

EXECUTIVE DIRECTOR SPONSOR: RICHARD MILLAR**Q3 2024/25 COMMERCIAL INVESTMENT PLAN REPORT****Purpose**

This paper provides an update to the Board as to progress on the delivery of the approved 2024/25 Commercial Investment Plan. The Board is asked to note the content.

Priority

Routine.

Background

The 2024/25 Commercial Investment Plan was approved by the Board at its June 2024 meeting.

Key Points for Noting

The quarterly summary of progress is provided in Appendix 1. There is a nominal increase (£█████) to the planned full year expenditure due to a small increase in the cost of The Kelpies Experience project.

All the 24/25 projects are progressing as planned with the Kelpies Experience (Phase 1) completed and launched successfully on schedule in November 2024. Our delivery partner, Zone Events, undertook staff training and the first event took place on 22nd February. Various charities have committed to 27 days in the first half of 2025/26 and the first public event scheduled for 21st March is sold out. We are forecasting a ██████ profit in the first year of operation, broadly in line with business case and this is expected to grow. Additionally, increased profit of approximately ██████ is anticipated next financial year from the Horsebox as a result of increased footfall from the new Kelpies Experience.

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The Investment Committee did not approve any new projects in the quarter.

Corporate Considerations

- Strategic Priorities: The 24/25 Commercial Investment Plan aligns with Scottish Canals' Investment Strategy and supports Corporate Plan and strategic priorities around financial sustainability.
- Health & Safety: Nothing to note.
- Risk/Risk Appetite: The investment plan aligns with corporate risk appetite in that SC has a cautious risk appetite to undertaking activities that provide value for money and guaranteed future revenue streams.
- Legal: Nothing to note.
- Financial: As per this paper. 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.
- Human Resources: Nothing to note.
- Fair Work First: Scottish Canals endeavours to comply with the SG Fair Work First criteria where applicable.
- Communication: As individual projects are delivered, internal and external communication requirements will be determined.
- Community & Third Sector: Nothing to note.
- Commercial: As per this paper which updates on commercial investment.
- Asset: The investment strategy seeks to maximise value from non-operational assets. The Borron Street project brings a long-term vacant property back into revenue generation whilst upgrading and protecting the fabric of the asset for the future.
- Environment: Opportunities to achieve carbon efficiency in consideration of Scottish Canals' net zero ambitions forms part of the due diligence on all investment projects.

Conclusions and Recommendations

The 2024/25 Commercial Investment Plan was approved by the Board at its June 2024 meeting. This quarterly update confirms all projects are progressing as planned with a small increase to the forecasted spend ([REDACTED]) and informs on progress within the quarter, specifically the completion of the Kelpies Experience (Phase 1) [REDACTED]

The Board is asked to note the content.

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Date: 06/03/25

Appendix 1