



## REDACTED MINUTES

### CALEDONIAN MARITIME ASSETS LIMITED BOARD MEETING

<b>Meeting</b>	Caledonian Maritime Assets Ltd	<b>Date/Venue</b>	27 Nov 2018 CMAL Offices Port Glasgow
<b>Meeting Chair</b>	Erik Østergaard	<b>Start Time</b>	<b>0900hrs</b>
		<b>End Time</b>	<b>1230hrs</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	Graham Laidlaw	Transport Scotland
Tony Graham	Non-Executive Director	Grenville Johnson	Chair Trustees Pension Fund
Kevin Hobbs	Chief Executive	Ed Watt	Addleshaw Goddard
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 no apologies were received. It was noted that Grenville Johnston and Ed Watt would join the meeting to discuss the CalMac Pension Fund and the FMEL claim respectively.

#### **2. APPROVAL OF PREVIOUS MINUTES**

The minutes of the previous meeting were agreed.

#### **3. REVIEW OF ACTION REGISTER**

The Action Register was reviewed

The Oban RTA incident was discussed and it was noted that the HSE had not commenced a formal investigation of the accident. However, they had visited the site and have asked for improvement and CFL/CMAL has appointed Royal Haskoning to carry out a traffic management review. EØ asked if the HSE will inform CMAL when they investigate the accident and LS reported they will inform CalMac who will notify us.

After these points were noted the action register was agreed.

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

Members noted the PSR(S) Act Disclosures.

#### **FOR DISCUSSION**

#### **5. RISK REGISTER REVIEW**

KH discussed the risk register noting the risk of a claim from FMEL had been added as discussed at the ARC.

After this was discussed the Risk Register was noted as read.

#### **6. CEO UPDATE**

KH discussed his paper noting various updates received since the date of writing.

FMEL now have 3 small scale vessel projects namely 2 fish farm work boats and the Hover Barge; we have concerns that this will directly affect our project as all will take managerial and shop floor resources.

JA reported on the progress made at FMEL. EØ reported that on 18 December 2018 he and KH had met with Ministers for a wide ranging discussion which included the matter of FMEL amongst others.

LS asked about project management costs stating we should renegotiate the voted loan, JA stated they are under control but with the likelihood of the vessels taking longer he will forecast his expected costs and this will be discussed with TS. GB advised that the interest on the voted loans would also escalate as a result of late delivery.

PC asked if we will make any payments to FMEL in the coming months, JA reported that the next payment milestones for H802 are all around the launch date of the vessel.

KH mentioned the board have been requested to attend a meeting with SG ministers and suggested 28 Feb in Edinburgh as this was the day prior to the board meeting. This was agreed and the board meeting on 1 March will be moved to Edinburgh.

KH described his fleet replacement programme which has been shared with TS and Ministers. EØ asked GL how this would be carried through SG channels. GL reported that he and Richard Hadfield would engage with TS colleagues and Ministers.

FMEL accounts were discussed, there is no indication of 2017 accounts being published in the near future. The 2016 Accounts were published some 15 months late.

After these points were discussed the paper was noted as read.

**Action: CK to move March Board Meeting to Edinburgh**

**Action: KH to arrange Meeting with Ministers on 28<sup>th</sup> February 2019**

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

The health and safety paper was noted as read.

#### **8. FINANCE UPDATE**

GB is currently in talks with SG regarding grant funding, the aim is to maximise the Grant in Aid drawdown for 18/19 prior to the close off period at the end of March 2019.

At the next ARC Meeting the plan for the audit will be discussed in detail; Scott Moncrieff remain our External Auditors.

GB stated the Draft SG budget has been announced and we have adequate funding for all Port Projects including the Skye Triangle. However, there is only funding for vessels relating to the current Dual Fuel Vessels and none allocated for the Islay Vessel. The budget should be confirmed in Q1 2019.

After these points were discussed the paper was noted as read.

## **9. VESSELS UPDATE**

JA reported that much of the vessels section had been covered elsewhere in the Board discussion

There was an agreed roadmap regarding the handing over of responsibility for the LNG shore side infrastructure from CalMac to CMAL as these are long term assets. The facilities proposed are for both Uig and Ardrossan to support the dual fuel vessels.

JA advised that he has been giving some assistance to the NIFS Procurement team that are currently finalising the NIFS ITT.

Annual dry dock inspections are being carried out as per the CHFS Contract

After these points were discussed the paper was noted as read.

## **10. ENGINEERING UPDATE**

RM reported that recent linkspan rope inspections have concluded and that there are 2 facilities that require the ropes to be changed out in the near future; namely Coll and also Tarbert (Harris) – the plan is to replace within January and February 2019.

The Kerrera Breakwater repairs are on track and are programmed for completion in February 2019

The Coll and Tiree linkspan replacements – community engagement took place on 3<sup>rd</sup>/4<sup>th</sup> December 2018; the work required is well understood. Coll programmed for Autumn 2019 and Tiree Programmed for Spring 2020. There is some apprehension as to the level of service that will be given by CFL during this period.

Brodick Decommissioning Phase 1 completed – phase 2 at a later date yet to be confirmed.

Oban No1 linkspan replacement is to be carried out in Feb 2019 and a large floating Crane (Lara 1) is to be used to expedite matters.

Oban marshalling Area and railway sidings are underway with substantial progress achieved – due to complete Feb/Mar 2019.

The Lochaline Slipway and Aligning Structure project was delayed due to issues of Licencing by Marine Scotland. All is clear to progress and the date is April/May 2019 with a 6 week shutdown scheduled at the commencement of the 2019/20 Winter Timetable.

After this was discussed the paper was noted as read.

## **11. HARBOURS UPDATE**

LS discussed the recent road traffic accident at Oban, stating things are in hand, HSE have investigated the site but the accident investigation has not begun, CalMac will be informed and subsequently inform us which is a requirement under the HOA.

LS reported the Skye Triangle Project is almost ready to progress into procurement stage, noting the Environmental Impact Assessment is just about complete and should cause no issues. CMAL and CnES are ready to commence the procurement process. The Highland Council have currently engaged contractors to review the methodology and time required to complete the Pier head works in relation to the Linkspan outage time requirements. The Highland Council anticipate this work will be complete by 18 January 2019.

After these points were discussed the paper was noted as read.

## **12. CORPORATE**

LS commented on the "Matters Reserved for the Board" and said she would share her comments via email.

After these points were discussed the paper was noted as read.

## **13. AOB**

Grenville Johnson (GJ) joined the meeting to discuss the CalMac pension fund.

KH advised that CMAL had submitted an option paper to TS in July 2018, no further meaningful discussions had ensued.

After this was discussed Grenville Johnson left the meeting.

Discussions with Ed Watt of Addleshaw Goddard have been redacted due to being confidential in nature.

EØ stated, due to Tony Graham stepping down recruitment for a new non-exec must begin. Stating we require someone with a background in shipbuilding. GL stated he will take this forward with TS colleagues.

KH suggested CMAL and DML board members meet in the near future, suggesting a joint Board Dinner the evening prior to the next board meeting (28 February 2019) - this was agreed.

**Action: CK to arrange a Board Dinner between CMAL/DML board.**

## **DATE OF NEXT MEETING**

**Meeting Closed – 1230hrs**