

BUSINESS PLAN 2021-22

Draft

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Introduction

Welcome to our business plan for 2021-22.

As with every other organisation, Scottish Canals continues to feel the impacts of Covid-19. This business plan sets out how we intend to meet the challenges of operating in a global pandemic as well as continuing to deliver against the four strategic priorities set out in our [Corporate Plan 2020-2023](#).



While the uncertainty around Covid 19 looks set to continue we are determined to ensure that our destinations, canals and towpaths are ready to welcome boaters, visitors and residents as soon as they are able to do so. This means planning ahead, adapting to changing needs and working with partners, customers and local communities to focus on activity that will deliver the best public value for the money that we spend.

To draft: our role in Scottish recovery.

Our business plan is ambitious, yet realistic. In the year ahead, we will be investing in Falkirk, with plans for a new centre of canal excellence at Lock16, we will be strengthening our offering at Bowling with an exciting new highline bridge to enhance the visitor experience, and we will be developing a new centre for business and community activity at Carse Hub on the Caledonian Canal.

Over the past year we have seen a surge in the use of Scotland's canals by walkers, cyclists, paddle boarders and residents enjoying all that these incredible heritage assets have to offer. Over the next 12 months, we look forward to these bio-diverse, car-free green spaces continuing to play a vital role in the nation's health and well-being and will be working with partners including Young Scot, Sustrans and local authorities to ensure as many people as possible continue to enjoy a wealth of leisure and recreation activities safely and sustainably.

Thanks for **£X million** pounds of additional capital budget from the Scottish Government, 2021-22 will also see significant investment in our canal assets. This includes delivering Stockingfield Bridge, a £12.8 million piece of national infrastructure across the Forth & Clyde Canal that will link the communities of Ruchill, Maryhill and Gilshochill for the first time in almost 200 years.

We have ambitious plans to upgrade our digital systems, improving customer experience, organisational productivity and streamlining our business processes. Over the next 12 months, we will deliver year two of a three year £1.2m digital change programme across the organisation that includes a new customer website, customer relationship management platform (CRM), records management solution and our HR systems.

So while we are likely to feel the impact of Covid-19 in the months and year ahead, we will continue ensuring that Scotland's canals are well maintained, reimagined for the twenty-first century, can be accessed by all and continue to deliver for Scotland in diverse ways, from tourism, health and regeneration to addressing the climate emergency.

Catherine Topley
Chief Executive and Accountable Officer
Scottish Canals

Our Vision

We set our vision in our Corporate Plan 2020-2023 which is published on our website [here](#).

Our vision is for Scotland's canals to be a world-class waterway network with a thriving natural environment built upon 250 years of history that benefits communities and all users who live, work, visit and play along our canals.

Our Values

- People-centred, with the commitment, skills and passion of our team central to our work and future.
- Inclusive, serving the whole of Scotland - our communities, businesses and visitors.
- Environmentally responsible, ensuring the canals of Scotland contribute to our resilience in the face of climate change, and contribute to a low or no-carbon future.

Our people are instrumental to the success of this Business Plan and drive the performance of our organisation on a day to day basis by delivering exceptional services along the canal corridors.

Our People Strategy will play a critical role in safeguarding our distinctive culture and ensuring a progressive, sustainable and healthy working environment as we work collaboratively with our people and trade union partners to deliver the ambitions and objectives of Scottish Canals.

Our Strategic Priorities

We will ensure that we remain focused on delivering these four key priorities during the period of our Corporate Plan 2020-2023:

- Transform Our Canals
- Create Opportunities
- Excel In What We Do
- Respond to Global Challenges

We are the public body for Scotland's canals. It is imperative that we continue to demonstrate a responsible, well governed and led organisation in everything we do from communications and engagement, to how we build relationships, to how we spend public money and earned income to the betterment of the canals. We are committed to ensuring best practice in our governance, business and delivery plans.

A Year in Review - 2020-21

At Scottish Canals we are committed to protecting and improving Scotland's canal network as well as the environments around them and we made some significant progress in meeting this objective over the past 12 months, against the backdrop of a global pandemic.

- Our Restart Plan, which aligned with the Scottish Government's strategy, ensured we could relaunch operations safely and in a way that allowed us to market our destinations to the huge numbers of UK staycationers and people keen to enjoy local outdoor leisure activities across our network.
- £xxm replacement of lock gates on the Crinan Canal which will prolong the life of 'Britain's most beautiful shortcut' for many years to come.
- Launched Glasgow's Smart Canal, a partnership with Glasgow City Council and Scottish Water that will welcome surface water run-off from five development sites in North Glasgow, thereby unlocking them for the development of 3,000 new homes in the city.
- Completion of Garscube Bridge
- Kickstarted the development of Stockingfield Bridge on the Forth & Clyde Canal in Glasgow which will reconnect the communities of Maryhill, Ruchill and Gilshochill for the first time in almost 200 years.
- Began a three-year £1.2m digital change programme to improve systems across used by our finance, engineering, health and safety and customer service teams,
- Launched a new People Strategy to enhance the culture within the organisation and Marketing and Communications Strategy to ensure we promote our products and services effectively.

Include appendix that shows a table of what we said we would do and what we did – e.g. full business plan model. Above is highlights.

Managing risks and uncertainty

Scottish Canals believes that the achievement of our corporate objectives relies upon the taking of appropriate risks in line with our Risk Appetite and Tolerance statement as agreed with our Board. Our approach to risk management is written with reference to Scottish Public Finance Manual and HM Treasury Guidance ('The Orange Book: Management of Risk - Principles and Concepts') and is shared with all staff in our Risk Policy and Management Framework.

Risks are regularly reviewed at Scottish Canals, in combination with the assessment and implementation of appropriate and targeted controls and mitigations. The corporate risks which we consider would impact on the delivery of our corporate objectives are reported in a

corporate risk register which is reviewed quarterly by our Executive Management Team, Audit and Risk Committee and the Scottish Canals Board.

Our operating context

The Coronavirus (COVID-19) outbreak and the necessary government response has had a significant impact on travel, leisure and commuting behaviour. It has also had a profound impact on individuals' lives and has exacerbated inequalities. Home working has resulted in unprecedented reductions in the utilisation of public and private transport, resulting in expedient use of Scotland's tow paths along the Canals, as people have utilised these to engage with nature, provide a clear and healthy mental health space, and use these for exercise.

Despite the uncertainty surrounding the longer term impacts of the pandemic, we remain focused on the priorities underpinning our vision and recognise that our vision is more important now than ever to ensure *Scotland's canals are a world-class waterway network with a thriving natural environment built upon 250 years of history that benefits communities and all users who live, work, visit and play along our canals*

This remains central to Scotland's recovery and we have ensured that Scottish Canals 2021/22 business plan addresses the impacts of COVID-19 as a core component of taking forward our longer-term strategy. We must continue to put in place the measures that will *Transform Our Canals, Create Opportunities, Excel in what we do* ensuring that they are utilised by all, encouraging people to live, work, and play in Scotland as a thriving country.

The Scottish Government ambitious statutory climate change targets make evident that alongside the COVID-19 emergency we continue to have a global climate emergency and that we must act on the ambition on reduction in greenhouse gas emissions and net zero by 2045. Scottish Canals role in helping to deliver this is crucial, as we *Respond to Global Challenges* as set out in this business plan to ensure that we support the move to low and zero carbon emissions. As part of the green recovery, we will continue to establish our active travel infrastructure to create a healthy, happier and greener way of living.

Further expansion/review of wording below:

- Our Grant-In-Aid funding from Scottish Government remains level with prior year's funding allocation and operates on a 'deficit-funding' model.
- Income generation activities level have been moderately projected, considering lessons learned from Covid-19 analysis from 2020/21 business activities.
- Use the opportunities to build on the organisational and behavioural changes seen in response to Covid-19 to drive future cultural change, ways of working and asset modernisation.

- The pace of technological and process change in the organisation is significantly progressed to ensure that the planned process and system efficiencies are completed during the reporting year.

Our resources

We are committed to achieving best value with our resources. Our budget is approved by our Board in order to deliver the aspirations of our Corporate Plan, this Business Plan and to fulfil our statutory obligations. Our objective is to be transparent about how we allocate resources to achieve our outcomes.

In 2020-21 we will have a total budget of £xx million. We generate income from retail and commercial and will continually seek to responsibly expand our income generation opportunities to support the delivery of our work.

The unknown nature of Covid-19 has meant that in preparing this plan, consideration has to be given to potential future closure of our sites for an unknown period of time, which would have a direct impact on the financial resources available to the organisation.

Throughout 2121/22 we will continue to work with the Scottish Government and other partners to ensure that we can meet our financial commitments.

Income & Funding*	£000s	Expenditure	£000s
Grant in Aid: Revenue (Restricted)	£8.5m (TBC) (Potential for additional £250k)	Staffing	
Grant in Aid: Capital (Restricted)	£12.2m (TBC)	Capital expenditure	
Third Party Funding (Restricted)		Cost of goods sold	
Licences, Mooring & Board related income		Third party costs	
Commercial Receipts (Unrestricted)	(Projected)	Materials & works	
Other		Corporate overheads	
Total income & funding		Total expenditure	

**the table above provides the key income and outgoing expenditure; this may fluctuate throughout the year.*

Our Annual Business Plan 2021-22

This plan is owned by the Executive Management Team, which supports the front-line delivery of our work across Scottish Canals. Our aim is to show what we will deliver in 2021/22 against our strategic priorities.

Additional wording to link corporate plan deliverables to this year – demonstrate journey.

Strategic Objective 1: Transform Our Canals

Scottish Canals maintains and restores our historic canals for all to use and enjoy, while safeguarding and nurturing the environment.

Activity	KPI	DELIVERY TEAM
We will improve the efficiency and effectiveness of our operating models to reflect changing customer habits and constrained public finances.	Establish Caledonian Canal Operational Review, including initiatives around user operation and volunteering.	Highland Canals
We will prioritise critical repairs across the canal network within the available budget in accordance with statutory responsibilities and our Asset Management Strategy.	Delivery of planned engineering Capital Investment Programme to agreed budget.	Engineering
We will grow sustainability the number of visitors and paying customers to our canals.	We will deliver the Stockingfield Junction Bridge	Engineering
We will grow sustainability the number of visitors and paying customers to our canals.	Ensure that Lock 16 regeneration project Ph 2 substantially progressed on site	Regeneration
Planned maintenance programmes are well timed to avoid high season to minimise disruption for our customers	Resolve 50% of all AMX identified maintenance defects ensuring that we embody the values of stewardship for the assets we are custodians of	Lowland Canals

Strategic Objective 2: Create Opportunities

Scottish Canals makes a broader contribution to the economy of Scotland and its people.

Activity	KPI	DELIVERY TEAM
We will form new partnerships founded on shared ambitions to regenerate more communities and support inclusive economic growth	Develop a Youth Forum committee to inform forward thinking and decision making and develop inclusive partnerships	People
We will grow volunteering opportunities, increasing awareness and interest in our canals, whilst encouraging skills development and a sense of pride and community ownership.	Increase number of volunteering opportunities rolled out across all Scottish Canals	Engineering
We will invest in digital services to make it easier to buy products and services online, improving business efficiency.	Increase uptake of Highlands online booking, licensing, moorings renewal, and payment systems	Highland Canals

Activity	KPI	DELIVERY TEAM
We will invest in digital services to make it easier to buy products and services online, improving business efficiency.	Increase uptake of Lowlands online booking, licensing, moorings renewal, and payment systems	Lowland Canals
We will review all commercial activities and develop new ones with partners who share our values to maximise income and identify value-adding opportunities.	we will increase transit and moorings by 10% ensuring we grow our commercial returns on the assets	Estates
We will use our experience of combining public sector innovation, commercial trading and strong values to help other bodies benefit themselves.	Retain our incomes, associated with current contractual agreements	Estates
We will promote the good work of Scottish Canals and Scotland the brand through our marketing and communications strategy to cement ourselves as a world leader in the tourism market.	Attract new customers via national & international marketing campaigns as set out in the 2021-22 Marketing Plan	Destinations
We will develop an investment prospectus linked to our Investment Strategy to showcase commercial opportunities and promote regeneration projects.	Complete and launch new destination infrastructure at Bowling Harbour	Destinations
We will develop an investment prospectus linked to our Investment Strategy to showcase commercial opportunities and promote regeneration projects.	Scottish Canals will launch the following: Bowling harbour accommodation SC holiday let accommodation SC long term lease accommodation	Estates
We will strategically review all existing projects and commitments to partners and funders to ensure alignment with this plan. We will re-focus spend accordingly.	Ensure that Carse Hub Phase 1 (Treehouse) regeneration project substantially complete	Regeneration
We will review all commercial activities and develop new ones with partners who share our values to maximise income and identify value-adding opportunities.	Five yearly review of independent Pricing Strategy for moorings across Scotland	Estates

Strategic Objective 3: Excel at What We Do

Scottish Canals excels in governance, financial resilience, and demonstrates a commitment to innovation.

Activity	KPI	DELIVERY TEAM
We will engage regularly with our workforce and customers alike to understand and improve the way we support people	Retain customer service satisfaction	Highland Canals
We will overhaul our pay, grading, competency and induction policies to align business requirements, skills and people.	Increased staff satisfaction	People
We will engage regularly with our workforce and customers alike to understand and improve the way we support people	Increased stakeholder confidence/satisfaction	People
We will introduce innovative methods of changing how we work and build on what works to make other changes.	Deliver Digital Change programme year 2	ICT
We uphold the highest standards of Health and Safety and will strengthen our approach to compliance and learning.	Ensure there are zero compliance breaches in relation to statutory regulations	Environment Heritage

Strategic Objective 4: Respond to Global Challenges

Scottish Canals understands how it can mitigate and adapt to climate change risks.

Activity	KPI	DELIVERY TEAM
We will deliver sustainable urban drainage systems and flood prevention projects, including the Glasgow Smart Canal.	Ensure there are zero compliance breaches in relation to statutory regulations	Environment Heritage
We plan for net zero changes and achieve a measurable reduction in our carbon footprint over the period of the strategy.	Work in partnership with Local Authorities to mitigate flood risk and deliver climate adaptation measures.	Engineering
We will lead and take part in projects that demonstrate and expand the circular economy, including the SURICATES project.	Reduction in carbon footprint of the organisation	Environment Heritage
100% of our vehicle fleet will be zero-carbon and we will pilot zero-carbon boating.	Raise environmental and heritage awareness both internally and externally to Scottish Canals	Environment Heritage
We will reprioritise investment and take part in projects that reduce greenhouse gas emissions, encourage waste reduction and re-use and recycling behaviours, including community renewable energy projects, and the reuse of dredging's as part of the SURICATES project.	Deliver increased efficiency in fleet usage and facilitate the migration of the vehicle fleet into zero or lower carbon emission alternatives	Environment Heritage

Appendix 1

Contribution to National Outcomes

To achieve the national outcomes, the [National Performance Framework](#) aims to get everyone in Scotland to work together.

This includes:

- national and local government
- businesses
- voluntary organisations
- people living in Scotland

The framework is for all of Scotland. It aims to:

- create a more successful country
- give opportunities to all people living in Scotland
- increase the wellbeing of people living in Scotland
- create sustainable and inclusive growth
- reduce inequalities and give equal importance to economic, environmental and social progress



Scottish Canals will continue to make contributions in 2021/21 to the Scottish Government’s national outcomes. These are outlined on Page of our Corporate Plan 2020-23 [here](#).

Accessibility

You can request alternative formats of this document by calling:

To be added.