

## **PE1693/G**

Cabinet Secretary for Transport, Infrastructure and Connectivity's submission of 29 October 2018

Thank you for your letter of 1 October in consideration of petition PE1693 asking for my response to the possible establishment of an independent water ombudsman and other issues raised by the petitioners.

I can assure you that Ministers and officials have been and will continue to be in regular contact with Scottish Canals at both board and officer level to discuss the opportunities and the challenges around maintaining the historic assets on the canal network. Rightly, Scottish Canals is clear that it will prioritise the safety of the general public, its staff and the surrounding environment as well as continuing to ensure that the canals can be enjoyed by a wide range of users – and that they continue to maximise economic return and growth to the surrounding communities.

### **Asset Management and Grant in Aid**

Scottish Canals have made a significant effort in recent years to understand the overall condition of the canals and develop an Asset Management Strategy, which was published on 21 June, to prioritise use of the resources available to them for maintenance and replacement. This has identified a requirement for capital investment in the assets and Transport Scotland is working closely with Scottish Canals to monitor and understand the implications of this.

In recognition of these issues the grant in aid funding to Scottish Canals was increased from £10 million in 2016/17 to £11.1 million in 2017/18 and to £11.6 million in 2018/19, with a substantial increase of 75% in capital grant in aid funding from £2 million in 2016/17 to £3.5 million in 2018/19.

Additional funding of £1.295 million was made available in 2017/18 and an additional £1.625 million has been made available in 2018/19 to enable work to be undertaken to repair the harbour at Ardrishaig and bridges on the Forth and Clyde Canal at Bonnybridge and Twechar. Further funding is also being made available to Scottish Canals to undertake works at Fort Augustus to address the issues that the petitioners mentioned when they gave evidence.

In all of the instances noted above, concerned users were able to raise their issues directly with Scottish Canals in addition to Scottish Ministers and Government officials – highlighting the priority placed on solutions to these closures and feeding into the joint working between Scottish Canals and Transport Scotland on the Asset Management Strategy.

### **Scottish Canals Board**

Scottish Ministers appoint members to the Scottish Canals Board. The role of the board is to provide leadership, direction, support and guidance to ensure Scottish

Canals delivers and is committed to delivering its functions effectively and efficiently and in accordance with the aims, policies and priorities of the Scottish Ministers.

One of the points raised by the petitioners was the review of boating charges. I am conscious that this is an area where the board applied significant scrutiny and challenge to ensure that any increases were applied in a manner that was affordable to all users – resulting in the restriction of any increase to £100 per year.

The Board are also currently working on opportunities for wider engagement with a range of canal stakeholders over the coming months.

## **Places for People**

I note the concerns raised about the joint venture with Places for People and more generally Scottish Canals investment and commercial activities. I would highlight that, prior to the transfer of assets, British Waterways had made investments in property with joint ventures throughout the United Kingdom. During the negotiations around the separation of the assets between England and Wales and Scotland an agreement was reached that provided Scottish Canals with a share of these investment assets which could be invested in commercial assets. Scottish Canals has been investing in commercial assets, including housing, in order to provide sustainable future income for the maintenance of the canal network. Scottish Government Grant in Aid cannot be used for commercial investments.

Scottish Canals are currently undertaking work that will help demonstrate more widely how the returns on the investments, both capital returns and ongoing revenue, are returned to contribute to the operation and maintenance of the core canal network. This will help further clarify that the wider activity undertaken by Scottish Canals is in support of, rather than in spite of, ensuring the Canals are there for future generations.

## **Ombudsman**

The Scottish Government considered, in 2012, what would be an appropriate independent complaints process for complaints against the organisation in Scotland. The Scottish Public Services Ombudsman Act (2002) had already established a body for complaints where a member of the public suffers injustice or hardship as a result of maladministration or service failure. The Scottish Government proposed, as part of the legislative process, that the British Waterways Board, operating solely in Scotland, should come within the scope of relevant Scottish Legislation, including the Scottish Public Services Ombudsman Act.

The summary of responses to the consultation in 2011 states that the Waterways Ombudsman was supportive of this proposal and no objections were raised.

## **Summary**

Although we have not undertaken specific analysis of the cost of the proposals to create a new Ombudsman, there is likely to be a significant resource required to set up and to run any such body.

Given the examples set out above highlighting that 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.

I would however encourage them to continue to engage with Scottish Canals and the board – and I would also be happy to arrange for Transport Scotland Officials to meet with them to discuss any concerns they have.