

EXECUTIVE DIRECTOR SPONSOR: David Blair

2021-22 - Q1
REVENUE & REGENERATION DIRECTORATE REPORT

Purpose

This paper provides a summary of progress against all Revenue and Regeneration business areas for Q1 as discussed and agreed by EMT on 17th August 2021.

Priority

Routine.

Key Issues / Highlights

LOOK BACK (Q1)	
<p>Destination Development <i>Helena Huws</i></p>	<p>Key activities</p> <p>The safe re-opening of our active destinations post Covid-19 lockdown has been a core focus of Q1. Light touch operation at both The Falkirk Wheel and Caledonian Canal Centre came into effect from the 8th April and since then the teams have been phasing in the permissible services as restrictions have lifted.</p> <p>Financially, we have performed well above expectation at both active destinations. The Falkirk Wheel/ Horsebox has achieved an overall profit for the quarter (████████████████████). The Caledonian Canal Centre achieved a profitable month in June and overall improved the overall deficit position from a budget position (████████████████████) for the quarter. All areas of the business have achieved income levels significantly above anticipated budget – particularly in outdoor catering and the TFW boat trips. This financial result puts us in a positive context for the year ahead and RF1 figures reflect the substantial improvement in reducing the overall deficit.</p> <p>As well as the financial result for the quarter, we have maintained our high standards of customer service throughout. This is testament to the hard work, dedication, resilience and professionalism of our team. The results are all the more remarkable when put in the context of tackling return to work post Furlough, ongoing impact of Covid-19 management, canal emergency (water shortage) management, staffing shortages/ recruitment challenges and demanding workload management.</p> <p>The last team members to come off furlough were phased back from end April/ early May. All destination teams have been affected by furlough and the phase back to work, re-training/ familiarisation and seasonal recruitment/ induction processes have been met with resilience, determination and high standards of work ethic.</p>

The Falkirk Wheel and The Horsebox reopened from the 8th April with a light touch outdoor catering operation in line with the guidance. Indoor catering (with new/Covid-19 table service), trip boats and retail offers commenced from the 26th April. The **Falkirk Hire Boat** team were all back from 23rd February preparing the fleet for the new season, re-commencing the holiday hires in line with the delayed canal re-opening in early May, with the first holiday hire activity from 15th May. So far, there has been c140 holiday hire boats from 15th May to 17th July – a great start to the season with lots of positive customer feedback.

The **Review-Pro** system we have in place to track our **customer service** ratings against competitor attractions has enabled us to monitor our performance since re-opening. We have achieved our highest score to date in June (94.4%GRI) coming second in our overall category – an excellent result given the peak season volumes. Comments on staff customer service are trending high which is fantastic. We also had a mystery visit from our colleagues at ASVA/ BVA which gained a very positive review and useful comments and suggestions that we will be taking forward with the team over the coming months.

Staffing positions have been filled for our Travel Trade and Retail Supervisor roles and team members are settling in well. Staffing challenges have included gaining sufficient levels of seasonal and casual recruits – largely down to the challenges presented in attracting recruits as a direct result of Covid-19 and BREXIT. This has put considerable strain on the existing team who have pulled together to make sure that our customer service remains as high as possible throughout. The recent resignation of our Head Chef will require further staff adjustment and changes in our busiest season.

Project development work continues at TFW with the final stages of implementation of our **front entrance area renewal**. There have been a couple of delays in completion – for instance, the world-pay Merchant IDs for the new boat ticket kiosks were delayed in the financial processes and did not arrive until July. We anticipate completion of the remaining elements in Q2.

The lighting improvements installed at The Falkirk Wheel have achieved a **Build Back Better – Gold Award**, as well as a **Scottish Design Award 2021!** We will be developing lighting shows to tie in with our events programme over the darker months ahead.

Reopening service at the **Caledonian Canal Centre** similarly recommenced with a light touch, grab n go catering offer from the 8th April. From 6th May the gift shop opened, together with internal customer seating (non-café service). All staff were on part time furlough during this period with operations managed across a 5-day operation (closed Mondays/ Tuesdays). Staffing returned to full non-furlough arrangements from 2nd June, in line with a 7-day operation. The service continues with the grab n go provision, gift shop and internal seating area open to takeaway

customers. The café servery will not open until staff shortages are addressed.

Staffing challenges have arisen as a result of three key members of staff tendering their resignations in the quarter – the Destination Manager, (Alice Gibbs), Destination Supervisor (Ben Verbeeren) and Destination Team Leader (Marianela Tellez Caballero). All three have recently left the business leaving vacancies in the responsible person positions, as well as the track record in running the centre from its instigation 3 years ago.

Whilst internal replacements have been found for two of the roles, arising vacancies have been created with the promotion of these members of staff – a knock on effect. Staff shortages are also compounded by the lack of seasonal and casual recruits, which are particularly challenging due to the wider Highland impact of Covid-19 and BREXIT. Ross McMillan, Destination Manager TFW, has stepped up and assumed responsibility for Destination Operations across CCC and TFW and Claire Morgan (Food & Beverage Manager) continues to provide remote advice and support to the team.

The Lock Chambers benefitted from a long- term booking for construction worker accommodation until the end of April, during which time general public bookings were not allowed due to travel restrictions. All rooms were thoroughly cleaned and prepared for the general public bookings from the 1st May, with the housekeeping staff returning fully from furlough from the 1st June. The Lock Chambers were reassessed by Airbnb – based on the period between July 2020 and June 2021 our ratings dropped from 4.8 to 4.71, which unfortunately meant that we have lost Superhost status. This stems from feedback linked to a persistent lighting fault that was resolved – after an extended period – by our primary service contractor. With a couple of customer complaint areas now addressed, we are confident that we can regain this status. All other customer satisfaction ratings continue to be exceptionally high.

Lock Chamber Occupancy - summary			
	2019	2020	2021
Jan	26%	27%	38%
Feb	73%	52%	50%
Mar	63%	44%	61%
Apr	80%	0%	33%
May	98%	0%	49%
Jun	91%	0%	84%
Jul	97%	53%	96%
Aug	100%	96%	75%
Sep	95%	94%	44%
Oct	88%	82%	19%
Nov	30%	40%	0%
Dec	31%	39%	2%

	<p><i>Note – Amber indicates that numbers are as per 14th July 2021.</i></p> <p>Ardrishaig Harbour businesses: Following inventories and asset reviews, The Steamer Terminal was placed on the market in July, in collaboration with the Estates Team. The Egg Shed continues to be run on an extremely light touch model, opened to the public from the 3rd May (Mon-Fri operational hours only) facilitated via the Customer Service Administrator.</p> <p>In Bowling Harbour, progress has been made with the marketing and selection of a preferred business operator for Custom House and the Phase 2 Arches. This is likely to conclude in the next couple of months. Construction work is nearing completion on the Bowline project – the transformation of the railway viaduct into a linear park and active travel route. Final stages are being hampered by global shortages in construction materials and we are working on a revised completion date and public launch in September.</p> <p>Commercial Review/ Investment Strategy</p> <p>Work on the Commercial 10-year investment plan has continued over the period, focussing on planning for the immediate commercial budget with the Finance Team and new FD. A tender has been issued by the finance team to commission a consultant to review the financial context and potential next steps. Longer term planning has been paused whilst identifying immediate, short term opportunities for investment. Detail is being developed for a number of these – the most significant of these being the Borron Street deal by Estates following feedback at the July Board meeting.</p> <p>A significant challenge in managing to move this forward, whilst balancing destination and project demands is the vacant Business Development role arising from the departure of the Senior Destination Development Manager in early April. This has put considerable additional strain on the team and the resultant demands on their time.</p> <p>Partnership Development</p> <p>A key priority in Q1 has been to work in collaboration with Falkirk Council and the Falkirk Economic Partnership on the submission of Strategic Outline Cases to support the Falkirk Investment Zone Growth Deal. Scottish Canals has led the creation of two significant projects of the Investment Zone – Scotland’s Canals Centre for Excellence and Innovation (Lock 16 Hub) and Scotland’s National Art Park, as well as significant contribution to the Sustainable Transport case. This has been a team effort between the Regeneration and Destination Teams in particular.</p>
<p>Regeneration & Development <i>Chris Breslin</i></p>	<p>Key activities</p> <p>General Update</p> <p>Q1 has been a difficult period for the team with April being a busy time for checking Finance queries on project spend, invoices and budgets. There was also a lot of work required to get contracts signed on the Treehouse project, to progress Claypits towards Completion and to try and progress internal sign-off of the brief for Lock 16.</p>

Unfortunately, despite two separate recruitment drives it has not been possible to fill the project manager vacancy which has continued to impact on the team's capacity and morale. On the plus side a project Support Officer Maria Tzenevraki, joined the team in May which has alleviated some pressure.

Treehouse (Carse Outdoor Hub)

Contract Award was signed on 1st April to Robertson Construction North. Following some initial site clearance in March, Robertson began site establishment in April with full site set-up by May 2021. Online elected members' briefing and public meetings were held in early June.

The final Grant Agreement from Nature Scot was also received for final review and signature in Q1 following updates to the funding application form and financial annex. Site progress has been good till the end of Q1 with site earthworks complete. Site meetings held with the Council's Access officer to agree path closures in Q2.

Project has continued without a dedicated Project manager during Q1 due to an ongoing vacancy in Regen Devt with the Highlands' Engineering team providing support in the interim. The contractor has flagged (like many other projects) that lead in times and prices for some materials are impacted by BREXIT/Covid-19 and problems with ports / lack of lorry drivers – a broader issue now lodged on the Corporate Risk Register.

Lock 16 Project (former Barrs factory)

The Design Team appointment, renegotiated through the SCAPE framework, concluded at the beginning of the quarter. New directors and H of S have been inducted into the project and engaged in the decision-making process.

Analysis of detailed briefing requirements has continued following decisions in the previous quarter re externalising the boat repair location, the space allocation within the building for boat repair will now be developed to respond to a perceived major opportunity around boat building and introduction of eg electric motors to support the canal network activity and development going forward.

SFT "New Frontiers for Smarter Working" reviewed and examined in terms of physical workspace but also behaviours and skills, leadership, HR policies, and the virtual workplace. Within the physical workplace, SC determined they would be in the Aspiring / innovative / Ambition categories, which includes working across public / private and third spaces to encourage further community regeneration, and for SC staff means increased collaboration space, regular home working, It was concluded that the SFT study endorses SC's developing briefing and current approach.

An office Space Budget document was prepared and tested as follows:

- Issued to all Heads of Service and Directors, gathering their feedback on space needs and types of working envisaged within their teams going forward.
- The outcome of the EMT decision on Hybrid working was then overlaid onto this document and an outcome works setting budget of 74 settings arrived at.

In other areas of the briefing, following a technical and cost review of energy performance targets, it was determined that EPC B rating was the baseline target, with any improvement from that being welcomed. Initiatives around document storage require to be resourced to reach a sustainable proposition between archive material off site (NLS), required hard copy being retained, digitisation of all other material. SC staff Workshops have taken place re Reception functionality, Building Management, and CCTV / interaction with user operation. The resource and job descriptions to accompany the strategy which emerged from the workshop will be brought to EMT by others, and the archive strategy requires to be progressed by the business overall.

The Phase 2 programme presented at the last board was built around the need to secure RCGF funding draw down by FC last FY. This has now been achieved; hence the timing imperative has shifted to that of spend this FY. The work described around the governance process, staff engagement, internal and external stakeholder engagement and changing working practices and models with SC has necessarily and effectively been developed over the last months, however pushing the construction programme back. We are reporting the likely timeframe for commencing occupation of the building as March 23, however this date is subject to review.

The team is working with Our Place Camelon and Inspiring Scotland on proposals for facilitating community access (and supporting community enterprise) to the building and a wider concept that could apply to other buildings of mixed use across the estate.

The team completed and submitted a full Strategic Outline Business Case to Falkirk Council to secure circa £4m Investment Zone funding for the Lock 16 Canal Centre of Excellence with a formal decision expected later in the Autumn. Work on draft Heads of Terms has begun with Falkirk Council.

Claypits Project

The site was opened to the public as planned on the 19th April. All remaining packages with the exception of the Garscube Link and canal wall have reached Practical completion, however some works remain including snagging and are being addressed in advance of the Contractors departure from site in Q2.

The Claypits Community Development Officer post was extended for a further 4 months till at least October 2021 which has significantly helped prepare the Claypits Management Group for taking on some key maintenance responsibilities for the site following hand-over from SC.

Garscube Bridge is fully functioning and is being tested daily to ensure previous teething issues resolved, no issues having been encountered this quarter.

Old Basin House (phase 2)

Glasgow City Council confirmed that the Scottish Govt (RCGF) grant was carried forward to 2021/2. SC await the final (back-to-back) grant agreement from Glasgow City Council.

On the basis of the grant being carried forward, SC reviewed the tender returns in Q1 and agreed to award the contract to MacKenzies. Unfortunately due to no PM being available on the project it has taken longer to get to this stage than anticipated and the project is running behind schedule.

Sighthill Link

This project is restoring the historic wharf between Sighthill regeneration area and North Canal Bank St at Port Dundas. The project (funded by Sustrans) went on site in early April. Work has progressed well on site and at the end of Q1 all major groundworks were complete and the sub-base for the paths had been laid.

Some contaminated material and underground structures were found during the project which we are currently discussing with GCC re some VDLF support to cover extra costs of material removal from site. The project also uncovered 75 tonnes of historic cobbles which we plan to re-use elsewhere on the canal network with the help of Operations Team.

Dundashill

Meanwhile Activities – meetings held with Glasgow Canal Coop and GCC to discuss how to take forward meanwhile activities on the site. Strategy for Meanwhile Activities was also finalised and signed off.

Ardrishaig Projects

Community pontoon install almost complete, with only the gate structure to be installed and confirmation received of burying of anchors. The latter was due to the dredging works having changes the nature of the seabed. Any additional costs will likely be notified, including for re-attaching the operational pontoon as part of this contract.

Issues with the users of moorings in the harbour are with Estates colleagues to conclude the cessation of these, this in order to allow use of the pontoon within the VRA document prepared by SC. Estates are also working with the community group, (sailing club) to determine their use of, and contribution to the running costs of, the pontoon.

Architects Framework

The team supported the competitive procurement process for this framework and attended numerous interviews in June to ensure the Architects Framework was concluded.

	<p><u>Other Partnership Activities</u></p> <p>SURF Awards Launch Event – Head of Regen Devt presented / hosted the launch of the Scottish Urban Regeneration forum (SURF) Awards 2021/2 with a focus on the Glasgow Canal Regeneration partnership.</p> <p>West Dunbartonshire – further meetings held to progress the Clydebank Canal Hub (RCGF) proposal with SC still expected to fund and deliver some biodiversity enhancements to the canal channel. Support and input on wider West Dunb future canal initiatives e.g. linear park concept.</p> <p>Glasgow – an RCGF bid was submitted to Scottish Govt for funding towards a new waterside community hub building at Firhill Basin in partnership with Glasgow Kayak Club, Partick Thistle FC and Queens Cross HA which could include new boaters’ facilities.</p> <p>Falkirk – site visits to Lock 16 with Our Place Camelon and attendance at several local Falkirk community and partnership meetings.</p>
<p>Corporate Affairs <i>Josie Saunders</i></p>	<p>Key activities</p> <p><u>Communications</u></p> <p>Stakeholder sentiment Qualitative research is being carried out with riparian council leaders, heads of economic development and CEOs/directors of public bodies such as Visit Scotland, SEPA, Historic Environment Scotland as well as partner organisations to understand their view of Scottish Canals, the way we engage and whether we are considered an effective partner. Results due in summer and will inform ongoing engagement.</p> <p>Internal Communications Launched and implemented Scottish Canals’ new internal communications strategy with a fortnightly staff newsletter that is read in its entirety by an average 184 staff and staff drop-in sessions on the Treehouse, Lock16, Business Plan, Digital Change and Marketing and Communication Strategy that are attended by 30-50 staff. In addition, staff huddles and canal specific huddles attract c280 attendees. Staff sentiment is gathered at these sessions and routinely attracts a rating of 4/5 out of 5. Feedback is used to inform ongoing engagement.</p> <p>Elected members Our elected members’ strategy was launched post-election with introductory emails to all riparian / list MSP, generating approx. 25 follow-up meeting requests. A dedicated elected members’ session was held online for Treehouse with three MSPs and councillors attending and offering to get involved. Paul Sweeney MSP raised a motion in the Scottish Parliament in support of Scottish Canals and partners for the Glasgow Smart Canal.</p> <p>COP26</p>

Working with the Director of People, Safety and Governance, the Head of Corporate Affairs is leading the co-ordination of COP26 opportunities across Scottish Canals to ensure we are engaging with the most effective and relevant activity. This includes possible collaboration with ethical fashion retailer, Bottletop, and Crown Estates to install air-purifying flags along the canal in North Glasgow prior to COP26 and joint working with Canal & River Trust on greening the waterways.

Strategic partnerships

The Head of Corporate Affairs engages regularly with counterparts in Scottish Water, Waterways Ireland, CRT, Glasgow City Council, VisitScotland, CalMac and others to align best practice, share knowledge and identify joint opportunities. Recent discussions with GCC have seen Scottish Canals' projects considered for inclusion in COP26 investment prospectus, while dialogue with Waterways Ireland has shown that we are leading the way by carrying out inhouse work on website development and brand guidelines as well as empowering staff to deliver content on corporate social media channels.

Water safety

Head of Corporate Affairs is working with councils in Lanarkshire, Fire & Rescue and Police Scotland to tailor our #CanalCareful water safety campaign for multi-agency use in response to recent, tragic, fatalities.

Marketing

We missed you

Welcome Back/We Missed You campaign launched as Covid-19 restrictions eased. Campaign reach achieved over one million to date, over 50K engagements and 655 hours of video watched. Phase One covered Scottish markets with phase 2 covering wider UK markets (in line with guidance and VisitScotland target countries). Campaign drove click-throughs to website booking pages and contributed to Q1 destinations and boating income success.

200th anniversary of Caledonian & Union Canals in 2022

Works are underway to deliver a series of events celebrating these milestones on two of Scotland's canals as part of Festival 2022.

Year of Storytelling

Scottish Canals is part of a joint funding bid to EventScotland with Falkirk partners to bring the heritage of the canals and the wider area to life during the Scottish Government's 2022 themed year.

Key Achievements

Communications

Magnet Fishing

Launched the UK's first magnet fishing agreement in partnership with Historic Environment Scotland, Police Scotland and Official Magnet Fishing Scotland to encourage safe, responsible activity on the canals. Significant media coverage generated around the UK and Europe. The

agreement currently covers Edinburgh with plans to extend to Inverness and Glasgow later this year.

Canal & River Trust and various councils have asked to replicate our model elsewhere in Scotland in order to effectively manage the growth in magnet fishing during lockdown amid safety concerns around items being removed from the canal or discarded along the towpath. Scottish Canals has joined the Scottish Heritage Crime Working Group at the request of Police Scotland/HES and Transport Minister has both commended the work and requested to go magnet fishing.

Monklands pipeline

Scottish Canals' handling of communications and stakeholder engagement during the incident has attracted positive feedback from over 60 key stakeholders, including the Lord Provost of Glasgow, council leaders and a number of MSPs.

Treehouse

A public meeting took place in June and 93% of attendees rated the event informative with 85% looking forward to the opening. The story of work getting underway also made the front page of local newspapers.

Stockingfield

Improved relationship with Glasgow branch boaters after we collaborated on video capturing a trial navigation of Stockingfield Junction by boat. Canal life photography exhibit by internationally-renowned photographer (and local resident), Brian Sweeney, was launched on hoardings leading onto the site.

Marketing

Boating marketing

Summer boating marketing campaign got underway to drive online transit licence sales using recycled video footage, resulting in over 31K views. Modest paid-for partnerships with Sail Scotland, West Coast Waters & British Marine helped drive user generated content for greater impact, delivering increased engagement month on month with 10K engagements and over 55K reach in Q1 across all digital channels. Over 375 licences sold by the end of Q1 (>£80K income) against a total spend of £2.8k **delivering an ROI of 1:29 for every pound of marketing budget spent against an average industry ROI of 1:15.**

Destinations marketing

Launched summer destinations 'Like no other' campaign in May, with recycled footage, focusing on user generated content (UGC) to drive awareness of activities at TFW. Lock Chambers rooms marketing in **Q1 reached over 236K compared to 165k for same period in 2019**

Millennium Link 20th Anniversary

In partnership with Sustrans and McKenzies, created a new video celebrating diverse canal users enjoying a broad range on activity on the Forth & Clyde Canal. This contributed to the highest performing month for digital activity YTD with 232K reach, 8.2K engagements and over 60 hours of video watched.

	<p>Challenges / how they were overcome</p> <p><u>Communications</u></p> <p>The volume of organisational-wide activity, changes to project timescales and wider staff workloads have impacted on the supply of material for marketing and communications activity. Furthermore, as the Corporate Affairs team provides a fully comprehensive in-house consultancy service, with a considerable volume of creative and strategic work carried out internally as a cost-saving measure compared with other public bodies, has placed significant pressure on the team.</p> <p>In June, the Head of Corporate Affairs led a capacity-planning workshop with Heads of Service to agree ongoing priorities that are being translated into action plans with resource and budget allocations and wider resource and capacity planning discussions are underway with the EMT.</p> <p><u>Marketing</u></p> <p>We were unable to launch all canal licences online at the same time as they confirmed their operating hours on different dates, making it harder to generate sales via shared campaigns. This is being considered as part of early 2022 planning and a future paper to EMT.</p>
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LOOK FORWARD (Q2)	
Destination Development	<p>The continued safe operation of our active destinations in line with Scottish Government Covid-19 advice is clearly our top priority.</p> <p>RF1 has allowed the opportunity to cautiously revise our outlook for the season ahead based on the success of our Q1 operations. This caution takes account of ongoing Covid-19 dance, tourism recovery and staff shortage challenges. Looking forward, we anticipate conclusion of current key recruitment issues – including approvals for the Caledonian Canal Centre team, Kitchen responsibilities and Business Development Manager roles.</p> <p>Key priorities for Q2 are as follows:</p> <p>Commercial Review/ Investment Strategy</p> <p>Continued input to the development of the 21/22 commercial budget, clarification and instigation of spend this year, development of work towards 22/23 budget and longer term planning. Finance team will lead the associated financial review and milestones include conclusion of consultant tender process and completion of Stage 1 assessment.</p> <p>Digital Change Programme</p>

Continued support of this programme by the Destinations team – including delivery planning for replacement till infrastructure and interface with web platform improvements.

Health & Safety: Destination Safety Plans

Continued development of new H&S destination safety plans, with close alignment of standard operating procedures across our destinations.

Capital (GIA and Commercial) Projects 21/22

Conclusion of spend allocation and delivery of agreed projects for this year, centred around TFW. Exploring a minimum of five Commercial Capital projects (playpark plans, mini electric boat fleet, smart donations boxes, campervan infrastructure planning and overall site masterplan review); and one GIA Capital (feasibility of trip boat fuel/ energy).

Project work will conclude for the Front Entrance area at TFW and the commissioning of the boat ticket kiosks following world-pay issues.

Tackling Global Challenges – Green Infrastructure at TFW

We will continue to collaborate with the Environment Team on the delivery stages of the TFW Net Zero capital investment this financial year. This will include the conclusion of additional capital grant from SE/VS to support our journey to Net Zero and enable a more comprehensive capital project this year.

In addition, we anticipate the decision by UK Government on a submission for the Community Renewal Fund for Falkirk’s Canals: a just transition to Net Zero. If successful, this will be delivered by a consortium of third sector organisations active in the Camelon-Tamfourhill area, led by the Green Action Trust.

Falkirk Investment Zone – Falkirk Economic Partnership (FEP)

Work will continue on the development of the Scottish Canals’ contribution to the overarching Growth Deal Investment Zone. We anticipate queries in response to the submitted Strategic Outline Cases and the Council are hoping to reach HOTs before November 2021. The destination and regeneration teams will continue to collaborate on the commercial and community development components of the work at Lock 16 in particular, with various forums lined up to move forward third party interests and integrate this in our wider vision for the Portdownie area. This includes preparation of shovel ready submissions for forthcoming funding opportunities.

Falkirk Partnerships/ Events

A subset group of the FEP will continue to interface our partnership approach to COP26 and our collective investment in the future of our planet. Planned activity will include the launch of Forth Valley for NetZero at TFW in August, the 100 day countdown and planning around COP itself, with the continued exploration of TFW as a fringe venue.

Great Place Falkirk work will continue with the delivery of the signature self-led Canal Encounter festival over the month of August – highlighting the canal infrastructure between TFW and the Kelpies.

Alignment of our Falkirk Partners meetings with the Council will continue – particularly supporting the Council with their integration of FCT and the future management planning for The Helix and Kelpies, as well as the integration of the new road infrastructure around The Helix.

Other event activity includes an integrated Stand Up Paddleboard and Pizza/ Crazy Golf event at TFW at the end of July, as well as planning towards October, Halloween and Christmas.

Bowling Harbour

We are working towards the conclusion of the appointment of a third party business operator for Custom House and the Phase 2 Arches. This will require collaborative partnership as the business plans are taken forward – including planning support and defects liability management, etc.

The Bowline – the high-level walkway – is anticipated to complete in Q2. Work will include the finishing touches with interpretative and wayfinding signage, which will take detailed and careful thought/ input from the teams. The public opening is being planned for September, with the associated press releases and award entries.

Although B Hive activities are closed for the season, third party funding for the local Clydebank youth group has enabled delivery of a light touch activity offer at Bowling. This will continue to be delivered by the team over the period.

Ardrishaig Harbour

The Steamer Terminal marketing will hopefully attract sufficient interest and a business operator will be lined up in Q2.

The team will continue to work with the Customer Operations team at Crinan to deliver a light touch offer at The Egg Shed, whilst longer term proposals are considered by EMT.

The Waverley will moor at Ardrishaig in August and the teams are collaborating on supporting this mini event.

Edinburgh

Edinburgh Council have now appointed development partners for the remaining vacant site at Fountainbridge. The team will continue to work with Estates on the negotiation and delivery on canalside improvements.

Edinburgh Council have tendered the regeneration masterplan for Wester Hailes and the team will continue to support the Council and play part in the future planning for the area. Edinburgh Council will lay out the timescales for this interaction in Q2.

	<p>An Edinburgh Council partnership meeting is planned for August, which will realign our shared priorities for the year ahead.</p>
<p>Regeneration & Development</p>	<p>Look Ahead</p> <p><u>Treehouse Project</u></p> <p>Over the course of Q2 there will be path closures affecting the towpath and access to Merkinch Nature Reserve. This is essential to safely carry out the Treehouse development and path / towpath and access improvements.</p> <p>The main concrete slab will also be poured in Q2 for the building and further liaison with statutory bodies and funders is anticipated on the access ramp between the new building and the towpath.</p> <p>We anticipate making the first grant claims for the project to RCGF, VDLF and SUSTRANS in Q2 and will also discuss funding opportunities for Phase 2 of the project with Highland Council.</p> <p><u>Lock 16 Project (former Barrs factory)</u></p> <p>The Regen Devt team will continue to coordinate the design development with the design team during Q2 and follow internal governance arrangements for the project to ensure internal sign off at key stages. We will also progress discussions with Falkirk Council in advance of making a planning submission for the next phase of works including consideration of a wider parking strategy for the site.</p> <p>Work will continue with FC and community groups to establish need and desire, both for interaction within the areas of the building currently comprising phase 2, and within the Phase 3 anticipated development of the remaining building volume.</p> <p>Remaining to be investigated is the potential commercial use of the remainder one third of the building. In addition, the wider site (some of which is owned by SC) has potential and would be able to benefit from Growth Deal funding and potentially Vacant and Derelict Land Funding. This includes renovation of the Union Inn and Stables buildings and waterfront. Further work on the 'commercial strategy' for Lock 16 will be developed in Q2.</p> <p><u>Claypits Project</u></p> <p>Formal opening event for the Claypits due to take place on 31st July. A series of activities has been planned for the day in partnership with funders and the local community including the Claypits Management group.</p> <p>The Garscube Link phase of the wider project will be completed in Q2, see above, while the overall works final snagging and financial reconciliation will also take place over Q2 and beyond over the DLP. The interpretation project will be completed July 21 in time for the formal opening on the 31st July. SC to accept possession on the bridge, subject to final sign-off, anticipated early Aug.</p>

Garscube Link adoption meeting with GCC planned for 29/07/21. The lighting and paths are due to be adopted at that time, while the soft landscaping will be formally taken over by GCC following the 1 year DLP that sits with SC. Art works by the late Alasdair Gray have been integrated into the design and are expected to add substantially to the overall outcome.

A further VDL funding agreement around canal wall reinstatement at Firhill Island is anticipated and awaited in order to instruct these additional works. It is intended that the additional funds required for this work be sought from a number of sources, including via change request on current funding.

Applecross Basin Redevelopment

Further meetings will be held with Glasgow City Council to agree a brief for the masterplan for Applecross HQ building, Applecross Canal Side site and Baird's Brae sites. Further discussions also to be held with Scottish Govt re use of VDLF on this project.

Old Basin House Ph 2

A pre-start meeting has been agreed for late July with Mackenzies to get the project on site during the summer. An additional piece of work to form an outdoor growing space for the incoming social enterprise is also to be agreed. The project should be on site throughout Q2 and be complete by Q3.

Sighthill Link

The final path surface will be laid in Q2 with the project anticipated to be complete in mid-August. An opening event of some kind will be planned in partnership with Sustrans and Glasgow City Council who will also soon open the Sighthill Regeneration, motorway bridge and North Canal Bank St public realm improvements.

Meanwhile Activities – Dundashill

Due to ongoing vandalism and site encroachment problems it is important to establish some meanwhile activities on the site as soon as possible. The Regen Devt team will work closely with SC procurement in Q2 to try to procure a Meanwhile Activities Project Manager.

Craigmarloch Stables

SC to meet with North Lanarkshire Council in July to discuss how and who would be best to progress this project which has £[REDACTED] VDLF earmarked by North Lan Council.

Ardrishaig Projects

The community pontoon will be formally opened and available for public use in Q2 once outstanding issues regarding moorings in the harbour are resolved by Estates.

Partnership Activities

	<p>A Scottish Govt led Place Principle workshop will be held in July with Directors and Board Members.</p> <p>In Q2 the team will progress Applecross-Firhill Steering Group (post-completion), Whitehouse Bar and Maryhill Locks fundraising bids and will complete input to a refresh of the Glasgow Canal Action Plan. There are also numerous grant claims to be made which the team are behind with due to covering Proj Mgr roles in various projects.</p>
<p>Corporate Affairs</p>	<p><u>Communications</u></p> <p>#CanalCareful summer water safety campaign In partnership with Water Safety Scotland, Scottish Water and Loch Lomond and Trossachs National Park will get underway promoting safe usage of the canals and towpath to walkers, paddlers, kayakers, residents and other users. A dedicated Canal Careful hub has been created on the website offering downloadable materials and Scottish Canals' position statement on open water swimming in canals and reservoirs. The digital campaign will run across Facebook, Twitter and LinkedIn with printed resources installed at key areas along the network.</p> <p>Youth Forum Finalising the agreement with Young Scot as part of a wider Young Persons Strategy</p> <p>Claypits Nature Reserve opening Scottish Canals is supporting the local management group and other community organisations to launch the Claypits on 31st July with a day of music, stalls, guided walks and activities. Nature Scot, Sustrans, Glasgow City Council and local elected members will be among the attendees taking part in a media photocall and press release.</p> <p><u>Marketing</u></p> <p>New website The new website has received EMT approval to proceed with the aim of delivering it in two phases, phase one (basic website) is due to be delivered by the end of the year with phase two (e-commerce platform) due to be delivered by end of Spring 2022. The current website content including information, images, video, historic content and processes for content management are all under review. The successful delivering of a new website (phase 1 & 2) will be dependent on cross team working and departmental buy-in/support.</p> <p>Partner activity West Coast Waters: Digital adverts and announcement to partner members underway. New photography being taken and vlogger and blogger identified. 2 x competitions to win a free transit licence promoted on social media to build awareness and followers.</p> <p>Sustrans: 'Bike & blether' up to 5 family friendly social cycling itineraries will be co-created with the public. Phase 1 will get underway late July/early August when the public will be invited to share their favourite local ice cream stops, play parks, beautiful views etc, these will then be build into</p>

a series of 'Bike & Blether' itineraries which will encourage families and friends to get out a cycle together and have a chat (health & wellbeing angle) Phase 2 will be the itineraries coming to live video short videos.

YCW20/21: Canal Encounters: The Forth & Clyde Canal is set to come alive in weird and wonderful ways this August, as part of Scotland's 20/21 Year of Coasts and Waters. The Activity Trail will combine real life with the imaginary as it brings together art, community participation, digital innovation and two of Scotland's most iconic tourist attractions – The Kelpies and The Falkirk Wheel. We're targeting 10,000 people participating in the trail throughout August. The event will leave a legacy trail of AR hotspots which we can promote beyond August and 2021.

Campaigns

#CanalCareful public safety campaign

To tackle the following issues: people jumping/swimming in the canals, new paddlers getting into trouble on our waterways, busy towpaths (and canals) causing friction our summer #CanalCareful campaign will be launched this quarter. Working with H&S a new set of posters and graphics have been created to address these problems. Our digital campaign will be supported by posters along our network and through engaging with partners we'll spread the messages to a wide audience.

Welcome back (Europe)

As travel restrictions continue to ease we'll push our Welcome Back, We missed you video and messages to key European audiences in order to generate footfall and income across our destinations and boating offers.

#LikeNoOther

#MomentsLikeNoOther will be used across social, predominately Instagram, for Q2 in order to build our user generated content. This content helps drive awareness, engagement and sales as it is seen as more authentic than the corporate voice. **#EngineeringLikeNoOther** will be used to sell our epic engineering stories (one year from Muiravoidside and Stockingfield) whilst **#JourneyLikeNoOther** will continue to speak to boating audiences as the softer sell for purchasing boating licences and moorings.

Filming

Filming requests have been on the rise as Covid-19 restrictions ease, and we generate more awareness of Scotland's canals as filming destinations. Over 10 applications have been processed for filming in Q2 generating over £6k for the organisation. Examples of types of requests include Good Morning Britain, BBC Breakfast, and Scotland from the Sky (BBC).

#CanalsDoNetZero

In July Scottish Canals will announce its commitment to achieving net zero by 2030 at the Falkirk Wheel with Transport Minister Graeme Dey. Following a request from the Scottish Government communications and marketing departments for organisations to get behind their **#LetsDoNetZero** climate campaign, Scottish Canals will create and

launch a new marketing campaign #CanalsDoNetZero to promote our ambitions under the Responding to Global Challenges principle of the 2020-23 corporate plan.

Corporate Implications

- Strategic Priorities: Q1 work reflects the priorities in the Corporate Plan 2020/23. A heavy emphasis of work has been on helping to stabilise the organisation's financial position and wider stability during the quarter, investing efficiently in flagship and other priority projects and ensuring commercial operations are carried out safely in line with Covid-19 guidance.
- Risk/Risk Appetite: The key commercial risks are around how we account and budget for commercial activities, how we fund them (without using GIA) and how we accelerate back to a net profit position post-Covid-19 while maintaining careful watch on market conditions and constrained budgets. In addition, regeneration projects face critical risks around how we satisfy ourselves about major (particularly legacy) projects following the major changes in market, accounts and funding environments. A key risk to current and future delivery continues to be staff resource in the Regeneration and Development Team. The resource budget is flattered by project management fees from regeneration works and assumes a profile of future projects that allow for such fees – Board/EMT decisions on which projects get approval will alter this and could affect (negatively or positively) the revenue position of Scottish Canals. Our risk appetite scores reflect the nature of the risks in play.
- Legal: Nothing additional to note
- Financial: If the functional commercial budget can be agreed, it will unlock significant visibility around the commercial reality of Scottish Canals and will allow for improved context and assurance for EMT/Board level decision-making in the commercial space.
- Human Resources: Nothing additional to note
- Fair Work First: Our closure and re-start activities have removed all seasonal staff from our budgets, reducing net employment during the year. We have similarly budgeted for very minor use of casuals in part as a consequence of careful planning around returning permanent staff from furlough and use of holiday entitlements. Our priority remains to make best use of permanent staff in the first instance while the trading environment recovers.
- Communication: Minimal marketing budgets have been made available for surgical promotion of outdoor catering and activities in key areas to generate footfall – in line with the restart plan. This has generally been very well spent and trading is above target.
- Community & Third Sector: Nothing additional to note

- Commercial: Trading conditions have been significantly better than our revised Covid-19 budget projects allowed for. This has reduced the operating deficit on our commercial activities significantly but not so much as to remove the corporate level deficit. Partial year trading during Covid -19 and the relative bounce-back have helped improve the potentially accuracy of our planning for future periods.
- Asset: Nothing additional to note.
- Environment: Nothing additional to note.
- Health & Safety: Nothing additional to note.

Conclusions and Recommendations

The Board is invited to note and/or comment on the contents of this paper

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