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DAVID MACBRAYNE LIMITED ("DML")
MINUTES of the BOARD MEETING
held on Wednesday 5 May 2021 at 10.30 a.m.
by video/audio conference

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

Present: D C McGibbon (DMcG) (Chairman)
S M Browell (SMB)
M Comerford (MC)
R Drummond (RD)
S Hagan (SH)
D Mackison (DM)
J Stirling (JS)
A Tait (AT)

In attendance: C Wilcock (CW) – Head of Ferries Unit, Transport Scotland
J Ward (JW) – Finance Director
S R Griffin (SRG) – Company Secretary

Item	Action
1. <u>GOVERNANCE</u>	
1.1 SAFETY MOMENT A Tait commented that in terms of safety of a business it was important to take your customers with you when making strategic changes and the now-abandoned European Super League was an example of the English football clubs getting this badly wrong.	
1.2 APOLOGIES FOR ABSENCE There were no apologies for absence from the Board, however it was noted that the Assessor had tendered her apologies and C Wilcock was in attendance from Transport Scotland.	
1.3 DECLARATIONS OF INTEREST There were no declarations of interest in addition to those previously declared which included M Comerford's membership of the Board of the Port of Tyne.	
1.4 MINUTES FROM BOARD MEETING OF 31 MARCH 2021 The Minutes of the Board meeting held on 31 March 2021 were APPROVED and the Chairman was AUTHORISED to sign the minutes.	
1.5 ACTION LOG The action log was discussed as follows:- [FOISA Status - Exemption under Section 30 (Prejudice to Effective Conduct of Public Affairs)] All other actions were complete.	
2. <u>CHAIRMAN'S UPDATE</u>	
2.1 CALMAC COVERAGE RE ELECTION AND CANDIDATES	

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D McGibbon reported that there had been coverage of CalMac in discussions of ferry services and vessels (including 801 and 802) by candidates in the forthcoming election.

2.2 **BOARD APPOINTMENTS**

D McGibbon reported that Transport Scotland had advised that they were progressing the request for extensions to the terms of the three Directors scheduled to finish in July. Appointments to the Board would not be progressed at least until after the election and likely following the output from Project Neptune. He noted that were the three directors to leave the Board could still meet its quorum requirements, however it was considered preferable from a corporate governance standpoint that the Board remained at full strength.

C Wilcock noted that although there were no west of Scotland islanders on the Board, the Board skills matrix required Board members to have an understanding and appreciation of stakeholders including communities.

3. **STRATEGIC ITEMS**

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

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

4. **ITEMS FOR APPROVAL**

4.1 **POLICY REVIEW**

The Board noted that there were a number of policies for approval as below:

Information Security Policy

R Drummond reported that this policy had been reviewed and updated.

Decision

The Board **APPROVED** the Information Security Policy.

Bring Your Own Device Policy

R Drummond reported that this policy had been reviewed and minor updates made.

Decision

The Board **APPROVED** the Bring Your Own Device Policy.

Data Protection Policy

R Drummond reported that this policy had been reviewed and minor changes made. A Tait reported that the Audit & Risk Committee would be reviewing a data breach report at its forthcoming meeting.

Decision

The Board **APPROVED** the Data Protection Policy.

Acceptable Use Policy

R Drummond reported that this policy had been reviewed and minor updates made.

Decision

The Board **APPROVED** the Acceptable Use Policy.

The Board noted that both the IT Infrastructure and Operations Policy and the HR Environmental, Business Continuity and Supplier Security Policy had been retired and replaced by the security standards listed within the Information Security Policy.

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It was suggested that the principles in these comprehensive and important IT policies were translated into a simpler note for staff, perhaps utilising a flow chart.

Action: J Ward and R Drummond would raise this suggestion with the Data Security Group.

JW/RD

Action: R Drummond would look into updating the mandatory data security training for staff to assist with assimilating the information in the IT policies.

RD

Action: R Drummond and S Griffin would look into refresher training for the Board members on their responsibilities.

RD/SRG

R Drummond confirmed that the HR team were reviewing their policies and procedures ahead of the implementation of the new HR system.

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

Decision

The Board **APPROVED** the Recruitment & Selection Policy

Probationary Policy

R Drummond reported that this was a new policy.

Decision

The Board **APPROVED** the Probationary Policy.

5. **BOARD COMMITTEES**

5.1 **AUDIT & RISK COMMITTEE (ARC)**

A Tait reported that the next ARC meeting on 12 May would be the final meeting with PWC as internal auditors and the new internal auditors, Azets, would also be present.

5.2 **SAFETY COMMITTEE**

J Stirling reported that the next SafetyCo meeting would have a focus on asset management processes. He also reported that the SafetyCo had held its annual meeting with the HSQE Director which had been useful and may take place more often. He reported that no issues had been raised and that the HSQE Director had been very positive about the support he and his team received from senior management.

5.3 **REMUNERATION COMMITTEE (REMCO) — MINUTES OF 31 MARCH & CRA OF 21 APRIL 2021**

The Board noted the minutes circulated previously.

6. **GROUP REPORTS**

6.1 **GROUP CEO REPORT**

The report from D Mackison was noted and he reported as follows:

- Contract Customer Engagement – consideration is being given to using the Miller Heiman large account management process for this.

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

- Board Strategy Session on 2 June – D Mackison was looking at a facilitator for this session which would revisit the Board strategy & 3 Horizons model, looking at what had been achieved and updating the strategy as required.

Action: It was agreed that this session should start earlier at, say, 9 a.m.

DM

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

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It was noted that internal corporate emails were being improved with better consistency and simplicity. R Drummond confirmed that the Perth Harbour community fund had been formed to mirror what was already in existence for the CHFS area.

6.2 **GROUP FINANCE UPDATE**

The Board noted the report from J Ward covering FY 20/21.

6.2.1 **Group Profit Performance– FY 20/21**

J Ward reported that Operating profit was **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]** with net profit of **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]** YTD **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]** key positive variances were:

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

6.2.2 **Group Balance Sheet**

J Ward reported that net assets had increased by **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]** from **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**

She reported that the DML Group audit was due to start on 17 May **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**

A Tait commented that the level of information provided was very good, especially the chart showing the main drivers of the positive DML profit result for 20/21. The Board expressed their appreciation for the financial support from and constructive working with Transport Scotland during the pandemic.

6.3 **GROUP CHANGE EXECUTIVE BOARD UPDATE**

The report was noted and D Mackison reported as follows:

- MyHR – this major project was underway.
- An experienced Change Manager had joined the business and the change team had reported to the Change Board on progress, challenges and resourcing including cover where required.
- Work would be undertaken on visuals to report on work underway and provide improved change reporting to the Board.
- Return to Office project would review opportunities and lessons learned and R Drummond reported that a business case had been developed and would be going to the Change Board covering WFH & office working hybrid proposals.
- Ar Turas had gone through external validation and received a positive rating.

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

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

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

7. **ANY OTHER BUSINESS**

8. **DATE OF NEXT MEETING**

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Wednesday 14 July 2021 at 10.30 a.m.

Signed:
D C McGibbon, Chairman

Date: