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DAVID MACBRAYNE LIMITED ("DML")
MINUTES of the BOARD MEETING
held on Wednesday 4 October 2023 at 10.55 a.m.
in Twist Room, The Studio, 67 Hope Street, Glasgow, G2 6AE and by audio/video conference

[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs) Section 33 (Commercial interests) and Section 36 (Confidentiality)]

Present: Erik Ostergaard (EO) – Chair
David Beaton (DB)
Robbie Drummond (RD)
Tim Ingram (TI)
Grant Macrae (GMac)
Sharon O'Connor (SOC)

In attendance: Andy Robinson (AR) – Transport Scotland
Graeme Baillie (GB) - Head of Governance, Risk & Assurance (part)
Stephanie Griffin (SRG) – Company Secretary

Item	Action
1. <u>GOVERNANCE</u>	
1.1 SAFETY & ENVIRONMENT MOMENT	
T Ingram outlined the details of a fatal accident at the premises of a company which had no control systems for contractors working at their facilities. He reported that the contractor had been prosecuted and the company itself was very fortunate not to have been prosecuted although they had attracted considerable negative publicity following the accident. He noted that CalMac had processes for contractors working on site, however it was important to remain vigilant when third party contractors were on site. E Ostergaard commented on his previous experience of accidents involving third party contractors working at harbours. R Drummond confirmed that it was a difficult area as port managers could not be expected to have detailed knowledge of specialist work being carried out by contractors, however they must ensure they carry out a thorough risk assessment. He also advised that, as part of this process, CalMac required sufficient notice of contractors arriving to work on site i.e. from harbour owners such as CMAL or local councils.	
1.2 APOLOGIES FOR ABSENCE	
There were no apologies for absence.	
1.3 DECLARATIONS OF INTEREST	
There were no new declarations of interest.	
1.4 MINUTES FROM BOARD MEETING OF 6 SEPTEMBER 2023	
The Minutes of the Board meeting held on 6 September 2023 were APPROVED , subject to a minor amendment, and the Chairman was AUTHORISED to sign the minutes.	
1.5 ACTION LOG	
The action log was noted.	

[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)].

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14.23 BOARD NETWORK VISITS

The Board discussed the most suitable way to conduct network visits. It was suggested that smaller groups of Non-Executives meeting communities informally would be most appropriate and R Drummond advised that, following the well-attended pilot drop-in event in Arran, management would be rolling out a series of public drop-in sessions across the network.

Action: R Drummond to communicate dates of network public drop-in sessions to Non-Executives.

R Drummond confirmed that planning was underway for the next network public drop-in sessions. C/fwd.

All other actions were complete or Agenda items.

At this point G Baillie joined the meeting.

2. STRATEGIC ITEMS

2.1 RISK APPETITE WORKSHOP

The Board noted the Risk Appetite report and that this session was to review and refresh the risk appetite statement.

[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]

At this point G Baillie left the meeting.

3. BOARD COMMITTEES

3.1 AUDIT & RISK COMMITTEE (ARC)

G Macrae reported **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

3.2 HEALTH, SAFETY, ENVIRONMENT & QUALITY COMMITTEE (HSEQCo)

The Board noted the meeting held with the CMAL Board the previous day at which the Harbour Operating Agreement had been discussed in detail.

3.3 REMUNERATION COMMITTEE (REMCO)

S O'Connor reported **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

At this point A McIntyre joined the meeting.

4. GROUP REPORTS

4.1 GROUP FINANCE UPDATE – AUGUST 2023

The Board noted the report from J Ward.

4.1.1 DML Group Draft P&L

A McIntyre reported that August performance was **[FOISA Status – Exemption under Section 33 (Commercial interests)]**

4.1.2 P&L Forecast for 23/24

Revised forecast was for **[FOISA Status – Exemption under Section 33 (Commercial interests)]**

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4.1.3 DML Group Financial Risks and Opportunities – 23/24

The financial risks and opportunities 23/24 were noted and discussed as below. **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

4.1.4 DML Group Balance Sheet

The reduction in contract assets reflected the current point in the CHFS2 Contract and was in line with expectations.

4.1.5 Cashflow Statement

[FOISA Status – Exemption under Section 33 (Commercial interests)]

4.1.6 CHFS Contractual Funding Update

This was noted.

At this point A McIntyre left the meeting.

4.2 CHANGE EXECUTIVE COMMITTEE SUMMARY REPORT

The report was noted.

4.3 POLICY APPROVALS

The following Policies which had been reviewed at the ExCo and submitted for Board approval were noted:

- Equality, Diversity & Inclusion Policy – this new policy was noted.
- Annual Leave Policy – minor changes to the wording of this existing policy were noted.
- Secondment Policy – minor clarifications regarding the process & allowances under this existing policy were noted.

Decision

The Board **APPROVED** the Equality, Diversity & Inclusion Policy, Annual Leave Policy and the Secondment Policy.

5. ANY OTHER BUSINESS

5.1 ANNUAL REPORT & ACCOUNTS – UPDATE

The report from J Ward was noted and the Board noted that this had been discussed in detail under item 3.1 earlier in the meeting.

5.2 BOARD MATTERS RESERVED & APPENDIX

The report from S R Griffin was noted and she reported that the updates to the Board Matters Reserved, as outlined in the report, included:

- Format change to reflect new branding
- Shareholder Matters Reserved Annex 1 updated to reflect the limited company structure of DML and nature of the shareholder relationship. This Annex would stay in draft until agreed with the shareholder as part of the Framework Agreement discussions.

Decision

The Board **APPROVED** the Board Matters Reserved including the draft Shareholder Matters Reserved Annex.

5.3 NEW NON-EXECUTIVE DIRECTOR RECRUITMENT

E Ostergaard updated the Board on the progress of the recruitment exercise for the new Non-Executive Director, with final interviews scheduled for later in the week after which the interview panel would send its recommendation to the Minister.

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5.4 **MEETING WITH CMAL**

It was agreed that the joint meeting with the CMAL Board held the previous day had been very constructive.

5.5 **STRATEGY SESSION**

The Board noted that the strategy session held the day before had been very good and the Transport Scotland input had been useful.

Action: It was agreed that an ad hoc Board would be arranged to approve the strategy.

RD/SRG

6. **DATE OF NEXT MEETING**

October online meeting to approve the strategy (TBC).

November online meeting regarding Annual Report & Accounts (TBC).

Wednesday 13 December 2023 at 9.00 am in Gourock.

Signed:

E Ostergaard, Chair

Date: