

REDACTED MINUTES



CALEDONIAN MARITIME ASSETS LIMITED BOARD MEETING

Meeting	Caledonian Maritime Assets Ltd	Date/Venue	21 May 2019 Perle Hotel Oban
Meeting Chair	Erik Østergaard	Start Time	1300hrs
		End Time	1600hrs

Members Present		In Attendance	
Name	Title	Name	Title
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
Vacant Position	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.

2. APPROVAL OF PREVIOUS MINUTES

The minutes of the previous meeting were agreed.

3. REVIEW OF ACTION REGISTER

The Action Register was reviewed

Item 3: GL to ascertain whether a recruitment agency can be used to locate CMAL's next Non-Exec was noted as closed.

Item 8: GL to confirm commitment from SG for Islay Vessel was discussed, GL stated that the Islay Vessel is included in the proposed SG 2020/21 budget.

Item 9: GL to arrange a meeting between CMAL, TS Finance and TS CEO regarding the proposal of a multiple vessel order.

Item 4, 5, 6, 7 and 12 were agreed as closed.

After these items were discussed the action register was noted as read.

4. PUBLIC SERVICES REFORM (Scotland) ACT

Members noted the PSR(S) Act Disclosures.

FOR DISCUSSION

5. RISK REGISTER REVIEW

PC (as Chair of the ARC) described the internal audits that was being proposed and performed by Scott Moncrieff's Internal Audit Function. GB advised that this was a separate department within Scott Moncrieff and that there was no connection with the External Audit Function

After this discussion the risk register was noted as read.

6. CEO UPDATE

KH described his paper noting the workforce on 801 and 802 are severely under resourced.

JA asked GL about the minister visiting FMEL reportedly today (21/05/19). GL stated that yes, he had visited the yard, but the visit was about engaging with the workforce which through the STUC.

KH then went on to talk about the surety bond, discussing recent correspondence, he noted if the bond is not extended the only option open to the Board to cancel the Contract for MV Glen Sannox (Bond Expiry being 31/07/19). We would request an extension once again and would keep the Board Informed as to whether there was a positive response.

GL reaffirmed that Scottish Ministers continued to be of the view that the activity of ship building in Scotland was a priority as were the jobs, apprenticeships and the socio-economic benefits that derive from all of the activities.

KH reported we have now bought the final 2 NIFS vessels meaning all 5 Vessels are now within CMAL's Ownership. GL thanked CMAL and reported significant savings are being made against the previous bareboat agreement, circa 50%.

KH reported he had attended the DML board meeting and the CalMac Community Board Meeting, it's likely he will attend the Community Board Meeting annually. He reported these meetings were very positive.

After these points were discussed the CEO update was noted as read.

7. HEALTH AND SAFETY UPDATE

The health and safety paper was noted as read.

8. FINANCE UPDATE

GB advised that preliminary results for year ending March 2019 had been completed and that the External Auditors would be on site during June 2019

Our next financial milestone will be our statutory accounts, the first draft will be shared with the board as soon as they are available, this is predicted to be early July 2019 and would be done electronically. It is crucial the board has sight of the accounts as early as possible and regular engagement with our auditors is important.

GB discussed the pension triennial revaluation, SG/Trustees must agree to our changes to assumptions by 15 June 2019 in time for the deadline of 5th July 2019.

GB reported that the MNOPF scheme will be de-risked in future.

After these points were discussed the Finance, Procurement and IT update was noted as read.

9. VESSELS UPDATE

GL reported there have been no renewed milestones or delivery dates provided to SG by FMEL.

JA advised that CMAL are providing assistance to the Northern Lighthouse Board with their new build programme.

After these points were discussed the Vessels Update was noted as read.

10. HARBOURS UPDATE

LS advised the Board that

- Infrastructure improvements at Oban are progressing after the recent RTA.
- Aid to Navigation availability is very close to 100%.
- Port Audits (carried out by HM and HSE Manager) that have been performed recently at Lochranza.
- Agreement to recruit a Graduate Engineer to assist Planning of Infrastructure.
- The Skye Triangle was discussed, noting it is at a critical stage, the budget has been confirmed, LS asked GL to chase TS colleagues – the current position is that it is approval is sought from the TS IDM Board.
- Tenders for all three Skye Triangle Ports are being finalised and the Tarbert Harris Tender has been sent to Contractors. This will be followed in July 2019 by Lochmaddy (WIC but managed by CMAL).
- It was noted that at Mallaig and Armadale CFL staff have been stationing semi-permanent caravans at the sites. This is not acceptable in terms of land use and we have environmental concerns, the issue has been raised through the HOA with CFL.

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

11. ENGINEERING UPDATE

Coll and Tiree – GLL are fabricating both link spans with a programme to replace Coll in Autumn 2019 and Tiree Spring 2020. This remains some local dissatisfaction regarding the alternative freight provision during replacement

Tiree (Old Pier Head) has commenced and is programmed to complete by October 2019

Tarbert and Lochmaddy Infrastructure still awaits some Marine Licence Consents and there is one objection to be resolved regarding RYA/RYS regarding the HRO.

It was discussed and ultimately agreed that the tender for the works at Lochboisdale should be withdrawn as the options that were considered may potentially compromise the integrity of the Pier. There is therefore no advantage in terms of either life extension or indeed long term benefits.

Oban Bay improvements in marshalling and the replacement of the link span are now completed

Lochaline Berthing Structure and slipway improvements have commenced on 23rd April 2019. The close down period is from 21st October until 1st December. There is some disquiet regarding the passenger only service which is being provided as an alternative.

Delays in the progress of lighting at Gallanach/Kerrera are proving to be frustrating due to wayleave issues that are presented by one of the local land owners. We may opt for a wind/solar solution.

Lochboisdale Port Development is being progressed at Gasay which is the preferred alternative site. Meeting in July 2019 to progress matters further.

There continues to be monitoring of the old Kilcreggan Berth at Gourrock.

12. CORPORATE

KH reported on the Corporate Services paper, stated our quality management system has had its annual audit, with very positive results with only 3 Minor Deficiencies. The board thanked the team for their efforts.

Recently a representative from the Gaelic Board attended CMAL, this was a very positive meeting.

13. AOB

The next meeting was discussed and it was agreed that it would be held via conference call.

GL reported the TS ferry unit has had some new employees.

LS asked that it be formally noted in the minutes that she resigned from CMAL's Board on 11 March 2019. 17 June 2019 is her final day at CMAL having opted to take early retirement. The board thanked her for her service.

CK provided a demonstration of how to use the secure messaging facility of AdminControl. This was requested by our DPO to ensure all data and communications are secure.

DATE OF NEXT MEETING

TBD – Conference Call as required

Meeting Closed – 1600hrs

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