

## **REDACTED MINUTES**

### **CALEDONIAN MARITIME ASSETS LIMITED BOARD MEETING**

<b>Meeting</b>	Caledonian Maritime Assets Ltd	<b>Date/Venue</b>	29 <sup>th</sup> Sept 2017 Port Glasgow
<b>Meeting Chair</b>	Erik Østergaard	<b>Start Time</b>	<b>0930Hrs</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		
Paul Croucher	Non-Executive Director		
John Nichols	Transport Scotland		
Richard Hadfield	Transport Scotland		
Kevin Hobbs	Chief Executive		
Jim Anderson	Director of Vessels		
Gillian Bruton	Director of Finance		
Lorna Spencer	Director of Harbours		
Ramsay Muirhead	Head of Engineering		

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

The Chair welcomed those present to the meeting. No apologies were received. EO noted there had been an external complaint about the appointment of Anthony Graham. Anthony Graham will not begin his duties as Non-Exec until this matter is resolved and is therefore not in attendance.

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

There was an omission from the minutes of 28<sup>th</sup> June 2017 in reference to the Remuneration Committee Meeting regarding amendments to the Grade Structure. It was noted that the RemCom had agreed the changes and that the proposed changes were being assessed by Scottish Government PPU. Formal approval will be sought prior to implementation.

The Minutes of the previous meeting held on 28 June 2017 were read and agreed.

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

Action Register in respect of the Board Minutes of 29<sup>th</sup> Sept 2017.

The items marked closed were agreed.

Item 4- Closed, pension repair plan is to be shared with the board, the meeting agreed to close this item.

Item 5 – Closed, communication plan regarding FMEL is to be closed.

Item 6- FMEL update will be covered in the vessel section of the board meeting.

Item 7 –Closed, the mini-event has been postponed; new dates had not been offered by Ministers.

Item 8- Closed, CMAL’s lawyer has been liaising with the rep from SG regarding data protection law changes.

Item 9 – Closed, Cyber security has been raised to medium, the other risks have also been downgraded. GB reported good work has taken place and we are working toward cyber essentials accreditation as required by Scottish Government

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

Members noted the PSR(S) Act Disclosures

#### **FOR DISCUSSION**

#### **5. Risk Register review**

The CMAL audit committee reported they are happy with the Risk Register and updates that have taken place recently. Paul Croucher questioned our risk regarding cash resources, the reasoning behind this risks severity was explained; it was stated that although CMAL do not have a cash resource risk now, but due to the way SG release funds we cannot accurately plan for future projects and expenditure. It was decided the cash resources risk would be split into 2 separate risks, short term and long term – Risk Register to be amended accordingly

#### **6. Caledonian MacBrayne Appointment of Directors**

Gillian Bruton and Kevin Hobbs were appointed as directors of Caledonian MacBrayne Limited.

#### **7. Annual Report and Accounts**

The audit committee meeting reported they are content with the accounts and recommend the board sign-off. It was noted that FMEL contract variation request is not included in the report and it is not necessary to disclose this information. The Annual Report and Accounts were approved.

GB thanked the Auditors for their good work and noted that we were commencing a tender process regarding Auditing Services.

#### **Approved: Annual Report and Accounts**

#### **8. CEO UPDATE**

Vessel Delivery

KH updated the board regarding delivery and milestones noting CMALs predicted timescales.

It was noted that the Arran Ferry Committee will submit a timetable to CFL for Glen Sannox shortly.

MM asked what FMELs predicated timescales are, KH stated they are converging, now only 2 or 3 months more optimistic than CMAL. Realisation of the task ahead is becoming apparent to FMEL.

Ullapool Noise

KH was happy to report that after 4 years our final Ullapool Noise Complainant has come to an agreement.

After the above topics were covered, the remainder of the paper was noted as read.

## **9. HEALTH AND SAFETY UPDATE**

The Health and Safety update was noted as read.

## **10. FINANCE UPDATE**

The Finance Update was noted as read.

## **11. VESSELS**

Although not a formal request KH noted we may need additional resource within the vessels team because of forthcoming projects (including the NIFS Vessels).

After these points were covered the vessels section was noted as read.

## **12. ENGINEERING**

Tarbert and Lochmaddy

It was agreed that under Tarbert and Lochmaddy, paragraph 2 we removed Transport Scotland (TS). RM confirmed Environmental Impact Assessments (EIAs) will be required at both Tarbert and Lochmaddy, this could increase spend and time taken. MM asked how much the EIAs will cost.

LS noted pre-application consultation is now much longer and a more complex in nature.

Brodick

RM predicted that October would be the handover date for the Passenger Access System (PAS) although this would be determined by the efficiency of Adelte. Noting the works by George Leslie are what are causing the delay, however he is hopeful week commencing October will be handover of the Terminal. RM also noted we are still within budget.

Mallaig, Armadale, Tiree and Coll – Linkspan Refurbishment

RM noted after a more detailed design the estimated cost is £7m up from £5.4m. He stated after the consultation he believes replacing the linkspans as opposed to refurbishing would offer a shorter project duration, less overall risk and more longevity of the structures. This would increase project cost circa £550k. This gives a final cost estimate of £7.6m RM requests we take the option of replacing the linkspans. This was agreed.

The remaining points in the paper were noted as read.

## **Approved: Continuation of MATC Linkspan Project**

## **13. HARBOURS UPDATE**

KH asked what are the implications of the Rates Review, LS noted there is a price increase, with charges going up to £450k, the valuation of the property has risen to £900k; an increase of 550%. An appeal was underway although the process takes time.

Discussions ensued around LNG bunkering, notably EO asked for a progress update, it was confirmed ships will be delivered in full compliance for LNG Fuel. LS noted we do not have a solid plan for Uig Bunkering. RH commented that there may be criticism if the vessels were not able to use LNG Fuel as anticipated. KH advised that it was a matter of supply and whether it proved to be economically viable. JA stated he would provide an Update regarding LNG

bunkering during the next Board Meeting. Richard noted 3 projects have emerged since we started building LNG vessels, noting that there is now a market for LNG bunkering in Scotland so suppliers will soon follow.

The Harbours section was noted as read.

**Action: JA to provide LNG Bunkering update during next board meeting.**

#### **14. CORPORATE**

Discussion ensued regarding the launch of Glen Sannox, it is likely First Minister Nicola Sturgeon will launch the vessel.

Board dates were shared and confirmed. It was noted the SSBA Dinner falls on the same day as the Board Meeting in November, CK to make arrangements for our Board to attend SSBA Dinner.

The remaining points in the paper were noted as read.

**Action: CK to make arrangements for SSBA Dinner**

#### **15. AOB**

Erik Østergaard suggested Paul Croucher be made chair of audit committee meeting.

It was noted that the Audit Scotland Ferries report will be published on 19 October, CK to share.

**Action: CK to share Audit Scotland Ferries Review (report will be published on 19 Oct)**

**Approved: Paul Croucher chair of Audit Committee Meeting**

#### **DATE OF NEXT MEETING**

14<sup>th</sup> November 2017 – CMAL Offices, Port Glasgow

**Meeting Closed**