

**DAVID MACBRAYNE LIMITED**

**MINUTES OF BOARD MEETING HELD AT THE FERRY TERMINAL, GOUROCK  
ON WEDNESDAY 4 FEBRUARY 2015 AT 10AM**

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Present: Mr D C McGibbon, Chairman  
Mr M Easton  
Mr S Hagan  
Ms P J D Stark  
Mr J Stirling  
Mr A V Tait  
Mr M Dorchester

In attendance: Mr J Nicholls, Dir. of Aviation, Maritime, Freight and Canals, Transport Scotland  
Mr R Hadfield, Scottish Government (Assessor)  
Mr S A Ure, Technical Director, CalMac Ferries Ltd  
Mrs C Craig, Commercial Director, CalMac Ferries Ltd  
Mr A Collier, Operations Director, CalMac Ferries Ltd  
Ms J I Beckett, Head of Finance, CalMac Ferries Ltd  
Mr I Webster, Marchwood Finance Lead (part time)  
Mr C P Paterson, Board Administrator

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**1. PRELIMINARIES**

Safety Moment

Mr Dorchester gave Road Safety Statistics and highlighted that staff travelled in a work-related capacity on behalf of the Company every day. He noted that the Company was committed to promoting road safety among the staff.

Board members gave several examples of bad driving witnessed as examples of how to avoid potential collisions.

Welcome

Mr McGibbon extended a welcome to Mr Nicholls, Mr Hadfield, Mr Ure, Mrs Craig, Mr Collier and Ms Beckett.

Apologies for absence

Apologies for absence were received from Mr Drummond. Mr Dorchester noted that the Executive Team members were regularly attending courses and Ms Roberts was at a course for Managing Change.

Declarations of interest

Mr McGibbon noted that, as Mr Nicholls would have to step out of the meeting when the CHFS item was to be discussed, it would be repositioned at the end of the agenda.

There were no further declarations of interest, other than those previously made and known to all Directors.

**2. MINUTES/MATTERS ARISING**

Approve Minutes of Board Meeting held on 19 December 2014

The Minutes for the Board Meeting held on 19 December 2014 were approved.

Meeting action points

Mr Dorchester noted that he would carry forward the action regarding a demonstration of the CalMac Ferries' Gangway digital platform.

Matters arising

There were no matters arising.

**3. CHAIRMAN'S REMARKS**

Mr McGibbon noted that the Minister for Transport and Islands, Derek Mackay, MSP, had visited Arran and was accompanied by Mr Laidlaw, Mr Dorchester and Mrs Craig. He noted that it was the intention to invite the Minister to the next Board Meeting.

Mr McGibbon noted that the quality of Board papers was of a very high standard and very informative.

Mr McGibbon noted that he had visited Stornoway with Mr Dorchester, Mr Harrison, Mr Collier and Mr Cannon and had met local haulage contractors.

**4. GROUP REPORTS**

**4.1 Group CEO update**

Mr Dorchester presented the report and noted that he would highlight the main points of interest.

**1. Operational Performance Update**

**1.1 Safety & Environment**

Mr Dorchester noted that the safety statistics from the last quarter showed a noticeable improvement. He congratulated the Group Safety Committee on its efforts. He was pleased to note that over 100 staff had completed the Safety Orientation Training Package so far.

**1.3 Customer Care**

1.3.6 Mr Dorchester noted that a lot of good work had been done with Argyll Ferries under difficult circumstances. He noted that opening a Twitter account for Argyll Ferries had been a bold initiative, but that it had proved to be very successful with a good response from passengers. It would worth conveying this success to the Minister. Mr Hadfield noted that the Minister had added the DGFUG to his portfolio of responsibilities.

**[FOISA Status - Exemption under Section 30 (Prejudice to Effective Conduct of Public Affairs)]**

**1.6 Competitors and Regulation**

Mr Dorchester noted that he had asked Mr De Wolff to review recent world maritime incidents with a view to comparing statistics and information.

**3. Commercial**

**3.1 Accreditation**

Mr Dorchester was pleased to congratulate the Commercial and Retail teams' effort in CalMac Ferries gaining the first ferry operator's Taste our Best Accreditation from VisitScotland's Taste Our Best - Quality Assurance Scheme.

### 3.6 PR Concerns

Mr Dorchester noted the issues surrounding civil engineering works at various ports in the network and the introduction of a Stornoway Harbour Task Force, which CalMac has led on.

The Board and Mr Hadfield discussed various concerns surrounding delayed port infrastructure upgrades, focusing on Wemyss Bay. It was noted that a Wemyss Bay infrastructure project meeting would be held at CMAL's offices on the day following this meeting and would be attended by Mr Ure, Mr Smith, Mr Collier and Mr Hadfield.

## **4.2 Group Finance update**

Mrs Beckett presented the report.

### 2. Key Group Financial Numbers

Mrs Beckett noted that Farebox revenue **[FOISA Status - Exemption under Section 33 (Commercial Interests and the Economy)]** Mr Dorchester noted that the subsidy variance included challenges from rolling out Project Valiant and that he would review this with Mr Drummond.

### 3. Group results update

Mrs Beckett noted that Quarter 3 was the right time to issue a Forecast to the Year End. Noting a potential loss due to a Business Development payment, Mrs Beckett indicated that CHFS CY8 Provisional Base Case funding was due to be paid to CalMac in this current week. Mrs Beckett agreed to circulate a note of the Forecast to the Board.

**Action 1: JIB**

### 4. CHFS Contract Year 7 update

**[FOISA Status - Exemption under Section 33 (Commercial Interests and the Economy)]**

### 6. Gourock Dunoon Contract year 4 update

Mrs Beckett noted that the December figures included the charter of MV Coruisk. The Group Finance update was concluded.

Mr Hadfield raised the matter of a Dividend payment by the Company. The issue of a pension Fund payment and an approval process was discussed by the Board. Mr Dorchester agreed to organise a Special Board meeting to address the matter.

**Action 2: MD**

## **6. ANY OTHER BUSINESS**

### **RACI**

Mr Nicholls noted that Mr Drummond had introduced the Responsible/Accountable/Consulted/Informed (RACI) process to the Tripartite Committee and commended it as a good proposal. He noted that it had taken some time and some lengthy discussions to adopt the process. There was a genuine desire of CMAL and CFL to have clarity of roles and it was important to set down decision points and accountabilities.

Mr Nicholls noted the desire to improve collaboration between the two parties and the Minister's interest in the matter. He noted a lot of hard work had been undertaken towards strengthening the relationship already and was ready to assist if Mr McGibbon raised any topic with him. Mr Dorchester noted that an improvement would be to introduce a mechanism to record when either party has an opinion or requirement in any matter.

The Board noted that the document was still to be finalised and discussed the matter in depth with Mr Nicholls. It was recognised that the document provided opportunity to establish a more formalised relationship with CMAL.

**5. BUSINESS DEVELOPMENT**

**[FOISA Status - Exemption under Section 30 (Prejudice to Effective Conduct of Public Affairs)]**

**6. ANY OTHER BUSINESS (continued)**

**Group Risk register**

Ms Stark noted that the Register captures risks as they are identified and the intention was to bring the Board's attention to the top risks.

**[FOISA Status - Exemption under Section 30 (Prejudice to Effective Conduct of Public Affairs)]**

**Framework Agreement**

Ms Stark noted that the Framework Agreement with Transport Scotland had been finalised and circulated, but that the Board formally required to approve it.

The Board approved the Framework Agreement.

**Board equality**

Mr Hadfield noted that the First Minister, Nicola Sturgeon, MSP, had announced a 'Programme for Government' in November 2014, and part of the policies and legislative priorities included a pledge to get a 50/50 gender split on Boards by 2020, to advance gender equality. Mr Hadfield indicated that the commitment would need to be carefully studied and would bring further information to the Board when available.

**Attendance**

Mr Nicholls thanked Mr McGibbon for the invitation to the Board Meeting. He noted that the Minister had appreciated being accompanied by Board Members and Senior Executives during his visit to Arran.

**CalMac Ferries website**

Mrs Craig noted that the upgraded CalMac Ferries website would be launched on 10 February, with significant improvements having been made.

Mr Nicholls left the meeting.

**7. ITEMS FOR NOTING**

The Group Audit and Risk Committee Minutes will be circulated in due course.

**8. APPENDICES**

The Board noted the appendices to the CEO report.

**5. BUSINESS DEVELOPMENT**

**CHFS**

**[FOISA Status - Exemption under Section 30 (Prejudice to Effective Conduct of Public Affairs)]**

**9. NEXT MEETING**

Wednesday 22 April 2015, at 9 a.m. in the offices of Scottish Government, 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU.

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Chairman

**DAVID MACBRAYNE LTD**  
**BOARD MEETING ACTION POINTS**

Meeting	Action No.	Responsibility	Topic	Action
04/02/15	1	JIB	<u>Group Finance update</u> <i>3. Group results update</i>	To circulate a note to the Board of the Forecast to the Year End.
04/02/15	2	MD	<u>Group Finance update</u>	Organise a Special Board meeting to address Dividend matter.