BM/8/MAY/2025
CORPORATE
APPROVAL
OPEN

TITLE:	**Q4 2024/25 Capital Investment Programme Report**
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JOB TITLE:	**Chief Operating Officer / Head of Engineering & Infrastructure**
EMT APPROVED DATE:	

PURPOSE

This paper sets out the changes to the Capital Investment Programme (CIP) that occurred during quarter four 2024/25 and seeks Board approval to the adjustments and increase of the overall Capital budget to [redacted]

As highlighted in the previous Q3 report and in accordance with the Scheme of Delegation, Transport Scotland (TS) approval was received for the proposed increased investment at Q3. Confirmation of additional TS investment of £1.5m was received in December 2024. (£500k Falkirk Lock flight)

RECOMMENDATION

The Board is asked to note the adjustment to other projects and our overall contingency to facilitate this continued investment.

Significant movements have occurred within the Q4 period and Board approval is requested in line with the scheme of delegation for projects(<£100k) as detailed within this paper and Appendix 1. These priority projects are key to the safe delivery of our Asset Management Plan and our legal compliance with the Transport (Scotland) Act 1968 and Reservoir (Scotland) Act 2011.

BACKGROUND

The 2024/25 CIP continues the delivery of significant capital investment into Scottish Canals Assets. The Asset Management Strategy 2018-2030 has supported the case for investment and since 2018 we have seen significant increase in capital grant in aid (GIA). This followed several asset failures which threatened the continued operation of the canals as well as the safety of wider communities and national infrastructure.

The asset inspection regime has identified various locations and asset types requiring upgrading in 2024/25, this has primarily related to the rapid deterioration of the lock gates on the Falkirk Flight.

A full breakdown of the Capital Investment Plan (CIP) allocation of funding is provided in Appendix 1 with adjustments and commentary provided.

ASSESSMENT

Scottish Canals continues to focus investment on a risk-based approach across all corporate themes. Reservoirs remain a key safety priority; Lily Loch Reservoir works were completed to the timescales set by our All-Reservoir Panel Engineer (APRE) through careful project management, the final costs were lower than projected, which has permitted funding to be reallocated within the programme. On the Townhead Reservoir project we have faced a significant delay in the purchasing of land to construct the new spillway. Optioneering is continuing in partnership with our APRE, who remains comfortable with the delay and mitigation in place. Adjustments will be required to the 2025/26 CIP to take account of these delays.

The condition of our lock gates across the estate remains a significant concern. Throughout Q4 the focus in Lowland Canals remained with the set up and drain down at locks 3 to 16 on the F&C Canal. Works were also undertaken to replace cills at Fort Augustus, these works have increased in cost significantly due to issues identified under water by the diving team and the purchase of actuators for the second phase investment at this location.

Within our Embankment Programme, additional reactive works were undertaken at various locations throughout the network, notably at Maryhill Dry Dock, Linlithgow and Bellanoch Bay.

The Principal Inspections Programme continues at pace and is highlighting significant future asset challenges.

Significant movement occurred on a few major projects to aid the Board in overviewing the major changes; these are set out in the table below:

[redacted]

[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Due to movements within the programme 12 smaller projects were developed, reviewed and approved by the Project Assurance Committee and delivered in Q4. Additional TS investment and movements within the period totalled [redacted]

CORPORATE CONSIDERATIONS ANALYSIS

Strategic Priorities	The allocation of the CIP aligns with the themes defined within the 2023-2028 Corporate Plan.
Health & Safety	Numerous projects relate to emerging H&S concerns, relating to welfare & customer facilities as well as issues identified in local H&S plans.
Financial	CIP allocations are only associated with Capital Departmental Expenditure Limit GIA.
Legal	CIP allocations are aligned with meeting our Statutory Duties.
Risk / Risk Appetite	CIP allocations are prioritised against risks as set out in the Asset Management Plan, we continue to operate at risk with a significant backlog due to both staff and financial resource restrictions.
Sustainability	
Environment	Limited CIP allocations invest in energy and efficiency projects acknowledge the requirement to develop solutions and third-party funding to support SC's future programme of appropriate investment choices in responding to global challenges of climate and biodiversity crisis. This at present remains insufficient due to wider pressures
People	Project management resources remain extremely tight and Q4 has been a significant challenge, the planned investment on a PMO resource will strengthen and further professionalise our project management approach.
Fair Work	Scottish Canals seeks to comply with the SG Fair Work First criteria as far as possible.
Communication	Asset investment works will require significant canal closures in winter 2024/25 and continued communication of planned works and interruptions is required specifically for the Falkirk Flight (3– 16) for the 18-month suspension of navigation. In addition, careful management of communications in rural

	areas (Crinan and Fort Augustus) where works are taking place is required to manage community and local business engagement/fallout.
Community & Third Sector	Community Fund realised as part of the Falkirk Flight project for the local communities affected.
Commercial	N/A
Asset	The CIP allocations take cognisance of the Asset Management Strategy 2018-2030 and Asset Management Plan 2021-2024. These plans will be revisited in 2025/26 if resources allow.

RECOMMENDATION

Approval

OUTCOME

Secretariat/minute taker to note the outcome here for circulating to the Author after the meeting.