

Meeting Minutes

Minutes of the Meeting of the Board of Scottish Canals held on 2nd November 2017 at 9.30am at The Falkirk Wheel, Camelon, Falkirk

Present:	Andrew Thin	- Chair
	Tanya Castell	- Vice Chair
	Cathie Bankier	- Non-Executive Director
	Deborah Benson	- Non-Executive Director
	Martin Latimer	- Non-Executive Director
	Steve Dunlop	- Chief Executive
In Attendance:	Nicola Christie	- Head of Legal Services (Secretary)
	Lesley Corr	- Executive Assistant
	Katie Hughes	- Director of Estates and Commerce
	Claire Lithgow	- Director of Finance
	Richard Millar	- Director of Infrastructure
	Josie Saunders	- Head of Corporate Affairs
	Chris Wilcock	- Head of Ports, Shipping, Freight and Canals, Scottish Government
Apologies:	Naila Akram	- Observer

1. Welcome and Apologies

The Chair welcomed everyone to the meeting, in particular Chris Wilcock, Head of Ports, Shipping, Freight and Canals, Scottish Government (SG). Apologies from Naila Akram, Board Observer, were noted.

2. Declaration of Interests

Cathie Bankier, due to her role at Scottish Water, declared an interest in the North Glasgow Integrated Water Management System (NGIWMS). There were no other declarations of interest.

3. Approval of the Minutes from Previous Meeting and Matters Arising

The Board considered and approved the draft minutes of the Board meeting held on 21st September 2017, subject to amendment as agreed. The amended Board minutes would be circulated to the Board.

4. Review of Previous Actions

The progress report on actions from previous meetings was reviewed and updated to reflect that several actions had been completed. The Board agreed that a review of the Key Performance Indicators (KPI's) would be added to matters arising linked to the Risk Register review.

A report on the progress of the NGIWMS, a strategically significant project, would be considered at the December Board meeting. The SG sponsor team would also receive a briefing to update Scottish Ministers.

Action:

A report on the progress of the NGIWMS to be considered at the December Board meeting.
The SG sponsor team to be briefed on NGIWMS to update Scottish Ministers.
A review of the Key Performance Indicators (KPI's) to be added to matters arising linked to the Risk Register review.

5. Board Forward Plan

The Board considered and agreed the proposed preparation and planning principles to support the forward Board meeting programme for 2017/18. The sponsor team would propose dates for the

annual Board meeting with the Minister for Transport and the Islands. A detailed programme will be brought forward by the Chief Executive.

Action:

The annual Board meeting with the Minister for Transport and the Islands to be arranged.

6. Corporate Risk

The Board was updated on progress of the review of the corporate risk appetite and controls. The outcome, together with a proposed Risk Register and Risk Appetite Statements will be provided to the February meeting.

The Board reviewed the Corporate Risk Register and noted that substantive discussions were ongoing with Transport Scotland to mitigate the risks of aging trunk road bridges failing. The Board would consider the risk impact following an update to the February meeting as a consequence of a planned SG briefing regarding the public sector pay policy framework.

7. Quarterly Health & Safety Report

The Board considered the thorough Q2 Health and Safety report and noted planned progress towards delivery of the actions from the Health & Safety Action Plan 2017/18.

The Board noted that two RIDDOR reportable accidents had occurred during the quarter. The Board was assured that, following full investigation to the satisfaction of the Health and Safety Executive, appropriate actions had been implemented as a consequence of an incident at a lock walkway at Grangemouth. The Board to be advised that appropriate public safety tolerances and reasonable controls were in place at lock walkways across the network. A clear root cause had been identified following the conclusion of a full investigation of an injury sustained whilst using a power washer. The Board was assured that the learning from both incidents and a programme to refresh training and protocols was planned for delivery in Q3.

The Board further noted that, despite significant growth in visitor numbers at key locations and increased footfall on the canal towpaths over recent years, the claims analysis provided by the insurance brokers highlighted the low level of public liability claims received.

Action:

The Board to be advised that appropriate public safety tolerances and reasonable controls were in place at lock walkways across the network.

8. Quarterly Business Report

The Board reviewed the Q2 Business Report presented in the context of the core themes of financial sustainability; public value; and empowering and motivating people as set out in the Corporate Plan 2017-2020 and noted progress of the corporate and strategic KPIs in accordance with the Business Plan for 2017/18.

The Board congratulated the delivery team on the success of the engineering project at Ness Weir which had received external reservoir engineer validation regarding the improved safety of this structure.

The Board noted that discussions were continuing with Transport Scotland in relation to the long-term future of trunk road bridges. The trunk road bridge at Ardrishaig would be the basis for formalising the process going forward. The usage of accommodation bridges would continue to be actively managed.

The STEM (science, technology, engineering and math) SG policy initiative was noted and links with the development of the modern apprentice scheme to invest in the workforce of the future would be explored.

The Board was updated on the ongoing compulsory purchase order process in relation to a part of the Glasgow branch of the Forth & Clyde canal at Port Dundas and noted matters of significance arising since the quarter end.

9. Quarterly Finance Report

The Board considered the Q2 Finance Report. It was noted that, following the second reforecast of the year, the forecasted full year outturn for 2017-18 remained in line with the original budget despite overall revenues at the Falkirk Wheel being below budget in the quarter due to adverse weather having an impact on footfall although there had been an increase in spend per head. The summary debt position showed an improvement in aged debt. The cash demands on the organisation were considerable and the Finance team continued to undertake rigorous daily cash management. The spend profile of the operational capital budget for 2017-18 was discussed. It was noted that the profile of works was spread across the year due to the nature of the projects in the work programme and the targeted optimal timing and anticipated weather conditions. The slippage in the actual spend against budget in Q2 was a timing issue and contractors and operational delivery teams would continue to be encouraged to ensure works are completed in line with budgeted timescales.

10. Update on Implementation of Pricing Policy

The pricing changes rolled out following the independent review of Scottish Canals' charging policy had been generally accepted and were largely embedded. Some challenges had been made in relation to the prices applicable to the moorings occupied by a number of pensioners. Scottish Canals' Board gave due consideration to the general principle of boaters of pensionable age paying less for their mooring than other customers. However, to ensure that mooring rates were applied fairly and consistently across Scottish Canals' customer base, the Board agreed it would not be inclusive for all to offer a concession to boaters of pensionable age to enjoy a leisure activity on a publicly-owned and funded asset. The Board further noted that there was an option available to boaters to move to a cheaper mooring location. It was agreed that the Board's decision would be communicated to the boat owner who had raised this matter.

11. Falkirk Wheel operational risk update

The Board was briefed on the profit expectation of the Falkirk Wheel for 2017-18 which was currently behind plan due to events outside of Scottish Canals' control, which had impacted income, however, the key underlying margin costs and customer spend trends continued to be encouraging and positive and the attraction continued to be developed with more activities on site.

The Board was further briefed on the rigorous operational and technical engineering regime in place to maintain the structure which attracted 700,000 visitors per year and enjoyed a global interest. The Board reviewed the risks in operating the asset and was assured that monitoring was undertaken in line with a full, proactive asset management programme and financial plan. The Board met the team of competent and engaged engineers during a tour of the site and structure.

12. Any Other Business

Diversity in Governance Research

The Board had agreed to participate in a Diversity in Governance research initiative to be conducted by the offices of the Commissioner for Ethical Standards in Public Life in Scotland and it was noted that the deadline for feedback was 25th November 2017.

The Scottish Waterways Trust

The Chair and several non-executive members of the Board planned to attend the Scottish Waterways Trust reception for MSPs and stakeholders at the Scottish Parliament on 8th November 2017.

The Board was briefed on several ongoing commercial ventures which were within the delegated authority of the Executive team.

The Board was reminded to complete the feedback for the Corporate & Operational Governance annual review to be reported to the Audit & Risk Committee at its meeting on 1st December 2017.

Action

The skills matrix for the Board recruitment process would be circulated to the Board for information.

Date of Next Meeting

The next meeting would be held on 14th December 2017 in the Fort William area.

Signed Andrew Thin Date