£).
Maximising the impact of land and estate holdings	Continued to review our operational estate and explore further opportunities to develop or dispose of vacant properties and under-utilised land. Delivered a programme of statutory compliance, including Energy Performance Certification standards, planned maintenance and reactive repairs across our properties.	Feasibility and Investment Plans created. % Compliance with statutory obligations. % proactive repairs to residential properties undertaken as planned.

The Falkirk Wheel Masterplan	Started construction work on the redevelopment of The Falkirk Wheel Visitor Centre to upgrade the entrance and visitor facilities alongside supporting infrastructure including power supplies and thermal performance improvements. Built a new base for our holiday hire accommodation to improve customer experiences and deliver efficiencies in boat servicing. Progressed to the final design stages and planning application for the new visitor experience ready for submission for local authority approval in April 2027.	Capital Investment (£) in line with plan Investment Strategy investment (£).
Scotland's Centre of Excellence for Canals and Traditional Skills - Lock 16, Falkirk	Progressed with the redevelopment of Lock 16 in line with the Construction Phase and Project Plan for occupation in Q1 2027/28. Established new and strengthened current relationships to support the delivery of traditional skills, volunteering and shared space for operational delivery.	Progress against Construction Phase and Project Plan.
North Glasgow regeneration	Progressed the next phase of development at Dundashill with partners. Completed a significant refurbishment project at Borron Street Business Park and developed a five year programme of investment in the asset. Identified opportunities for the land and buildings at Applecross Street via the C40 Reinventing Cities competition, supporting the wider regeneration of the local area and building on the success of the Claypits and recent investments in moorings and connections.	Action plan developed. Income generated and capital receipts (£).
Heritage Strategy	A refreshed Heritage Strategy focussed on creating the next generation of Scottish Canals history whilst maintaining stewardship and efficient management of our heritable assets.	Heritage Strategy published % Section 17 consents approved and conditions implemented

CANALS FOR THE FUTURE		
Activity	**By March 2027 we will have …**	**Performance Measures**
Improving asset health and resilience	Increased capacity to deliver our Planned Preventative Maintenance (PPM) programme and developed and implemented a focused Improvement Action Plan to reduce our backlog of Principal Inspections (PI) and increase defect resolution time. Undertaken significant repairs to the Almond Feeder Aqueduct and Kelvin Aqueduct. A five-year focussed dredging programme across the canal network to maintain safe navigation and structural integrity. A fully integrated compliance and reporting framework to provide increased assurance that assets are being maintained and developed in accordance with relevant standards.	Principal Inspections Improvement Action Plan in place. % PPM delivered on time. % PI undertaken on time and reduction in PI backlog. Defect resolution delivered against plan % Water levels maintained at safe navigation standards. Capital and revenue spend invested (£).
Network-wide climate change resilience assessment	A detailed methodology in place to assess and drive climate adaptation of our high-risk heritable scheduled monuments assets. Enhanced our capacity and capabilities for hydrological monitoring to support analysis of future climate change scenarios and developed resilience with our response to severe weather events. Progressed with scoping and developing proposals for a second Smart Canal to manage flood water drainage across the built environment.	Methodology for the assessment of high-risk heritable monument assets in place. Hydrological support in place and action plan.
Net Zero Carbon	Built upon our successes from year 2 of the Net Zero RouteMap with additional focus on climate leadership and energy efficiency improvements across our estate. Developed a strong business case and stakeholder partnerships to support pump hydro-related freight projects at strategic locations across the canal network.	Carbon emission reduction (%). Energy efficiency savings (£). Business case for pump hydro developed and communicated alongside Memorandum of Understandings (MOU) with developers.

Devise and implement canal-specific strategies	Complied with our statutory obligations as a Harbour Authority. Trialled assisted boat movements to support user operations at a number of lock gates and bridges across the Lowland Canals a transition to full user operations in 2027. Completed upgrade work at the Dummy Lock at Crinan alongside wider environmental improvements.	Compliance with statutory Harbour standards. Work completed at the Dummy lock at Crinan. % of boat transits in Lowlands by assisted movement
Reservoir upgrades	Continued to demonstrate stewardship with maintaining the integrity and compliance obligations of managing our 19 reservoirs through proactive and timely inspections. Completed year one of a two-year programme to rebuild Townhead Reservoir spillway. Completed year one of a multi-year programme of improvements including embankment repairs at Gleann Reservoir, spillway repair at Cobbinshaw Reservoir and drainage upgrade at Birkenburn Reservoir.	% compliance with reservoir inspection programme. Capital Investment (£).
Implement lock gate and infrastructure automation programme	Completed lock gate replacement of the Forth and Clyde lock gates 3-16. Completed mechanised upgrades to lock gates at Laggan, Dochgarroch and Clachnaharry. Completed bridge upgrades at Bonnybridge lift bridge, Gairlochy bridge, Tomnahurich bridge and Muirtown bridge.	Capital Investment (£).
Biodiversity gain	Launched a new Scottish Canals Environment Strategy (2026-2030). Continued to deliver on the Hazardous Trees Action Plan to ensure that the tree stock across our estate is managed well and in a safe condition. Finalised an agreed approach to managing fish migration across the canal network with regulators.	Environment Strategy launched. % progress with Hazardous Trees Action Plan. Agreed approach to managing fish migration.

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PEOPLE AND BUSINESS		
Activity	**By March 2027 we will have …**	**Performance measures**
Compliance with statutory, corporate, and operational standards & requirements	Defined our compliance landscape and developed and implemented a compliance framework with clear monitoring pathways across all business functions and operations.	Compliance framework in place.
Financial stewardship and sustainability	Fully embedded the principles of the approved Medium Term Financial Strategy (2025) and the "Make More, Save More, Get More" model alongside projected income and efficiency savings. A fully costed and balanced spending plan to demonstrate efficient use of resources in line with strategic and statutory obligations.	% additional income of target (£) Improved return on investment tracking (£) % efficiency savings of target (£) Spending plan delivery (£) Audit preparedness timetable shortened for 2025/26 financial year.
Transformation Programme	Continued to deliver on our programme of transformation focussed on efficiency and service improvements for our customers and stakeholders. Reshaped and enhanced our socio-economic measurement framework to demonstrate value, impact, and scale alongside a refreshed suite of robust KPIs that assures our stakeholders of our progress and successes.	Progress against transformation targets. Socio-economic impact report published. Suit of KPIs developed and implemented.
Workforce planning and development	Developed and implemented a Workforce Development Plan to support the development of our people and aligned to our target operating models and optimum structure. Robust development and succession plans in place to mitigate against know corporate risk issues. Published a Volunteering Strategy to support corporate volunteering and developed additional capacity to support an increase in apprenticeships across business functions.	Workforce Development Plan in place. Organisational learning and development plan and succession plan in place. Increase in apprenticeships. Number of volunteering hours and income (£).
Ongoing investment in employee wellbeing, health, and safety	Delivery of our commitments outlined in year 2 of our Health and Safety Strategy. Phase 2 of our Integrated Water and Visitor Safety Risk Management Framework complete. Occupational health surveillance refreshed for employees exposed to health hazards for all known activities.	Health and Safety Strategy implementation activities.

Information management, digital systems, cyber security, and safety	Introduced new software, upgraded systems and associated hardware to support and transform customer service, asset management and business services. Completed phase 1 of introducing full Office365 capabilities including SharePoint across the organisation. Delivered on a programme of digitalisation or records and prepared archived and retained documents for storage in new location at Lock 16. Continued to build resilience around cyber security and data management infringements.	Compliance performance. Progress against action plans. Lost time in response to cyber Incidents. Development of business case for optimising financial systems.