

## **PE1693/I**

Scottish Canals submission of 29 May 2019

Scottish Canals' leadership changed in May 2018 with the appointment of Catherine Topley as CEO. This marked a change in the way the organisation engaged with its boating customers, as can be seen from the increased engagement and positive relationship that Scottish Canals and the boaters now enjoy.

Ms Topley recognised that the organisation needed to improve relations with its boating customers and therefore undertook trips on the canals with the Forth & Clyde Canal Society, the Seagull Trust, Linlithgow & Union Canal Society as well as meeting Keep the Canals Alive, the Lowland Canals Association and attending all the public User Group meetings. In a bid to improve transparency, she made some simple changes, including uploading board papers to the website and providing an organogram of Scottish Canals' employees to our customers, publishing the 2019/20 Business Plan and welcoming emails, calls and meetings with individual boating customers.

Through this work, the boating community expressed an interest in a joint working approach, as such an advisory group consisting of the Scottish Canals' Executive Team and boating representatives has been developed to share concerns, challenges as well as project/work schedules ahead of time. This group has come together with the joint working approach, including those boaters who presented to the committee last year, Ronnie Rusack MBE, Christine Cameron and Graeme Harvey. This collaborative, transparent and engaged approach has resulted in the successful delivery of Scotland's biggest Canal Flotilla over the weekend of the 24<sup>th</sup> May 2019. This Flotilla was only possible through additional funding provided by Scottish Government to repair/replace Bonnybridge and Twechar bridges, resulting in sea to sea transit being available again. To celebrate this, Scottish Canals worked with key members who had been chosen by the boating community as representatives to form a joint working group to deliver the Flotilla.

In 2019/20 Scottish Canals received £8.5 million in revenue grant-in-aid from the Scottish Government, which is significantly less than it costs to operate and maintain the canals. In June 2018 Scottish Canals published its asset management strategy which outlined a £70 million asset repair backlog which continues to grow annually. To manage this backlog and provide an active and accessible boating canal Scottish Canals requires in the region of an additional £6-9 million of investment each year to maintain and repair the canals. Notwithstanding 18/19 in which additional funding was secured, and 19/20, in which our operational capital award was increased significantly from £3.5m to £6.5m, the previous six years have only seen a modest investment of £2m of operational capital to maintain and repair the canals.

### **Pricing review & consultation**

Given the contentious nature of mooring prices, both for leisure and residential boaters, Scottish Canals believed it was right to commission an independent, third party review of the market and the creation of a methodology which could capture

geographic variances and reflect varying facilities at each location, along with their attractiveness to boaters.

No single organisation existed with the necessary skills or expertise to carry out this piece of work, therefore Scottish Canals procured a consortium of respected consultants, Gerald Eve who are experienced in the property sector, and Billfinger GVA, who had experience in the marine sector. Jointly, they were tasked with working with Royal Yachting Association of Scotland, British Marine and Scottish Canals' customers to explore the many complex and sensitive issues involved – particularly with residential boating – in order to identify a sensible, transparent and repeatable process.

Changing prices is invariably controversial, especially if they increase. However, in the 2017 review of mooring and navigation fees, no customer saw their moorings price increase by more than £100 per annum (or £8.33 per month) as Scottish Canals capped price increases at this level to prevent boaters from experiencing financial hardship. Under these terms residential and leisure boaters facing the highest overall increase of £2390, will take 24 years before they end up paying the recommended fee. It is also worth noting that 83 boaters (over 18% of customer at that time) saw a reduction in their mooring fees following the Pricing Review and Consultation.

Scottish Canals was wholly aware that this review and consultation would be welcomed by some customers and questioned by others and that is why each step of the process was on its website and in writing to customers and boating groups. It is also important to note that of the 453 long-term berth holders on Scotland's canals at that time, 78 (17.3%) responded to the consultation, 29 (6.4%) complained and 2 escalated their complaint to the SPSO. The SPSO found in favour of Scottish Canals in both cases.

The next review of the pricing policy is due in three years. Scottish Canals is committed to continuing to involve our customers in that process from an early stage and throughout the process.

Finally, Scottish Canals would like to reiterate the position that the Cabinet Secretary for Transport, Infrastructure and Connectivity provided in his submission of 29 October 2018 which stated in conclusion "that as there are existing routes for issues to be raised, Scottish Ministers do not consider that the creation of an Independent Water Ombudsman would be the most appropriate way to address the petitioners concerns." Scottish Canals would like to assure the Public Petitions Committee and our customers that we will continue with a collaborative, transparent and engaged approach and comply with the policies and processes required of the organisation.