

CALEDONIAN MARITIME ASSETS LTD.

**Board of Directors Meeting, 16 December 2011
Riverside Museum, Glasgow
Minute of Meeting and Actions Arising**

FOISA status – Exemption under Section 30 (prejudice to effective conduct of public affairs)

Present:

G S Johnston (Chair)
E Ostergaard
K MacLeod (part)
M Forrest
A Whyte
G Platten
G Laidlaw
A Duncan
L Spencer

In attendance:

N Thomson
A Flockhart

Apologies:

R Davie

Minutes:

E Roxburgh

1. Welcome & Apologies

The Chairman welcomed everyone to the Board meeting, and accepted the apologies of R Davie.

2. Approval of Minutes of 8 November 2011

The minutes were approved as a true record.

The redacted minutes were noted and approved for publication on the CMAL website

3. Matters Arising

3.1 The previously circulated Anti-Bribery Policy was approved by the Board.

4. Finance

- 4.1 The Board noted the previously circulated paper from the Financial Controller.

Capital Investment – Brodick. **(Redacted under FOISA Section 33(1)b)**. GL advised that it had been announced that RET would be introduced on the route in 2014 and that as part of the RET it was acknowledged that there was investment required in the port infrastructure. **(Redacted under FOISA Section 33(1)b)**.

NT reported that the fixed assets had been incorporated at valuation in each of the three years to 2011. NT will be carrying out further work on this to determine when the next valuation date should take place and will report further at the next Board meeting.

(Redacted under FOISA Section 33(1)b).

- 4.2 Pensions. No further updates.
- 4.3 Public Services Reform (Scotland) Act – disclosures. The Board noted the previously circulated paper and approved its publication on the CMAL website.
- 4.4 Voted Loan, Hybrid Ferries. NT brought the attention of the Board to the letter from Scottish Government offering a voted loan towards the procurement of the two Hybrid Ferries. The Board formally accepted the offer of the loan from the Scottish Government and will write to Scottish Government accordingly.

Action: NT

- 4.5 Caledonian MacBrayne Accounts to 31/3/11. NT explained that it was necessary to produce accounts for the dormant company Caledonian MacBrayne. The accounts were presented and approved. It was agreed to add the two new Non-Executive Directors AW and MF to the Board of Caledonian MacBrayne.

Action: NT

5. CHFS, Cowal and Rathlin Contracts

- 5.1 **(Redacted under FOISA Section 33(1)b)**.
- 5.2 CHFS2 Draft Contracts Update. GP brought the Boards attention to the draft CHFS2 contracts circulated with the Board papers. **(Redacted under FOISA Section 33(1)b)**.

It was hoped that the Board might be able to approve the draft contracts at the next Board meeting in order to allow in depth discussions and negotiations with Scottish Government to take place.

6. Vessels

6.1. The Board noted the previously circulated report from the Director of Vessels.

AD confirmed that the number of MV FINLAGGAN guarantee claims were not excessive compared to industry norms.

6.2 MV SATURN - **(Redacted under FOISA Section 33(1)b)**

MV CANNA. **(Redacted under FOISA Section 33(1)b)**.

6.3 Stornoway/Ullapool replacement vessel. **(Redacted under FOISA Section 33(1)b)**.

Hybrid Ferries. Steel Cutting Ceremony. GL requested that the Minister be invited to this ceremony. Mid-January would be an appropriate time either a Monday or Tuesday. AD will advise on possible dates and revert.

Action: AD

AD reported that contracts have been awarded by the yard to major suppliers. **(Redacted under FOISA Section 33(1)b)**.

7. Harbours

7.1 The Board noted the previously circulated paper from the Director of Harbours.

Tarbert (H), Lochboisdale & Castlebay linkspan refurbishment. **(Redacted under FOISA Section 33(1)b)**.

Brodick Refurbishment. LS sought Board approval to progress Brodick Marshalling Area resurfacing at a cost of £160k. Board approval was given.

Port Askaig – LS reported that the Passenger Access System platform is now operational.

Craignure – LS reported that Passenger Access System design and specification work has been instructed in order not to delay matters whilst the funding situation was resolved. **(Redacted under FOISA Section 33(1)b)**.

Port Ellen. LS drew the Board's attention to revised programme and circulated a supplementary paper. **(Redacted under FOISA Section 33(1)b)**. Delays had been experienced due to adverse weather and problems with late arrival of the grain boat along with subsequent discharging challenges. A further report will be made at the next Board meeting.

Brodick. **(Redacted under FOISA Section 33(1)b)**.

8. Business Development

- 8.1 CMAL Valuation. GP updated the Board following his discussions with SG on Tuesday **(Redacted under FOISA Section 33(1)b)**.

A joint CMAL/SG paper is currently being prepared and is due to be sent to the Minister by 21st December 2011 before the Christmas recess. The paper will be circulated to Board members for comment prior to submission.

- 8.2 The Board noted the previously circulated Business Development Report from the Head of Business Development.

ERDF Grant. AF reported that decision is due in January 2012 regarding a possible £450k grant towards the Hybrid Ferry project

Hybrid Innovation. **(Redacted under FOISA Section 33(1)b)**. AF will keep the Board updated on an ongoing basis.

- 8.3 The Board noted the previously circulated Human Resources Report. Board approval was requested for the appointment of a Business Support Administrator on a part-time basis. Board approval was given.

- 8.4 3 and 10 Year Strategic Plans. The Board was requested to comment on these by 31st December 2011. Once completed the plans will be forwarded to SG for Ministerial sign off.

The Board discussed the Draft Budget 2012/13 and Forecasts to 2014/15. **(Redacted under FOISA Section 33(1)b)**. Budgets will be discussed and agreed at planning day arranged for 24th January 2012.

9. Corporate Services

- 9.1 The Board noted the previously circulated Corporate Services Report from the Head of Business Development.

AF updated the Board on the Trade Mark issue with The Waterfront Restaurant in Oban. Following legal advice, Board approval was sought to obtain an injunction to protect the trade mark name "MacBrayne's". **Board approval was given** and LS to follow up with our lawyers and advise Scottish Government.

Action: LS

- 9.2 FOISA/Publication Scheme. The Board noted that CAML has submitted a new scheme to the Scottish Information Commissioner for adoption. The revised Scheme follows the Model Publication Scheme 2011 and can be found on the company website.

10. Safety and Risk Management

- 10.1 The Board noted the previously circulated Health & Safety Report.

- 10.2 The Board noted the previously circulated Risk Report. The risk register for the Hybrid Ferries will be forwarded to Scottish Government.

11. Any Other Business

- 11.1 **(Redacted under FOISA Section 38).**
- 11.2 GL advised that decisions following RET have now been announced.
- 11.3 GL advised he would be visiting Stornoway in January to speak to hauliers re RET discount scheme.
- 11.4 GL advised that it is SG's intention to issue the Draft Ferries Plan pre-Christmas.
- 11.5 GL also reported that the Northern Isles (Orkney/Shetland) Ferry Service public service contract discussions were ongoing.

12. Date of next meeting

- 12.1 Wednesday 25 January 2012 at 0930 at CMAL Offices, Port Glasgow.

There being no further business, the Chairman closed the meeting thanking the attendees and wished everyone the compliments of the season.