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**DAVID MACBRAYNE LIMITED (“DML”)**  
**MINUTES of the BOARD MEETING**  
**held on Wednesday 6 September 2023 at 9.00 a.m.**  
**in the Lewis Meeting Room, Gourock, 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:** 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 (part)  
Janine Ward (JW) – Finance Director  
Graeme Baillie (GB) - Head of Governance, Risk & Assurance (part)  
Pauline Blackshaw (PB) – Director of Strategy & Change (part)  
Stephanie Griffin (SRG) – Company Secretary

<b>Item</b>	<b>Action</b>
1. <b><u>GOVERNANCE</u></b>	
1.1 <b>SAFETY &amp; ENVIRONMENT MOMENT</b>	
<p>S O’Connor reported that on the Island Crossings TV programme there had been a father &amp; son using a dingy to reach their ferry and the risks from members of the same family on boats together brought to mind an accident in the Sound of Mull a number of years ago which resulted in four fatalities. Contributing factors to that accident were found to be: complacency (no-one was wearing a life-jacket) as well as pier lighting not being in operation (hampering ability to view the sea state). E Ostergaard commented that one of the reasons for performing regular training was to train the eye to spot dangerous situations.</p> <p>R Drummond reported that, for safety reasons, CalMac were still operating under night-time restrictions at Bull Hole on Mull which adversely impacted operations in winter. He also advised that operating conditions in Coll and Tiree could be difficult at times and that, as a result of operationally challenging conditions experienced on the network, management were looking at creating formal operational parameters for Masters regarding ports e.g. wind direction and sea states. This was not intended to override Masters’ authority but would seek to reduce pressure on them to sail in difficult conditions.</p>	
1.2 <b>APOLOGIES FOR ABSENCE</b>	
<p>There were no apologies for absence.</p>	
1.3 <b>DECLARATIONS OF INTEREST</b>	
<p>There were no new declarations of interest.</p>	
1.4 <b>MINUTES FROM BOARD MEETING OF 5 JULY 2023</b>	
<p>The Minutes of the Board meeting held on 5 July 2023 were <b>APPROVED</b> and the Chairman was <b>AUTHORISED</b> to sign the minutes.</p>	

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## 1.6 ACTION LOG

The action log was noted.

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

### 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 the dates of network public drop-in sessions to Non-Executives.

R Drummond confirmed that work was in progress for the next network public drop-in session with sessions having been carried out to date in Uist, Arran and Cumbrae. C/fwd.

All actions were in progress, ongoing or Agenda items.

*At this point G Baillie joined the meeting.*

## 2. STRATEGIC ITEMS

### 2.1 RISK MANAGEMENT PROCESS

G Baillie presented to the Board on the process for identification, processing and review of risks within CalMac **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

*At this point G Baillie left and P Blackshaw joined the meeting.*

### 2.2 STRATEGIC PLANNING

The Board noted the report from P Blackshaw **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

*At this point P Blackshaw left the meeting.*

### 2.3 ISLAND CROSSING TV PROGRAMME - FEEDBACK

The Board noted the report on the response to the 'Island Crossings' TV programme **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

#### Decision

The Board **APPROVED** proceeding with a second series of the TV programme 'Island Crossings'.

## 3. BOARD COMMITTEES

### 3.1 AUDIT & RISK COMMITTEE

#### 3.1.1 AUDIT & RISK COMMITTEE (ARC) – 14 AUGUST MINUTES

The Board noted the draft ARC minutes and G Macrae reported that ARC had considered the draft Annual Report & Accounts and received feedback from the External Auditor, including on how well the process had gone with the Finance Team. **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

#### 3.1.2 AUDIT & RISK COMMITTEE ANNUAL REPORT FY22/23

The Board noted the Annual Report from the Audit & Risk Committee which detailed the work they had undertaken during FY 22/23.

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### 3.2 **HEALTH, SAFETY, ENVIRONMENT & QUALITY COMMITTEE (HSEQCo) – 15 AUGUST MINUTES**

The Board noted the draft HSEQ Committee minutes and T Ingram reported that work was underway to simplify the data provided to the Committee. **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]** He advised that he would consider how the Board could contribute strategically and support the Just Culture initiative scheduled to start in June 2024.

### 3.3 **REMUNERATION COMMITTEE (REMCO)**

The Board noted the RemCo minutes which had previously been circulated and S O'Connor reported that a recognition payment of [redacted] had been approved for all staff (except Director-grade staff). **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

## 4. **GROUP REPORTS**

### 4.1 **GROUP FINANCE UPDATE – JULY 2023**

The Board noted the report from J Ward.

#### 4.1.1 **DML Group Draft P&L**

J Ward reported that July 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)]**

#### 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**

This was noted.

#### 4.1.5 **Cashflow Statement**

J Ward reported that the current DML Group cash balance was **[FOISA Status – Exemption under Section 33 (Commercial interests)]**

#### 4.1.6 **CHFS Contractual Funding Update**

This was noted.

### 4.2 **CHANGE EXECUTIVE COMMITTEE SUMMARY REPORT**

The report was noted.

### 4.3 **GROWTH EXECUTIVE COMMITTEE SUMMARY REPORT**

The Board noted this report. It was agreed that this regular report would no longer be produced for the Board and that R Drummond would update the Board on any growth matters when appropriate.

### 4.4 **RISK REPORT**

The risk report was noted and R Drummond reported as follows:

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

### 4.5 **POLICY APPROVALS**

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

- Smoking Policy – updates to the existing policy were noted.

**Decision**

The Board **APPROVED** the Smoking Policy.

5. **ANY OTHER BUSINESS**

5.1 **DELEGATED AUTHORITIES POLICY – UPDATE**

The report from J Ward was noted and she reported that the Delegated Budget Authority Limits within the Delegated Authorities Policy had been updated to simplify and strengthen the controls. Authority levels were now categorised across Grade & Business Discipline (compared to the individual role basis which previously applied) and these changes would be applied to the new TOM structure that was coming in effect from 1 October 2023. She reported that these updates had been reviewed by the Audit & Risk Committee who had recommended them to the Board for approval.

**Decision**

The Board **APPROVED** the updates to the Delegated Authorities Policy.

5.2 **DIVIDEND UPDATE AND NDPB STATUS**

There were no updates and the Board agreed that this item should be removed from the Agenda as a standing item and would be reported on when there was an update.

5.3 **EXECUTIVE TEAM**

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

5.4 **[FOISA Status – Exemption under Section 38 (Personal data)]**

6. **DATE OF NEXT MEETING**

Strategy Session – Tuesday 3 October 2023 – timing and location to be confirmed.

Board – Wednesday 4 October 2023 at 9.00 am in Gourrock.

Signed:  
**E Ostergaard, Chair**

Date: