

EXECUTIVE DIRECTOR SPONSOR: Amelia Morgan

Q3 Business Plan 2024/25 Performance Report

Purpose

This paper presents quarter three report on delivering our Business Plan commitments for 2024/25 and corporate Key Performance Indicators. The report incorporates quarterly health & safety, communications and marketing and corporate risk updates.

Priority

Routine.

Background

This report is prepared quarterly in conjunction with the Heads of Service. Since the last report, the KPIs for 2024/25 have further evolved and are highlighted in items 8 (ii-iv). The socio-economic framework development with EKOS continues and a report will be shared with the Board at the late March meeting.

Points for Noting

This report is intended to provide quality management information and actionable data. As previously reported, focus remains ongoing cross-checking performance with corporate and departmental risks and other developments to contextualise progress and insights. Development of systems and additional management information will augment the report over time particularly to streamline reporting and identify trends. A focus on towpath data is presented, noting the current position regarding data and interpretation. Further development will be progressed as part of the Active Travel Strategy development.

The format focuses on reporting against the Corporate Plan themes, and is in six sections:

- CEO overview.
- Quarterly RAG assessment and narrative on Business Plan commitments.
- Quarterly KPI dashboard – this integrates targeted health & safety metrics.
- Quarterly communications and marketing insights.
- Quarterly corporate risk register.
- Contribution to National Performance Framework indicators and UN Sustainable Development Goals reporting will be on an agreed annual cycle rather than quarterly. Planned for August 2025.

Corporate Considerations

- **Strategic Priorities:** This report is intended to fully reflect the Corporate Plan strategic themes and commitments, aligned to the Business Plan activities.
- **Health & Safety:** The quarterly health & safety report is reflected in KPI and Business Plan progress update.
- **Risk/Risk Appetite:** The quarterly corporate risk report is included. Further developments will focus on assessing alignment with agreed risk appetite.
- **Legal:** No additional commentary to report.
- **Financial:** This report complements the Board finance report.
- **Human Resources:** Specific people-related measures are reported, and additional tracking is in development to complement the new People Strategy.
- **Fair Work First:** No additional commentary to report.
- **Communication:** No additional commentary to report.
- **Community & Third Sector:** No additional commentary to report.
- **Commercial:** No additional commentary to report.
- **Asset:** No additional commentary to report.

Conclusions and Recommendations

The Board is invited to:

- a) Discuss the overall performance against the Business Plan commitments and corporate KPIs.
- b) Note the health & safety quarterly summary, subject to any points of clarification.
- c) Note the communications and marketing update.
- d) Note the corporate risk report.
- e) Comment on the presentation and areas for future development.

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Date: 3 March 2025

CEO Overview

Strategic Overview

In December we received the positive news that we secured £1.53m of additional capital spend from Transport Scotland on top of an additional £0.5m already secured for Forth & Clyde lock gates in November, bringing our total capital spend budget for 2024/25 to £14.23m. An approved list of projects including works to Lily Loch Reservoir and dredging on the Lowland Canals is now in delivery.

These additional projects build on existing work as well as where possible bring forward spend from future capital programmes. The additional funding comes of the back on ongoing stakeholder engagement with Transport Scotland and other key influencers/elected members to raise awareness of our risks/challenges. A late injection of £1m of revenue was also provided after Q3 (late February 2025) to reflect the structural deficit that Transport Scotland has recognised Scottish Canals operates with, and supports the forecast overspend of almost £[REDACTED] reported in the detailed Q3 finance report.

In November, ahead of the 2025/26 budget announcement, the members of the EMT attended the Transport Scotland executive team meeting at the invitation of Transport Scotland's CEO. The meeting focused on sharing insights including the profile of risks held, evidence of our operating costs, steps already taken over the last few years to reduce spending and the forecast 2024/25 overspend. This influencing agenda, underpinned by evidence-led approach to data, appeared to be effective with a rise in the 2025/26 Scottish Government Budget - £1m (8.4%) uplift in our revenue budget, and a £400k (3.3%) uplift in our capital budget, with the figures for the year reflecting an overall £1.4m (5.82%) uplift on the 2024/25 year. Whilst this uplift is very welcome, 2025/26 will continue to be a challenging year overall with the expected increasing operational costs still outweighing our annual settlement and overall financial envelope.

SC have also been invited by Transport Scotland to work with TS Roads Asset Management strategy leads, to dovetail with wider work underway to quantify and describe the overall Transport portfolio assessment of Scotland's Transportation infrastructure asset condition. This is expected to be used to influence the case for future investment needs for the overall Transport portfolio.

Harmonisation of public sector working week

In keeping with Deputy First Minister request for bodies to harmonise working hours, in December we were able to finalise the first phase of work on the 35-hour week with the trade union ballot voting to accept the move to a shorter working week. To mitigate the delay, a one-off additional day's annual leave was given to all employees to be used on 3 January (except for critical operational staff who can take the day before 31 March). [REDACTED]

Kelpies Experience launch

This new immersive visitor experience at The Kelpies reimagines existing infrastructure (inside The Kelpies) to create a new one of a kind premium arial experience. The new offering will generate significant income to reinvest in Scotland's heritage canal network whilst also raising millions of pounds for charities across Scotland. The Experience launched with widespread media coverage (national and international), cementing The Kelpies as one of Scotland's most iconic and valuable assets for attracting attention, and visitors, from across the globe. There has been 31 bookings so far, generating over [REDACTED] in charity fundraising and [REDACTED] profit (not revenue) between our % for experience and additional secondary spend. There is good coverage of the first organisations' climbing experience on social media.

Falkirk Growth Deal signing

The █████ Falkirk Growth Deal signing marked a milestone moment in Scottish Canals ambition to deliver a new heritage skills centre on the banks of the Forth & Clyde Canal at Lock 16.

Work now continues to progress Lock 16 – Scotland's Centre of Excellence for Canals and Traditional Skills, with heads of terms now agreed with Historic Environment Scotland. The partnership with HES will act as an exemplar for public service reform as both organisations share the space to develop young talent and address Scotland's shortage of traditional skills. In addition, the centre also provides an opportunity to grow Scottish Canals volunteering arm. Paper on the agenda.

This November marked the first anniversary of Scottish Canals' Net Zero Routemap key achievements to-date include the following, giving confidence that we are on track to meet our goal by 2030 (paper to the additional Board meeting in March).

- Exceeded Net Zero Route map target of greater than 30% reduction in Heating scope 1 emissions by 2026, 2 years in advance of deadline.
- Solar panels at The Falkirk Wheel installed in 2022 generated 100% of electricity required to operate the Visitor Centre air source heat pumps during 2023/24. Effectively free renewable locally produced heat was delivered for the building which welcomed over 500,000 visitors this year.
- An 18% decrease in vehicle fleet emissions in 2023-24 compared to 2022-23 (186 t CO₂e from 227t) with 27% of vehicles fully electric.

The Health and Safety Strategy will be presented for consideration at the Board meeting at the end of March.

Operational Update and Highlights

A significant focus during this quarter has been addressing the degradation of the lock gates on the Falkirk Lock flight on the Forth & Clyde. After considerable investigation, it was determined that, in the interest of safety, the lock flight would need to be closed from November 2024 to Spring 2026 to allow for a full programme of lock gate upgrades. A comprehensive communications plan was developed and deployed to all stakeholders. In general, boating stakeholders and local MSPs and Councillors have been very understanding and accepting of the need to undertake this work. Future site visits for staff and stakeholders are planned once the works are at a suitable stage.

A bid was made to the Scottish Government for further short-term investment securing an additional £500k of capital. Works commenced in December 2025 to install a bypass and new gates at Lock 16, as well as to order eight sets of lower gates for deployment across the flight.

Construction at Lily Loch Reservoir continued and was completed on site before Christmas 2024.

Design work and land purchase are progressing well at Townhead Reservoir. Unfortunately, significant vandalism has occurred on the existing historic spillway, and its condition is being carefully monitored. Water levels will be kept low over the winter period, which will be challenging to maintain.

The Caledonian Canal main operating seasons ended in October with transit figures and commercial operator activity remain buoyant, although a reduction was noted in hire boat activity levels. A new Caledonian Canal Manager started in Q3.

Similarly, for the Crinan Canal, Q3 saw the conclusion of a vibrant boating season at Crinan, with very positive customer responses to the service delivered and the team's approach. Freight through the pier has been higher than the original budget, which is a positive sign for future years. Team dynamics remain good, and the team has now turned their attention to winter works in preparation for the 2025 season.

The Lowland Canals closed in November following the annual Ronnie Rusack Flotilla of Lights on the Union Canal. Q3 has seen a reduction in boat movements on Lowland Canals. However, the team concentrated on a relocation programme for boats, ahead of the F&C East reach closing. Weed management has been successful this year, with 1,200 tonnes of aquatic weed harvested from the channel.

Volunteering has delivered 2,749 hours over Q1-Q3. Litter picking specifically has consumed 421 hours and collected 725 bags of litter so far. Various volunteer groups, including J.P. Morgan, Scottish Power, and The Seagull Trust, have participated.

Tree surveys across the estate are now concluded, with a full report to follow in Q4. This report will set the foundation for our Tree Strategy 2025 onwards. With climate change and ash dieback significantly affecting our estate, this will have revenue implications in the coming years.

Overall, work is planned to review operating models across all canals and identify opportunities for service redesign and delivery options for 2025/26. At this time the operating model is largely similar to previous years, with a calibration of seasonal workforce numbers reflected in the current recruitment exercise and business plan. The operations teams are currently redeployed to support in closing defects on the asset management system and preparing the canals for 2025/26 main season.

TFW is currently ahead of the business plan by £██████ and CCC by ██████. TFW achieved the TripAdvisor Travellers' Choice award with a 92.7% Global Review Index. TFW Masterplan timelines have been agreed in principle, and the design stage has now commenced. The Board will be updated on plans once agreed with EMT in Q1 2025/26. The Internal Kelpie experience has achieved safety certification to EN standards. Full approval of the experience has been received from Andy Scott Sculptor. The launch in November 2024 resulted in significant press interest and 130 enquiries received in the first month.

The 25 year-old Falkirk Wheel trip boats continue to challenge our ability to deliver a reliable service. Both boats were out of commission at times throughout Q3 impacting our ability to generate income and maximise the festive season. This is being addressed as part of the capital work for this year (2024/25) and 2025/26. In addition, The Falkirk Wheel visitor centre heating system is not fit for purpose, causing the centre to be closed at times during extreme cold weather. This has impacted income generating at The Wheel. Business Continuity Planning is being updated to address this.

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The Placemaking team is focused on delivering key capital projects, including Lock 16 and the TFW Masterplan, with design advancing well.

[REDACTED]

[REDACTED]

High Level Challenges and Constraints

The compliance focus remains on both M&E and Estates. the M&E Action Plan is now 70% complete with really positive focus from across the engineering team. The Estates Action Plan has now been agreed finalised and a number of issues are already moving forward and progress is being tracked through the Compliance Project Board. Progress on these action plans are being monitored by the Compliance Project Board, chaired by the CEO with updates provided to EMT/ARC on a regular basis.

Additional capital funding from Transport Scotland has the potential to put further pressure on the delivery teams. To combat these discussions with project managers were undertaken prior to submitting the project list. We will continue to closely monitor employee wellbeing during the busy capital works period.

Strategic Stakeholder Updates

Employee roadshows

Employee roadshows across Falkirk, Glasgow, Crinan and Caledonian Canal to directly engage with employees. These events (delivered in-house) led by the EMT to discuss organisations priorities, identify concerns and address any emerging issues directly. Employees also present on what is happening within their areas highlighting concerns and opportunities to feed into business planning. Feedback from the events has been extremely positive with areas of organisation bringing projects forward as spend to save or transformation projects.

Media engagements

Interviews with BBC Radio 5 Live and BBC (National) - launching The Kelpies Experience.

Events

Official Launch of Kelpies Experience, 47 people in attendance with members of the media, partners and elected members all represented. The event was delivered inhouse and garnered widespread national media coverage.

Transport Scotland

Attended Transport Scotland's Executive Management Meeting to present an update and highlight our live risks. The meeting resulted in additional funding for 2024/25 and uplift in 2025/26 GIA. Regular dates are now in place with an invite to go back to this group periodically.

Regular meetings with Sponsor team lead Andy Robinson

The purpose of the meeting is to flag emerging issues, update on topical issues and gain insights. Key topics discussed in this period included:

- Board member appointment periods
- Update on Framework Document and Investment Strategy
- M8 Motorway; culverted former Monklands Canal risks
- Lock 16 update
- Asset and infrastructure updates including Falkirk Flight and asset deterioration
- Minister feedback on the Pump Storage Hydro paper and Investment Strategy
- Ness Weir Developments (Kersti Berg engagement)
- External Audit update
- 35-hour working week
- TS/Canals vision refresh "Making the most of Scotland's canals" 2013-2018/23
- Political insights on MSP & MP engagement

Highlands

Inverness Rowing Club

Visit to see proposed expansion of jetty and expansion of activities. Supported the club with a letter of support for grant funding application to Sports Scotland.

Highlands & Islands Enterprise; Stuart Black CEO and team.

The purpose of the meeting was to bring leaders together explore funding opportunities and shared challenges. Topics of discussion included:

- Future tourism developments and visitor experiences involving Scottish Canals assets and services
- Exploring possible avenues for future collaboration with HIE and or potential third-party investors
- Hydro developments and role of Caledonian Canal.

Some of this to be picked up by a parliament round table on Hydro.

Highlands and Islands Airports (HIAL)

Paul Kelsall, CEO HIAL

General liaison with peer CEO in Transport portfolio and agreed to meet quarterly.

Lowlands

Queen Cross Housing Association

Shona Stephen CEO

Site visit to QC's housing development site and general networking and wider discussion.

Euan Stainbank Labour MP

A response to letter to Mr Stainbank regarding Falkirk Flight locks, resulted in an invitation to meet. Meeting to discuss issues around the Falkirk area and our challenges/risks to gather support for future funding. Showing a keen interest in the activities and opportunities for SC and further development of the canals in Falkirk area, Mr Stainbank has since tabled an early day motion to Westminster Parliament, commending Scottish Canals on achievements over 25 years since the millenium link projects.

Historic Environment Scotland

Katerina Brown CEO

Initial meeting with HES' new CEO on the subject of lock 16, culminating in the signing of the Heads of Terms to progress our partnership with regards to Lock 16, following an engaging site visit to the facility. This has strengthened our relationship with HES and the funding application for Heritage

Lottery Funding and a route forward for addressing Scotland's heritage/traditional skills crisis. The partnership also aligns with Scottish Canals workforce planning project which is underway.

North Lanarkshire Council

Pamela Humphries - Chief Officer (Place) and other members of the Senior Team

Part of an agreed regular engagement with canalside local authorities. Purpose of the meeting was to explore opportunities and provide updates on key developments. Topics of discussion included:

- Kilsyth Flood defence scheme progress
- Townhead Reservoir development
- Auchinstarry Development
- Antonine Wall developments
- Monkland Canal developments.

Scotland wide

Canal & River Trust

An agreed regular meeting between both CEOs to share lessons learned, identify opportunities to align and explore risks faced/topical issues. A further visit from a delegation from CRT was held . Topics discussed included:

- Asset and operational efficiency
- Making case to government for investment
- Benefits and consequences of operating as a charity / charity arm
- Boater satisfaction
- Estate rationalisation
- Opportunities for shared services and costs i.e. Fleet management, asset management software, joint procurement, HR
- Health & Safety.

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Topical Issues

[REDACTED]

[REDACTED]

[REDACTED]

Seasonal recruitment

This was initiated at the end of Q3 with routine advance advertising of summer/seasonal opportunities. Considerations of Fair Work have been reviewed by the EMT and are reflected in preparations and support to teams/individuals ahead of onboarding of c. 150 team members.

As previously reported the Scottish Living Wage hourly rate of pay will move to £12.60 per hour effective from 1 April 2025. This is reflected in the 2025/26 budget.

Look Ahead

- Finalising the systems changes for the new electronic point of sale system, VAT regime and associated finance system changes at our destinations
- Pump Storage Meeting chaired by Michael Matheson and British Hydro Association in Holyrood in February
- Significant activity on recruitment and organisational alignment for peak operating season

Appendix 1: Business Plan Commitments

Explore and experience

Activity	By March 2025 we will have	Performance measures	RAG assessment Q2	RAG assessment Q3	Q3 update
Maintain visitor safety management	Carried out a strategic review and development of organisational policy/standards relating to visitor and water safety. Developed an organisational strategy, standards and associated plans that will bring together a wide evidence base to support visitor safety. Reviewed towpath code of conduct to support visitor safety. Reviewed and upgraded Public Rescue Equipment.	Zero-harm approach to notifiable accidents. Visitor safety plans updated. New code of conduct produced and communicated. Network-wide plan published.			Methodology currently being tested and explored with operational teams with final adjustments to data capture and evidence collection. Further testing sites have been identified for assessment during February and March 2025. Development of training and communication plan continues.
Develop and promote destination experiences	Introduced new experiences at The Kelpies and The Falkirk Wheel, including engineering tours and electric boat hire. Opened campervan sites along the Caledonian Canal and at The Falkirk Wheel.	Visitor numbers for new experiences and income generated (£).			Introduced new experiences at The Kelpies and The Falkirk Wheel, including engineering tours and electric boat hire. Opened campervan sites along the Caledonian Canal and at The Falkirk Wheel
Refresh customer delivery standards	Standardised customer and stakeholder engagement, prioritising prompt enquiry handling and resolving issues within agreed standards. Developed policies and procedures for boating customer services including storage, access to electric vehicle charging points, aligned to plans for improvements to customer facilities. Introduced assisted passage support during peak season for customers transiting the Crinan Canal.	Customer service standards published. Customer surveys completed. Policies in place for 2025 season. Numbers using assisted passage and income generated (£).			Boater Charter final version approved by EMT and circulated to stakeholders for comment. Meeting to be arranged March 2025 with respondents. Complaints handling progress ongoing.

Activity	By March 2025 we will have	Performance measures	RAG assessment Q2	RAG assessment Q3	Q3 update
Active Travel Strategy and infrastructure upgrades	Initiated strategy development and capital co-investment programme.	Active Travel Strategy in development.			Discussions with Sustrans on a five-year capital co-investment programme have been initiated and funding for 2024/25 and 2025/26 have been scoped with funding agreements for selected projects agreed and signed. In Q3 our Active Travel Officer has reviewed all the relevant strategies from the Local Authorities (LA) and Regional Transport Partnerships (RTP). Continued to build external relationships, including LAs and RTPs to discuss their networks, how they view the canal, and explore funding opportunities. Internal stakeholder meetings held and an outline programme for strategy development drawn up.
Grow volunteering capacity	Third-party revenue funding secured to support scheme development and growth.	Funding secured (£). Volunteering Strategy developed.			This workstream has been on hold since EMT decision in July not to allocate resources. Development of a Training and Volunteering Subgroup of Scottish Waterways for All. Survey of volunteering activity progressed.
Navigation, transits, and moorings provision	Completed a full review of new moorings locations along the lowland canals. Carried out spot dredging and weed control to maintain navigation. Activated automated bollards and streamlined processes for utilities billing for boating customers.	Action plans developed. Capital investment (£) to support greater automation.			Ongoing. Update on moorings and support for navigation included in cover report.

Places and spaces

Activity	By March 2025 we will have	Performance measures	RAG assessment Q2	RAG assessment Q3	Q3 update
Customer facilities improvements	Implemented year one priorities following the review carried out in 2023/24, focusing improvements to automate services and improve the customer experience.	Action plans developed. Capital investment in facilities and services (£).			Delivery working group established and programming priority sites. Lowlands priority list agreed with Highlands to follow in Q4. Development of priority projects underway.
Maximising the impact of land and estate holdings	Review of operational estate initiated seeking to define future requirements to operational delivery. Categorised vacant properties and under-utilised land for future development. Delivered a programme of statutory compliance, planned maintenance and reactive repairs across our properties.	Proportion of estate occupied or zoned and utilised. Specific feasibility and investment plans developed.			Per Q2 update, review of operational estate has not progressed due to lack of resource. This work is delayed until 2025/26. Categorisation of long-term derelict properties is complete and actions underway, review of land to follow. Statutory compliance programme and planned and reactive maintenance all underway as BAU.
Falkirk Wheel masterplan	Developed a design brief for a multi-year programme to renew The Falkirk Wheel visitor attraction and improve the fabric of the buildings aligned to our Net Zero Routemap. Commenced phase 1 works to upgrade customer facilities at the main visitor centre and dedicated facilities for boating customers.	Capital improvement programme investment (£).			Architects developing to RIBA stage 4. Concept and business plan for immersive experience on track. Development lots fully developed and briefed Stage 1 & 2 drawing in progress. Concept phase 1 underway - workshop and developing themes.
Canal Centre/Lock 16, Falkirk	Significantly progressed public sector and third sector partnerships to establish Lock 16 as a national training centre for traditional skills and shared space for operational delivery. Submitted a full business case to secure £4m of Growth Deal funding.	Full business case prepared.			HES signed MoU, HoTs agreed between the parties and funding contribution from HES to support NLHF grant application in place. Application submitted to NLHF for approx. £3.7m to facilitate delivery of the project. Design development progressing through RIBA Stage 4 with a target completion by end of Q4/ early Q1 2025/26. Resubmission

Activity	By March 2025 we will have	Performance measures	RAG assessment Q2	RAG assessment Q3	Q3 update
					of OBC progressing and revised target date for resubmission by the end of Q4. Submission of FBC now targeted for 2025/26 Q2 following market testing.
North Glasgow regeneration	Progressed options for the land and buildings at Applecross Street, Glasgow which draw on community and partner engagement and align with wider plans and developments.	Action plan developed.			Evaluation of four submissions by a Technical Panel and Jury completed with three shortlisted to progress to Phase 2 for more detailed submission. Phase 2 competition to launch before the end of Q4. Review of Scottish Canals operational need is required to be done to support Phase 2 but resource to deliver this is currently a challenge.

Canals for the future

Activity	By March 2025 we will have	Performance measures	RAG assessment Q2	RAG assessment Q3	Q3 update
Improving asset health and resilience	Completed scoping exercise of high-risk assets and spaces to withstand impact of disruption and alignment with business continuity systems and processes. Delivered further embankment investigation and upgrading works on Union Canal. Completed a full audit of mechanical and electrical compliance regime for inspection and maintenance of canal structures.	Action plans developed. Audit findings reported and action plans in place.			Top 10 Asset groups completed and added to the 5-year CIP for capital investment opportunities. More detailed costing being developed to inform future years budgetary decisions
Network-wide climate change resilience assessment	A pilot hydrological model of the Crinan Canal to support analysis of future climate change scenarios to understand likelihood	Model in place and future approach to resilience			Looking at a network wide assessment to improve water stewardship and mitigations to build resilience and

Activity	By March 2025 we will have	Performance measures	RAG assessment Q2	RAG assessment Q3	Q3 update
	and severity of resilience events on supply. Further partnership working in place to support flood mitigation developments.	and water stewardship developed.			response to the emerging risk from climate change. To be reprofiled for 2025/26.
Net Zero carbon	Progressed the potential for hydro, low voltage grids and battery storage along the canal network including development of prospectuses, reflecting national future infrastructure plans and policies to nurture opportunities and partnerships. Plans developed for additional electric vehicles charge points to support further transition of fleet to low carbon options and enable greater use of current electric fleet. Implemented transition plans for our fleet to renewable fuels in line with Net Zero targets. Supported scoping work and potential partnership activity for pump hydro-related freight projects.	Priorities and action plans developed. Carbon emission reduction (%). Progress on electric vehicle network roll-out.			Baseline assessment of Scottish Canals performance and key areas for improvement/development have been identified. Action plan to be developed in Q4. Update for the Board in March 2024.
Devise and implement canal-specific strategies	Initiated improvement projects aligned to the Union Canal Strategy delivered in partnership with City of Edinburgh Council and working closely with local community and third sector partners. Fully implemented statutory harbour audit recommendations for Corpach and Adrishiaig.	Union Canal projects identified. Harbour audit recommendations implemented.			Further works progressing at Fountainbridge and Slateford, Edinburgh, development of further opportunities at Winchburgh Marina, developing the various "Top 10s" asset list to further inform directed investment of the limited capital budget.
Reservoir upgrades	Implemented measures to be taken in the interests of safety to Scottish Canals reservoirs. Upgraded the Lilly Loch siphon and enabling works at Townhead Reservoir ahead of rebuilding the weir in 2025/26.	Capital investment (£).			Design and works progressing on programme.

Activity	By March 2025 we will have	Performance measures	RAG assessment Q2	RAG assessment Q3	Q3 update
Implement local gate and infrastructure automation programme	Replacement of actuators and lock gate upgrades at Fort Augustus flight. Upgraded obsolete controls on a range of mechanised bridges. Concluded priority works to cover completion of Lock15/dummy lock and asset failure at Lock 7 along the Crinan Canal. On the Forth & Clyde Canal, replacement of Locks 16 and 31 plus additional grouting work to reduce water leakage.	Capital investment (£).			Plan in development. Programme initiated on the Falkirk Flight following investigation into asset condition of lock gates 3-16.
Biodiversity gain	Completed surveys to assess the risk and ecological impacts of invasive species, specifically floating water fern on the Monklands Canal. Undertaken measures to reduce the risk of wild salmon entering the canal network. Refreshed approach to the risk of environmental pollution arising from boating traffic along the canal network including deployment of oil spill containment measures and training for employees to support prompt response. Maintained engagement with boat owners to ensure all vessels on the canal comply with the requirements of the Boat Safety Scheme.	Identified potential control measures to support biodiversity gain and compliance with statutory obligations. Training implemented.			Invasive species control work continues - the trial of new technology to control New Zealand pygmy weed is now nearing completing. The trial has been successful in terms of reducing the volume of weeds in several locations with the final evaluation report due to be published in the summer of 2025. A paper on management of fish migration to be considered by EMT in Q4.

People and business

Activity	By March 2025 we will have	Performance measures	RAG assessment Q2	RAG assessment Q3	Q3 update
Initiate a multi-year transformation programme	Launched transformation programme focused on improving effectiveness and efficiency across the organisation to deliver lasting benefits for customers and stakeholders, support employee engagement and wellbeing and a sustainable operating model. Established a robust, evidence-led socio-economic and environmental impact evaluation framework. Programme Management Office fully operational and supporting project and change management culture and framework for successful implementation of revenue and capital initiatives. Embedded procurement policy to maximise value for money for contracted services and goods. Removed all non-compliant spend and improve planning.	Annual and multi-year project portfolio in place (capital and revenue £). Impact evaluation framework published. Progress against internal audit recommendations and overall level of assurance for the 2024/25 audit programme. Proportion of compliant procurement spend.			Transformation Programme priorities confirmed and formal launch during Q3. PMO Lead and Junior Project Manager roles successfully recruited with internal appointments. Development of targets and timescales for projects in development. Significant progress on internal audit recommendations for capital projects achieved during the quarter.
Workforce planning and development	Workforce Plan prepared with supporting actions for future skills, capacity and expertise requirements, seeking to position Scottish Canals as an employer of choice. All canal operational teams trained in 'Exceeding Visitor Experience' and 'Right First Time.'	Workforce Plan in place. Apprenticeship and trainee scheme developed. Percentage of turnover invested in learning. Number of people trained.			New consolidated plan to be produced in Q4, to align with People Strategy, supersede previous plans, bring together existing projects, and address audit requirement. Four apprentices joined during the quarter and wider scheme development underway with internal consultation and working with Skills Development Scotland and college partners. Apprenticeship scheme approved by EMT. Leadership and management programmes (ILM accredited) ongoing and well received by managers.

Activity	By March 2025 we will have	Performance measures	RAG assessment Q2	RAG assessment Q3	Q3 update
Community engagement and employability programmes	The Treehouse Inverness and The Eggshed Ardrishaig operating as high-quality spaces available for community use. Refreshed stakeholder engagement with partners to shape projects and initiatives, securing support and attracting grant funding for implementation. Hosted the second year of Youth Engagement Forums through our Young Scot partnership, helping to shape plans which promote the voice of young people in the future of our canals.	Occupancy and use (bookings and income generated). Progress against plans. Number of young people engaged.			Young Scot panel meeting at TFW. The day session included a walk and talk heritage and engineering tour down to Lock 16. Topics discussed included how to deter graffiti on heritage assets, recruitment and engaging apprentices and volunteering to promote a career in engineering to young people.
Ongoing investment in employee wellbeing, health, and safety	Progressed initiatives which support work life balance including proposals for a shorter working week whilst fulfilling operational arrangements to manage canal assets safely 24/7, year-round. Implemented year one priorities following the welfare review carried out in 2023/24, adopting a risk-based approach to improvements. Occupational health surveillance refreshed for employees exposed to health hazards for all known activities.	Progress on operating model and 35-hour working week business case. Progress on welfare upgrade plans. Occupational health monitoring framework in place.			The Safety Culture and Wellbeing Committee continues to explore health and safety culture and wellbeing. This work will continue into Q4 with a strategy being published in Q1 of 2025/26. Employee survey to be launched in March 2025.
Information management, digital systems, cyber security, and safety	Initiated phased delivery of improved records system, physical and digital records, ensuring compliance with Public Records Scotland Act (PRSA) and UK GDPR provisions. Progressed M365 consolidation and implemented recommendations for review carried out in 2023/24. Designed and implemented IT playbook and response plan for a variety of scenarios including cyber incidents and disaster recovery. Develop and	Compliance performance. Progress against action plans. IT playbook in place.			Craig Andrews - Sharepoint project information gathering by Intelogy complete. Work ongoing to create a work plan. Backup and restore function upgraded to incorporate M365. Cyber playbook and log complete. Cyber resilience staff documents, including policies, updated.

Activity	By March 2025 we will have	Performance measures	RAG assessment Q2	RAG assessment Q3	Q3 update
	procure a cyber-attack response partner for Scottish Canals.				Create DR and BC documents in draft form - work ongoing. Ongoing engagement with HEFESTIS, Police, similar public sector bodies, and NCSC.

Appendix 2: Q3 Performance Dashboard

Please see PowerPoint slide deck for KPI report, H&S dashboard, Communications & Marketing insights.