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DAVID MACBRAYNE LIMITED ("DML")
MINUTES of the BOARD MEETING
held on Wednesday 14 July 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)
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
L De Wolff (LDW) – HSQE Director,
J Holland (JH) – Head of PMO & Project Management,
R Morrison (RM) – Operations Director,
S R Griffin (SRG) – Company Secretary

Apologies: R Drummond (RD)

Item		Action
1.	<u>GOVERNANCE</u>	
1.1	SAFETY & ENVIRONMENT MOMENT D Mackison reported that the wellbeing and welfare of staff was being monitored due to challenges arising from the Covid pandemic, the MV Loch Seaforth breakdown and other vessel disruptions. He noted that customers were not always kind and those providing frontline services were facing ongoing challenges. A communication had gone out to all staff from R Drummond conveying appreciation and support for their hard work. D Mackison reported that it was important to monitor the situation and assess how best to support staff to ensure they retained their resilience. A Tait commented that the PURE incident reports included incidents where procedures were not being followed which may be an indicator of staff weariness. S Hagan asked that management consider whether there was anything the Board could do to support staff e.g. visiting vessels when social distancing allowed for this. D Mackison confirmed that R Drummond and his team had been out on the network more however he would consider what support the Board could offer.	
1.2	APOLOGIES FOR ABSENCE Apologies for absence had been received from R Drummond and it was noted that the Assessor had tendered her apologies and C Wilcock was in attendance from Transport Scotland.	
1.3	DECLARATIONS OF INTEREST The Board noted the previously declared interests which included M Comerford's membership of the Board of the Port of Tyne. Regarding item 6.1, J Stirling advised that his son worked for Deloitte however as this was for the audit, not consultancy, side it was not anticipated there would be any conflict of interest.	
1.4	MINUTES FROM BOARD MEETING OF 5 MAY 2021	

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The Minutes of the Board meeting held on 5 May 2021 were **APPROVED** and the Chairman was **AUTHORISED** to sign the minutes.

1.5 **ACTION LOG**

The action log was discussed as follows:-

09.21 POLICY REVIEW

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.

10.21 POLICY REVIEW

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

11.21 POLICY REVIEW

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

It was noted that the three actions above were in progress and that mandatory security training would be rolled out to colleagues & the Board in July. It would include a simplified one-two page document explaining what security policies were in place, some of the key messages in these policies and how colleagues should use them. C/fwd.

All other actions were complete.

2. **CHAIRMAN'S UPDATE**

2.1 **BOARD APPOINTMENTS**

D McGibbon asked C Wilcock for an update on the Directors' extension letters and he confirmed that these were awaiting final signature.

D McGibbon reported that the chair and directors' vacancies had been advertised on 5 July with a closing date for applications of 28 July. He had received a number of approaches about the role from interested parties.

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2.2 **MEETING WITH MINISTER**

D McGibbon reported that he and D Mackison would be meeting with the new Minister for Transport, G Dey, on 21 September and that D Mackison had recently met with K Forbes, Cabinet Secretary for Finance and would be providing an update on this to the Board.

3. **STRATEGIC ITEMS**

3.1 **STRATEGY DAY OUTPUTS**

i. Strategy Update

D Mackison reported that the session on 2 June had been very productive, testing the existing strategy and making minor adjustments. He noted that this exercise would be carried out on an annual basis in future. He reported that draft notes from the three sessions held that day were being finalised and would be circulated to the Board shortly. The Board felt that the strategy session had been very helpful and well conducted and agreed that it should be conducted annually.

Decision

The Board **RATIFIED** its **AGREEMENT** at the strategy session on 2 June 2021 that its current strategy was still valid as well as its **CONFIRMATION** of continued support for the strategy.

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iii. Branding Proposal

The Board noted the branding proposal put to them on 2 June 2021.

Decision

The Board **RATIFIED** its **APPROVAL** of the branding proposal and **AGREEMENT** to the next steps

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

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

L De Wolff joined the meeting.

4. ITEMS FOR APPROVAL

4.1 **POLICY REVIEW**

The Board noted that the Agile Working Policy had been submitted for approval. L De Wolff reported that there had been an assessment of how to work from CalMac's offices post-Covid and it was felt that there were benefits to a hybrid model, including: demonstrating trust in employees; lower environmental footprint; efficient working; and the opportunity to create a space better suited to training & team working (with quiet zones, collaborative zones and hot desk zones). He advised that there was no date yet for a return to the office as the removal of physical distancing restrictions was still awaited.

L De Wolff reported that the Agile Working Policy had four key principles:

- Purpose of the office was changing to predominantly training & collaboration
- Office-based staff could work anywhere
- Agile working would be supported by technology
- Trust was demonstrated in employees

It was anticipated that full-time staff would work c.2-3 days a week in the office and guidance documentation had been prepared for the roll-out. L De Wolff noted that informing the unions was required as this would be a change to working conditions. D Mackison commented that agile working would not only incorporate Covid working lessons but also break down silos between teams and geographical locations. L De Wolff confirmed that it was anticipated there would be sufficient space for the majority of staff to be accommodated and footfall would be monitored with assessment of how the hybrid model was working.

The Board indicated their support for this policy and hybrid model, however it was commented that it needed to be made clear to staff that they should be available to attend meetings in the office and that induction of new staff should include sufficient time in the office initially to introduce them to the organisation and its culture. It was felt that this model would bring about clear desk policy results. It was also suggested that this policy may increase diversity by allowing people with disabilities to work from home.

L De Wolff confirmed that the Agile Working Policy project had been carried under formal project governance.

Action: It was agreed that L De Wolff should ensure that a formal risk assessment was carried out.

RD (LDW)

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L De Wolff outlined the costs and cost benefits identified from this project. He confirmed that equipment could be provided for staff with poor broadband connections and that smaller offices would have booking systems so staff travelling to them could be sure of workspace.

At this point C Wilcock left the meeting.

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Decision

The Board **APPROVED** the Agile Working Policy, subject to a minor addition to 2.4 to reference appropriate equipment to meet 'at least' minimum requirements.

At this point L De Wolff left the meeting.

5. **BOARD COMMITTEES**

5.1 **AUDIT & RISK COMMITTEE (ARC) – MINUTES OF 12 MAY 2021**

The Board noted the draft minutes and A Tait reported that the Accounts for 2020/21 were in progress and the financial data would be reviewed at the August ARC meeting

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5.2 **SAFETY COMMITTEE – MINUTES OF 13 MAY 2021**

The Board noted the draft minutes and J Stirling reported that under the Recognition of Individuals they had nominated the port manager at Mallaig who had raised the issue of traffic management, since when the business had carried out a detailed review of traffic management across the network.

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At this point C Wilcock re-joined the meeting.

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

5.3 **REMUNERATION COMMITTEE (REMCO) — MINUTES OF 12 MAY 2021**

The Board noted the draft minutes circulated previously.

5.4 **BOARD COMMITTEE TERMS OF REFERENCE**

The Board noted this report and S R Griffin reported that the changes to their Terms of Reference recommended by each Board Committee for Board approval were outlined in the report, including some changes to definitions common to all three Terms of Reference.

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Decision

The Board **APPROVED** the amended Terms of Reference of the Audit & Risk Committee, Safety Committee and Remuneration Committee.

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

6. **GROUP REPORTS**

6.1 **GROUP CEO REPORT**

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

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➤ The Communications Update Report was noted.

6.2 **GROUP FINANCE UPDATE**

The Board noted the report from J Ward covering to end May 21.

6.2.1 **Group Profit Performance– to end May 21**

J Ward reported that Operating profit was [FOISA Status – Exemptions under Section 33 (Commercial interests)] with net profit of [FOISA Status – Exemptions under Section 33 (Commercial interests)] and key variances were:

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

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

C Wilcock confirmed that with the forthcoming Covid guidance changes on 19 July there would be no changes to social distancing. Social distancing would change when Scotland moves below level 0. M Comerford suggested that the difference between England and Scotland on social distancing and mask use could prove challenging for vessel and port staff and C Wilcock indicated that rail and aviation companies were also looking at these impacts.

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6.2.2 **Group Balance Sheet**

This was noted.

6.2.3 **Cash Flow**

J Ward confirmed that the payment of [FOISA Status – Exemptions under Section 33 (Commercial interests)] to Transport Scotland was as a result of the reconciliation of CY4 payments.

J Ward reported that the 20/21 Accounts audit was on track and the audit closing out meeting had been held. [FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]

At this point J Holland joined the meeting.

6.3 **GROUP CHANGE EXECUTIVE BOARD UPDATE**

The report was noted and D Mackison reported that good progress had been made

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At this point J Holland left the meeting.

D McGibbon expressed the Board's best wishes for a speedy recovery to S Hulme.

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

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

6.6 **RISK REPORT**

The Board noted the risk report

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7. **ANY OTHER BUSINESS**

7.1 **2022 MEETINGS DATES SCHEDULE**

Action: S R Griffin would take into account the holiday season for the 2022 schedule.

SRG

8. **DATE OF NEXT MEETING**

Wednesday 29 September 2021 in Marchwood (time TBC).

Signed:

Date:

D C McGibbon, Chairman