

Confidential

**DAVID MACBRAYNE LIMITED ("DML")**  
**MINUTES of the BOARD MEETING**  
**held on Thursday 7 April 2022 at 12.00 noon**

in the Lewis Meeting Room, Gourrock, PA19 1QP 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:** E Ostergaard (EO) – Chair  
S M Browell (SMB)  
M Comerford (MC)  
T Ingram (TI)  
D Mackison (DM)  
G Macrae (GMac)  
S O'Connor (SOC)

**In attendance:** C Murrie (CM) — Transport Scotland  
J Ward (JW) – Finance Director  
S R Griffin (SRG) – Company Secretary

**Apologies:** R Drummond (RD)

<b>Item</b>	<b>Action</b>
1. <b><u>GOVERNANCE</u></b>	
1.1 <b>SAFETY &amp; ENVIRONMENT MOMENT</b> D Mackison advised that the phrase 'See It, Own It' meant that everyone should call out safety issues that they saw when out & about, which was the culture being aimed for at CalMac. He also noted that although PPE safety gear was provided to staff, it was important to consider the safety implications of personal items such as rings, watches, ties and remove them when they posed a potential hazard. Care should also be exercised when moving around vessels & car marshalling areas with an eye kept out for hazards such as bulkheads, steps & handrails.	
1.2 <b>APOLOGIES FOR ABSENCE</b> Apologies for absence had been received from R Drummond who was travelling to Ullapool to meet the Minister.	
1.3 <b>DECLARATIONS OF INTEREST</b> The Board noted the declared appointments for Sharon O'Connor as below:- <ul style="list-style-type: none"><li>➤ NITHCO (Translink) – Non-Executive Director</li><li>➤ Sustainable Energy Authority of Ireland – Non-Executive Director</li><li>➤ Accounts Commission of Scotland – Member</li></ul>	
1.4 <b>MINUTES FROM BOARD MEETING OF 9 FEBRUARY 2022</b> The Minutes of the Board meeting held on 9 February 2022 were <b>APPROVED</b> and the Chairman was <b>AUTHORISED</b> to sign the minutes.	
1.5 <b>ACTION LOG</b> The action log was discussed as follows:- <b>03.22 GROUP CEO REPORT</b> <ul style="list-style-type: none"><li>➤ Transport Minister change – the new Transport Minister was noted.</li></ul>	

Confidential

**Action:** E Ostergaard noted that the Minister had been invited to a dry-dock visit in late February and asked that she be invited to attend a DML Board meeting. In progress. C/fwd.

DM

All other actions were complete, not yet due or Agenda items.

## 2. **STRATEGIC ITEMS**

### 2.1 **STRATEGY SESSION**

The Board noted that the notes from their informal strategy session had been circulated by email.

DM summarised the output from the Board strategy discussions **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

### 2.2 **BUSINESS PLAN 22-24**

The Board noted the Business Plan 2022-24 and that they had received a detailed overview immediately prior to their informal strategy session in late March.

J Ward reported on the Business Plan 22-24 as follows:

- Initiatives and deliverables were aligned to the 7 core company goals
- Core purpose and values were at the heart of the business plan
- Corporate objectives and KPIS were noted
- Key themes for 22-24 were outlined
  - Financial Plan Overview **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**
- **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**
- **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**
- **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

#### **Decision**

Board **APPROVED** the Business Plan 2022-24.

### 2.3 **FINANCE OVERVIEW PRESENTATION**

J Ward shared her presentation on the Finance Department and reported as follows:

#### **Finance Service Overview**

She outlined the services provided to the business by the Finance Team which included: provision of timely accurate MI, financial accounting & reporting, financial control framework, business planning cycle, supply chain services, managing integration of new systems into Finance, financial control & governance.

#### **Operational Excellence in Finance**

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

#### **Progress to Date – Talent & Skills**

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

#### **Key Appointments**

J Ward took the Board through the key senior appointments within Finance **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

**Next Steps to deliver Finance Operation Excellence**

Confidential

The focus for the Finance team over the next 12 months **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

The Board noted that a great deal of work had gone into re-shaping and strengthening the Finance Team and thanked J Ward.

### 3. **BOARD COMMITTEES**

#### 3.1 **AUDIT & RISK COMMITTEE (ARC) MINUTES OF 18 FEBRUARY 2022**

The Board noted the draft minutes. **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

#### 3.2 **HEALTH, SAFETY, ENVIRONMENT & QUALITY COMMITTEE MINUTES OF 24 FEBRUARY 2022**

The Board noted the draft minutes. M Comerford reported that per the Group Corporate Governance Review considerations, the HSQE Committee was to review ESG matters. The Committee had felt, however, that although they could consider general environmental matters, there were aspects of ESG that should be discussed at Board level. **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

**Action:** It was agreed that management would produce a report for the September Board.

RD/DM

#### 3.3 **REMUNERATION COMMITTEE (REMCO) – MINUTES OF 18 FEBRUARY 2022 AND CRA MINUTES OF 16 FEBRUARY 2022**

The Board noted the draft minutes circulated previously.

### 4. **GROUP REPORTS**

#### 4.1 **GROUP CEO REPORT**

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

- **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**
- **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**
- **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**
- Supply chains links to Russian firms – the Head of Procurement had carried out this exercise and found no links to Russian suppliers. However, it was anticipated that there may be impacts on supplies from non-Russian suppliers as they became busier.
- **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**
- **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

#### **Communications Report**

This report was noted.

#### 4.2 **GROUP FINANCE UPDATE**

The Board noted the report from J Ward covering to end February 22.

##### 4.2.1 **Group Profit Performance– to end February 22**

J Ward reported that YTD Operating profit was **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**

Key variances were: **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**

Confidential

#### 4.2.2 **DML Group Forecast 21/22**

J Ward reported that the forecast was for **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]** Key drivers of the variance to Plan included: **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**

#### 4.2.3 **Balance Sheet**

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

#### 4.2.4 **Cash Flow Statement**

J Ward reported that the closing cash balance at end February was **[FOISA Status – Exemption under Section 33 (Commercial Interests and the Economy)]**

#### 4.2.5 **KPIS**

These were noted.

#### 4.3 **GROUP CHANGE EXECUTIVE BOARD UPDATE**

The report was noted.

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

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

#### 4.6 **RISK REPORT**

This report was noted. It was suggested that this item should be moved to earlier in the Agenda.

#### 4.7 **POLICIES REVIEW**

The following Policies were reviewed:

- Payroll – this was a new policy being put in place.
- Drug & Alcohol – this existing policy had been updated to ensure a more robust and consistent approach.
- Certification – this was a new policy being put in place.

#### **Decision**

The Board **APPROVED** the Payroll Policy, the Drug & Alcohol Policy and the Certification Policy.

#### 4.8 **MODERN SLAVERY STATEMENT**

The Board noted the Modern Slavery Statement and D Mackison reported that this had been updated in order to refine the Statement.

#### **Decision**

The Board **APPROVED** the Modern Slavery Statement and **AUTHORISED** its signature on their behalf and publication on the website.

#### 5. **ANY OTHER BUSINESS**

##### 5.1 **ANNUAL SCHEDULE/PLAN OF WORK**

The Board noted this report and S R Griffin reported that this document had been produced for the Board last year, following previous adoption of Annual Plans of Work/Schedules by the Board Committees. The Board noted the updates from last year's plan which covered the departments within the business that would be presenting deep dives to the Board during 2022 and the dates of the strategy sessions & joint meeting with the Ferries Community Board.

Confidential

**Decision**

The Board **APPROVED** the Board Annual Plan of Work/Schedule.

5.2 **SKYE NETWORK VISIT**

D Mackison reported that it was proving difficult to find accommodation on Skye and it had been suggested that there may be a more appropriate community to visit (given that Skye has a bridge to the mainland). The Board discussed possible locations for its next network visit which included Arran and Oban and smaller island communities and it was agreed that it may also be more appropriate to schedule a network visit outside of peak season.

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

6. **DATE OF NEXT MEETING**

Wednesday 15 June 2022 at 9.00am in Glasgow and by audio/video conference.  
Joint meeting with FCB 15 June 2022 at 4-6pm in Glasgow.

Signed:  
**E Ostergaard, Chair**

Date: