

**REDACTED MINUTES**

<b>Meeting</b>	Caledonian Maritime Assets Ltd	<b>Date/Venue</b>	29 May 2018 Malmaison Hotel, Edinburgh
<b>Meeting Chair</b>	Erik Østergaard	<b>Start Time</b>	<b>0900Hrs</b>
		<b>End Time</b>	<b>1140Hrs</b>

<b>Members Present</b>		<b>In Attendance</b>	
<b>Name</b>	<b>Title</b>	<b>Name</b>	<b>Title</b>
Erik Østergaard	Chairman	Chris Kane (Minutes)	Executive Assistant
Morag McNeill	Non-Executive Director	Ramsay Muirhead	Head of Engineering
Paul Croucher	Non-Executive Director		
Tony Graham	Non-Executive Director		
Kevin Hobbs	Chief Executive		
Jim Anderson	Director of Vessels		
Gillian Bruton	Director of Finance		
Lorna Spencer	Director of Harbours		

**1. MEETING OPENS – WELCOME AND APOLOGIES**

The Chair welcomed those present to the meeting, apologies received from Graham Laidlaw. A conflict of interest was noted from Tony Graham as he is a Non-Executive Director for Cammell Laird Shipyard. It was noted a venue change had to be made due to no representation from TS making Victoria Quay unavailable.

**2. APPROVAL OF PREVIOUS MINUTES**

The minutes of the previous meeting were approved.

**3. REVIEW OF ACTION REGISTER**

The Action Register was reviewed and a number were closed out.

**4. PUBLIC SERVICES REFORM (Scotland) ACT**

Members noted the PSR(S) Act Disclosures.

**FOR DISCUSSION**

**5. RISK REGISTER REVIEW**

The Risk Register was reviewed. MM commented that the Register was easier to digest now that it was sorted on the basis of RAG in the "Residual Risk" Category.

## **6. CEO UPDATE**

Force Majeur weather event - KH stated since FMEL had notified us of the plan to claim (for serious snow fall in Feb 2018) no further correspondence had been received from them.

KH/EO updated the board regarding meetings with Mr Yousaf. Notes of the meeting were as read. It is clear that the vessels must be completed in order to deliver the tonnage into service.

KH also noted he had 3 actions from the meeting:

- Produce a time-line comprising various trigger points/date, this has been completed.
- KH to request extension to surety bond, EØ stated we have sent the request, this is with FMEL,
- Meeting to be arranged, with TS and Economy Colleagues

KH stated the SG procurement review has taken place and is happy to advised that we followed correct procurement procedures when tendering for Glen Sannox and Hull 802.

NIFS was discussed, the purchase of the 3 Ropax vessels has been concluded.

KH stated the replacement for Helliar and Hildasay will have to begin imminently to ensure they are built prior to the end of the bareboat contracts.

The work of the Ardrossan Task Force continues with weekly calls and monthly meetings of a Project Team. It is clear that the Funding Model is proving to be a challenge and there is a desire to ensure that there is best possible value regarding the public purse. RM/LS advised that we would need to deploy additional resources if CMAL had apart to play regarding Ardrossan as this could be a major works package – however any decisions regarding this matter would be deferred until more information was shared.

## **7. HEALTH AND SAFETY UPDATE**

The Health and Safety updated was noted as read.

## **8. FINANCE UPDATE**

GB discussed the finance papers, she noted; profit/loss for 2017/18 has been completed and summarised that year levels are in line with what we expected. We will work with TS to ensure we have the funding required, namely for harbour works.

GB reported that the pay remit was completed within the govt requirements for pay policy. We are now aligned with the SG requirement for April each calender year.

TG asked if FMEL Bank Guarantee/Surety Bond is noted in the finance report/risk register? GB reported that it is and was discussed extensively with the auditors last year. This will be repeated this year.

## **9. VESSELS**

JA began by reporting that Milestone no 14 will not be achieved by 31 May 2018. KH advised that our legal advice is to pay all milestones as they become due as we do not want to be in Breach of Contract.

The motorised bollard payment (£800k) is upcoming, we have paid 50% upfront, FMEL have asked for the remaining 50%. JA advised that we will ensure that the funds are paid directly to the equipment suppliers.

JA then went on to speak about the vessel for sale in Greece, EØ spoke of his experience with purchasing a forgein vessel, noting there is much work to be done to ensure the vessel will

meet UK standards, stressing that we must have the MCA committed to ensure modifications/deployment goes smoothly.

## **10. ENGINEERING**

RM update the board regarding the engineering works.

The Tiree/Coll linkspan tender we expect to award August 2018 with works starting Autumn 2019 AND Spring 2020.

Invitation to Tender have begun on the Kerrera Breakwater with a view to having contractors on site in Q3 2018.

Reports have been sent to Marine Scotland regarding sampling taken in the area of potential dredge disposal at Tarbert and Lochmaddy, failure to secure prompt approval from Marine Scotland will add programme and cost risk to the project. TS funding confirmation is required to proceed with the Tarbert and Lochmaddy works, pre-qual process is planned to commence June 2018 meaning a failure to secure funding by August 2018 will result in programme delay.

Colintraive/Rhubodach slipway work is continuing well, albeit 8-10weeks behind although this has no meaningful effect on the ferry operations. Permanent retention of temporary slipway awaits landlord approval, this could delay the project.

Brodick Redevelopment was discussed, operations began on 20 March 2018, the official opening took place on 12 April 2018 with Minister Derek Mackay MSP. Minor snagging works are still taking place, critical issues with the fire alarm, biomass boiler, terminal doors and PAS have caused some operational issues during the initial weeks. Tender for removal of mechanical and electrical works at the now unused Brodick Old Terminal will be issued mid June 2018. Brodick won the Port Infrastructure Project of the Year award at the UK Port Awards 2018.

EØ asked if there was any way we could encourage a wider range of contractors to bid for future works? LS/RM reported that due to the specialist nature of the marine environment and RM reported due to our works being relatively small in quantum it is difficult to broaden the range of contractors.

RM spoke about Oban Marshalling Network Rail Sidings; the design review by Network Rail has been delayed, we expect it to be completed June 2018, tenders to be issued shortly after. Works should begin Autumn 2018.

Our linkspan hydraulic equipment upgrades are behind schedule.

Electrical upgrades at Gourock, Castlebay and Lochboisdale are being progressed to allow hydraulic upgrades to follow. The linkspan maintenance contract is progressing towards tender stage, this will commence upon completion of all hydraulic upgrades.

Tenders for Oban No1 Linkspan replacement have been received and are within budget projections. Contract award is planned for June 2018. Installation and berth shutdown is planned for Feb 2019. The success of this project is linked to the Oban Marshalling Area Upgrades.

Lochaline aligning structure, tender to be issued early June 2018, works planned to start Autumn 2018 and last 12 months. There will be 6 week shutdown, anticipated to take place April 2019, although yet to be fully determined.

Our new Civil Engineering Project Manager; Lee Rankin will start on 28 May 2018.

## **11. HARBOURS UPDATE**

LS noted the majority of her paper is as read, however she did stress uncertainty over funding for the Skye Triangle Infrastructure Works remains a significant risk to project delivery. LS then asked the board to note her report regarding changes to the Crown Estate.

## **12. CORPORATE**

KH covered points in the corporate services paper, noting the vessels team have not implemented further recruiting until we have more clarity regarding FMEL. Regarding the board email addresses it was seen as a possible administration difficulty to provide a new piece of kit/email address so other methods of securely sharing the papers were discussed. It was agreed CK would look at AdminControl and DirectorsDesk as solutions to this.

**Action: Look at AdminControl and DirectorsDesk for securely sharing Board Papers**

## **13. AOB**

GDPR was discussed - Liz Taylor will act as our data protection officer which is a Statutory Obligation under the new Act. Liz Taylor will report to the board quarterly.

There are new obligations surrounding the matter of CCTV but these are being actively managed by our Harbour Master.

The matter of HR files are a risk but we manage these stringently and correctly.

**Action: Quarterly GDPR report from Liz Taylor**

## **DATE OF NEXT MEETING**

30 July 2018, CMAL Offices, Port Glasgow

**Meeting Closed – 1140hrs**