

## REDACTED MINUTES



### CALEDONIAN MARITIME ASSETS LIMITED BOARD MEETING

<b>Meeting</b>	Caledonian Maritime Assets Ltd	<b>Date/Venue</b>	30 July 2018 CMAL Offices Port Glasgow
<b>Meeting Chair</b>	Erik Østergaard	<b>Start Time</b>	<b>1100Hrs</b>
		<b>End Time</b>	<b>1300Hrs</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.

#### **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**

PC updated the meeting regarding the output of the Audit and Risk Committee (A&R Committee). As part of the updated agenda of the A&R Committee, we now perform a detailed analysis of 1 risk per meeting. The risk chosen during this meeting was engineering risk relating to rebuilding and replacing port infrastructure and how it drew similarities to another engineering risk, PC noted that the difference between the 2 risk is crucially one is for repair and maintenance and the other is for a rebuild.

## **6. CEO UPDATE**

The Surety Bond was discussed, KH will send a letter to FMEL detailing the need for renewal of the surety bond

KH stated he has reviewed the cardinal dates provided by FMEL and believes they are optimistic.

Regarding the £30m loan from SG; SG has appointed a "third party peer reviewer" who will monitor progress and the Cardinal Date Programme. CMAL has not had an opportunity to meet with the Peer Reviewer at this time.

KH then went on to discuss the Clipper Ranger, which is a potential purchase candidate. CMAL has inspected the vessel and a report is currently with TS and is to be shared with Ministers.

Ardrossan was discussed, KH stated there are a number of options.

An update on progress regarding this matter will be given at the next Board Meeting.

After these matters were discussed the rest of the paper was noted as read.

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

The health and safety update was noted as read.

## **8. FINANCE UPDATE**

GB discussed the finance update, noting we predict a lower than anticipated Capital spend this year. This primarily due to the delays being experienced regarding the 2 Dual Fuel Vessels being constructed at FMEL.

GB then mentioned the draft Annual Accounts have been included relating to 2017/18.

PC noted the Audit and Risk Committee has updated Terms of Reference. TG was appointed as a member. PC advised that there is a potential requirement for an internal audit function. We will enlist Scott Moncrieff to check whether we require an internal audit function given the size of the organisation? TG suggested we identify our current audit procedures (quality management, procurement etc.) and perform a Risk Assessment of the areas which are not audited in our normal course of business. PC then went on to discuss the next audit and risk committee meeting, noting there will be a section that excludes the Exec Team and would include the External Auditors as this is seen as best practice.

After these matters were discussed the rest of the paper was noted as read.

## **9. VESSELS UPDATE**

JA discussed the vessels update noting that we have received a revised Cardinal Date Programme. It was noted that the dates that have been offered could be achieved by a ship yard that had the appropriate level of resources and project management.

JA discussed second-hand tonnage, our investigations of the Greek Vessel have proved it will be unsuitable so we will no longer be taking this forward. JA mentioned we expect to receive £3.5m from SG for obsolescence, spending this will be challenging given the tight timeframe and deadlines. However, we will work closely with CalMac to ensure matters are expedited.

EØ asked why these funds are coming to CMAL as we have a bareboat charter party? JA advised that the funds need to be channelled through the Asset Owner and that ultimately any improvements would improve resilience but also enhance the vessels.

After these matters were discussed the rest of the paper was noted as read.

## **10. ENGINEERING UPDATE**

RM discussed the engineering update, stating Tiree/Coll link span replacement tender has received 5 interested parties, of which 2 have indicated that they will withdraw. RM advised that in many instances there are only a limited number of Contractors that have the skill, expertise and desire to tender for some of our remote projects which is a long term concern.

Lochaline works, as a result of a minor change to the proposed works (in-fill of piles/deck) Marine Scotland have indicated that this may require a full resubmission. RM is currently challenging Marine Scotland's indications as this could have serious "knock on" effects regarding the programme.

After these matters were discussed the rest of the paper was noted as read.

## **11. HARBOURS UPDATE**

LS discussed the Harbours Update,

The Skye Triangle works are ongoing with the next round of consultations being mid September 2018. There is ongoing concern about the funding for the Skye Triangle works regarding all 3 ports. TS need to make a decision on both the level of funding and timing, it may be that works will be phased.

LS mentioned CalMac has come forward with a programme of works relating to their bid commitments to the provision of ferry services. CMAL will have more oversight of these works. There are ongoing discussions as to how this would be managed.

After these matters were discussed the rest of the paper was noted as read.

## **12. CORPORATE**

CK discussed the board sharing solution noting Microtech had suggested a SharePoint solution. MM stated she had used a SharePoint solution in the past and found it difficult and insecure. It was agreed Admin Control would be provided.

After this matter was discussed the rest of the paper was noted as read.

## **13. AOB**

The Sept meeting venue was changed to CMAL Offices.

2019 meeting dates will be discussed and CK will provide a draft network tour during the Sept meeting.

## **DATE OF NEXT MEETING**

25 Sept 2018, CMAL Offices, Port Glasgow

**Meeting Closed – 1300hrs**