DATE	Tuesday 2nd June 2026	TIME	09:30 to 13:00	VENUE	The Falkirk Wheel, WheelRoom

MEMBERS	
Maureen Campbell	Chair
Carolyn Sawers	Vice Chair
Robin Strang	Board Member
Michelle Wailes	Board Member
Rob McGregor	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
Brian Auld	Interim Director of People, Safety & Governance
Nicola Christie	Head of Governance & Legal Services (Secretary)
Vikki Fleming	Executive Personal Assistant (Minutes)
Andy Robinson	Transport Scotland, Canals Policy & Sponsorship Manager
Monika Kalinowska	Transport Scotland, Sponsorship and Governance Manager
Fiona Dunn	Transport Scotland, Sponsorship Hub Team Leader
Chris Wilcock	Transport Scotland, Director of Ferries & Ports
Ross McMillan	Head of Destinations (Item 9)
Emma Neilson	Development Manager (Item 9)
APOLOGIES	
Kirsty Berchtenbreiter	Director of People & Strategy (invited to attend as an observer)

	Topic	Action
1	**Welcome, Apologies and Declaration of Interests**	
1.1	The Chair welcomed all attendees including Transport Scotland representatives. It was noted that Kirsty Berchtenbreiter would be joining Scottish Canals as Director of People & Strategy on 9th June 2026.	
1.2	The Board looked forward to engaging with Stephen Flynn, Cabinet Secretary for Economy, Tourism and Transport, the new Scottish Government Minister for Scottish Canals. The Board welcomed the new Minister's cross-cutting agenda which reflected Scottish Canals vision and strategic objectives. On behalf of the Board, the Chair thanked Fiona Hyslop and Jim Fairlie for their support of Scottish Canals.	
1.3	It was noted that Ivan McKee had been appointed as Cabinet Secretary for Public Service Reform (PSR). The Chair continued to engage with Chairs of other public bodies to inform the PSR agenda and Scottish Canals continued to explore its proportionate contribution to PSR.	
1.4	There were no declarations of interest.	
2	**Approval of previous Board minutes**	
2.1	The draft minutes of the Board meeting held on 13 March 2026 were approved subject to the addition of a sentence in paragraph 5.6 as follows: "It was also noted that the Financial Reporting Council set a quorum with a minimum of two."	
2.2	The draft minutes of the Board meeting held on 31 March 2026 were approved.	
2.3	The Board noted that the Annual Report & Accounts (ARAs) 2024-25 were scheduled to be laid before Parliament by 10 June 2026. The Board was assured that the asset valuation process was subject to continuous improvement. The external audit 2025/26 was planned for September 2026 and the Board would be kept updated on progress. It was agreed that a single item Board meeting to approve the ARAs 2025-26 would be added to the Board meeting calendar 2025-28 for the week commencing 7 December 2026 to ensure the	

	sponsor team had sufficient time to lay the ARAs 2025-26 before Parliament prior to the statutory deadline of 31 December 2026. **ACTION** **A single item Board meeting to approve the Annual Report & Accounts 2025-26 to be added to the Board meeting calendar for the week commencing 7 December 2026.**	**Board Secretariat**
3	**Review of Previous Actions & Matters Arising**	
3.1	**Action Log** The updated action log of key decisions and actions from Board meetings was reviewed. The Board approved the closure of the completed actions.	
3.2 3.3	**Mapping of Scottish Canals Planned Strategies** The Board noted the update on Scottish Canals current strategy map including work in progress to develop an up-to-date Environment strategy, Heritage strategy and Marketing and Communications strategy. For efficiency and effectiveness, the Board recommended that the Executive Management Team (EMT) consider reducing the number of strategies in favour of functional plans. It was noted that strategic objectives for each function should form part of an expanded Corporate Plan underpinned by Annual Business Plan activities. The EMT would progress this streamlining opportunity in the development of the Corporate Plan to replace the current Corporate Plan 2023-28 for consideration at the Board strategy session. **ACTION** **The EMT to develop draft functional strategic objectives to include in an expanded Corporate Plan for consideration at the Q3/Q4 2026/27 Board strategy session.**	**EMT**
3.4 3.5 3.6 3.7	**Health & Safety Strategy Update** The Board reviewed the progress report on the implementation and delivery of Scottish Canals Health & Safety strategy 2025-28. The adjustments to the delivery plan during 2025/26 reflecting operational challenges and evolving risks were noted. The Board discussed the red rated activities relating to the completion of visitor and water safety risk assessments and the implementation of a compliance framework consolidating compliance structures, accountabilities and responsibilities. The Board was assured of the priority work in progress to ensure robust visitor and water safety risk assessments and water safety communications recognising the collective responsibility for health & safety. The Board was advised that Baker Tilly had been instructed to include a view on compliance arrangements as part of the Strategic Workforce Review and provide recommendations. Initial feedback had identified weaknesses in the compliance accountability structure as compliance monitoring was undertaken through multiple functional channels. Significant time and additional resources would be required to develop systems for performance and compliance assurance reporting to the Board and Scottish Government. The Board noted that the Transformation Programme was focussed on system and data analysis improvements. The Scottish Government sponsor team acknowledged the efficiency and effectiveness benefits of upgraded systems and encouraged further discussion to identify capital investment opportunities for Scottish Canals for upgrading systems.	
4	**People Report**	
4.1	**Workforce Planning** The Board was assured that the recruitment programme to address identified gaps in critical roles with a focus on asset maintenance was progressing to plan to deliver on the increased Scottish Government Capital and Revenue budget allocations. Four Deputy Directors had been appointed from existing Heads of Service with effect from 1st June 2026 to support the EMT and a new Deputy Director of Operations would be joining Scottish Canals in June. These roles would increase engagement and support to staff, enhance	

	operational capacity, enable change, and strengthen organisational resilience. They will help to ensure Scottish Canals can safely and effectively deliver its increased delivery programme and develop a structure with the continued emphasis on statutory and strategic responsibilities to secure the long-term success of the canals.	
4.2	The Board noted that there had been a delay in the Strategic Workforce Planning programme. The EMT was reviewing the draft interim report recently received from Baker Tilly following its Strategic Workforce and Target Operating Model Review. It was anticipated that further organisational engagement would be undertaken before reporting to the Board in Q3 with a recommended implementation approach and programme of delivery. It was agreed that an executive summary on progress of the Strategic Workforce Planning report, highlighting key findings, themes and next steps would be circulated to the Board to assess potential budget needs.	
	ACTION **An executive summary on progress of the Workforce Planning report, highlighting key findings, themes and next steps to be reported to the Q2 Board meeting.**	**Director of People & Strategy**
5	**Audit & Risk Committee**	
5.1	**ARC Chair Report** The Board noted the written report from the ARC Chair together with the minutes of the ARC meetings held on 26 March 2026 (approved) and 19 May 2026 (draft). The ARC Chair summarised the key issues.	
5.2	The Board reviewed and noted the ARC Annual Report, which provided an evidence-based assessment of governance, risk management, and internal controls for the year ending 31 March 2026, supporting the Governance Statement in the Annual Report & Accounts 2025/26. Internal Audit's opinion was that reasonable assurance could be placed upon the adequacy and effectiveness of the governance and control environment which operated during 2025/26 in Scottish Canals.	
5.3	The Board approved the ARC recommendation to appoint Amanda McGuigan as an independent member of the ARC with effect from 1st August 2026 for a 3-year term. It was noted that Amanda had relevant skills and expertise to meet the criteria of the ARC skills matrix. Amanda had been appointed to the Board of Loch Lomond and the Trossachs National Park Authority with effect from 1 November 2026 which would be complementary to her role at Scottish Canals.	
5.4	**Risk Tolerance Update** The Board reviewed the findings of the risk tolerance survey distributed to members of the Board, Audit and Risk Committee (ARC) and Executive Management Team (EMT) to establish a clear understanding of acceptable levels of tolerable risk across Scottish Canals.	
5.5	The survey results demonstrated a consistent approach to risk tolerance with a preference for low to moderate risk tolerance across all risk categories. On the recommendation of the Audit and Risk Committee the Board approved the adoption of the proposed risk tolerance positions for each risk category to be Incorporated within Scottish Canals risk management framework to inform corporate and business planning.	
6.	**Performance Reporting**	
6.1	**Executive Management Team Challenges & Opportunities** The Board reviewed and discussed the comprehensive strategic, operational and stakeholder updates detailed in the Executive Management Team Challenges & Opportunities report.	
6.2	The Board welcomed Scottish Government confirmation of Scottish Canals uplifted budget allocation for 2026/27 to reflect the increase in operating costs and investment to ensure the canal network continued to be well maintained, navigable and safe for the public. The	

	monitoring arrangements with the Transport Scotland sponsor team were noted to include quarterly strategic meetings.	
6.3	The Board noted that the appointment of Ivan McKee as Cabinet Secretary for Public Service Reform (PSR) reinforced Scottish Government's strategy to deliver increased efficiency across the public sector and that PSR was moving into a phase focused on demonstrating activity. Scottish Canals would continue to participate in progressing PSR initiatives relevant both to Scottish Canals and the wider public sector, notably through Transport Scotland's PSR Leadership Cluster in addition to demonstrating that Scottish Canals had already completed initiatives reflecting the PSR agenda.	
6.4	The Board was updated on Scottish Canals' applications to the Invest to Save PSR Fund 2026/27. Further discussion with the PSR assessment team on the detail of the applications was anticipated and the Board would be updated on progress.	
6.5	The Board discussed the change to funding streams for Active Travel projects which prevented Scottish Canals from bidding for funding directly. The Board was assured that Scottish Canals would work in partnership with individual local authorities and Regional Transport Partnerships to explore how Scottish Canals can continue to access third party active travel infrastructure funding. The sponsor team noted the potential impact of this change to Scottish Canals active travel strategy.	
6.6	The Board welcomed the confirmation from Martin Day, MSP that he would sponsor Scottish Canal's application to parliament for a reception to mark the 25th anniversary of the Millenium Link in Autumn 2026. The Board would be kept updated on progress. **ACTION** **The Board to be kept updated on progress of Scottish Canals applications to the Invest to Save PSR Fund 2026/27.**	**CEO**
6.7	**Q4 2025/26 Finance Report** The Director of Finance & Business Services updated the Board on the year-end position for the 2025/26 financial year, and summarised the key ongoing financial issues as detailed in the Q4 Finance Report.	
6.8	**Q4 2025/26 KPI's, Health & Safety Dashboard, Corporate Communications & Marketing Report** The Board noted the Q4 performance against the Business Plan commitments and corporate KPIs together with the health & safety quarterly summary and the comprehensive communications and marketing update. The Board was assured that lessons learned arising from the incident reported in the health & safety summary had been progressed.	
6.9	**Q4 2025/26 Corporate Risk Report** The Board noted the Q4 summary of the corporate risk movements and risk activity undertaken as detailed in the Corporate Risk Report. The Board noted that Asset risk had been reduced during this period reflecting the significant uplift in Grant in Aid funding provided by Transport Scotland for a Capital Investment Programme focused on asset improvement. All other identified risks remained stable, with no significant changes in their current ratings. A graphic to demonstrate corporate risk movements over a longer period would be included in future quarterly Board reports.	
6.10	The Board was assured of continuous improvement to project risk management and training and development to support a maturing risk management process. **ACTION** **A graphic to demonstrate corporate risk movements over a longer period would be included in future quarterly Board reports.**	**Director of Finance & Business Services**

7	**Capital Investment**	
7.1	**Q4 2025/26 Capital Investment Programme (CIP) Report** The Board noted that the 2025/26 CIP continued the delivery of significant capital investment into Scottish Canals Assets. During Q4 several significant adjustments were required within the CIP, specifically to undertake emergency works to drain the Kelvin aqueduct on the Forth & Clyde canal to undertake repairs and at Bellanoch on the Crinan Canal to repair the embankment.	
7.2	The Board was assured that the proposed adjustments had been reviewed by the Project Assurance Committee and, where required, approved by Transport Scotland. The Board approved the individual project budget changes (and associated contingency movements) that exceeded the delegated threshold of £500k, to support continued delivery of the 2025/26 CIP.	
7.3	The Board and Transport Scotland, as a key stakeholder, were encouraged to visit the Kelvin aqueduct to understand the asset challenges. The potential for a site visit by the new Minister would also be proposed. The Chief Operating Officer would progress arrangements for a Board/Ministerial site visit. **ACTION** **A Board/Ministerial site visit to Kelvin aqueduct to be progressed.**	**COO**
8	**Commercial Investment**	
8.1	**Q4 2025/26 Commercial Investment Plan Report** The Board reviewed the Q4 2025/26 Commercial Investment update which reported on the full year position and progress made to deliver the approved projects, highlighting any variations in spend, timescale or scope. [redacted]	
8.2	[redacted].	
8.3	**Annual 2026/27 Commercial Investment Programme** [redacted]	
8.4	[redacted]	
8.5	[redacted]	
8.6	[redacted]	

8.7	**Ratification of Dundashill, Plot 4b Development** [redacted]	
9	**The Falkirk Wheel Masterplan**	
9.1	**The Falkirk Wheel Masterplan update** Ross McMillan, Head of Destinations and Emma Neilson, Development Manager joined the meeting to update the Board on progress of The Falkirk Wheel Masterplan to unlock additional economic benefit at the site.	
9.2	The Board congratulated the team on a comprehensive, well-researched and inspiring presentation. The Board acknowledged that The Falkirk Wheel required investment to refresh the visitor attraction experience. In recognition of the challenging funding context the Board was fully supportive of the recommended phased approach. It was agreed that required refurbishments to the fabric of The Falkirk Wheel visitor centre would be undertaken in the first phase.	
9.3	[redacted]	
9.4	The Board would be provided with a progress update on The Falkirk Wheel Masterplan business case development in Q2 2026/27. **ACTION** **The Board to updated on progress of The Falkirk Wheel Masterplan business case development in Q2 2026/27.**	**COO**
10	**Forward Planning**	
10.1	**Board Meetings Calendar & Site Visits 2026/27** The Board noted the Board meetings calendar. The Board would continue to be advised of potential site visits.	
11	**Any Other Business**	
11.1	Carolyn Sawers was stepping down as a Board member and Vice Chair having completed her term of appointment at the end of June 2026. On behalf of the Board the Chair thanked Carolyn for her invaluable contribution to Board meetings and wished her every success for the future. Caroyn advised that it had been a privilege to be a Board member and Vice Chair and appreciated Scottish Canals grounded community concern in a resource challenged public sector.	
11.2	The Board approved the appointment of Neil McDonald as Vice Chair.	
11.3	On behalf of the Board the Chair thanked Brian Auld for his impactful contribution during his time at Scottish Canals as Head of Health & Safety and latterly as interim Director of People, Safety & Governance and wished him every success for the future.	
	Meeting Close	