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**DAVID MACBRAYNE LIMITED (“DML”)  
MINUTES of the BOARD MEETING  
held on Monday 5 July 2023 at 1.15 p.m.  
in Regent Suite, Apex Waterloo Place Hotel, 23-27 Waterloo Pl, Edinburgh EH1 3BG**

[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:** Janine Ward (JW) – Finance Director  
Gary Cox (GC) – Transport Scotland  
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> G Macrae reported that staff on a recent cruise had commented that there were more older people than previously which meant that longer embarkation and disembarkation times were required. This had impacts on both emergency evacuation times and timetables and he noted that the impacts of an ageing population would be similar on CalMac. R Drummond confirmed that this presented an operational challenge for CalMac, for example disabled passengers were allocated parking slots on the car deck near the lifts but increasing numbers of passengers required this facility and modern vehicles being generally larger meant that some were having to park further away. Issues were also caused with slower exits from the car deck.	
1.2 <b>APOLOGIES FOR ABSENCE</b> There were no apologies for absence.	
1.3 <b>APPOINTMENT OF DIRECTOR</b> The Board noted the appointment of David Beaton to the David MacBrayne Limited Board by the shareholder with effect from 19 June 2023.	
1.4 <b>DECLARATIONS OF INTEREST</b> The Board noted the declarations of interest from D Beaton, namely his positions as: Managing Director of Stagecoach North Scotland; Non-Executive Director of Highlife Highland; and Chairman of RNLI Fundraisers Skye & Raasay.  There were no other declarations of interest.	
1.5 <b>MINUTES FROM BOARD MEETING OF 5 JUNE 2023</b> The Minutes of the Board meeting held on 5 June 2023 were <b>APPROVED</b> , subject to a minor amendment, and the Chairman was <b>AUTHORISED</b> to sign the minutes.	

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## 1.6 ACTION LOG

The action log was noted.

All actions were in progress, ongoing or Agenda items.

## 2. BOARD COMMITTEES

### 2.1 AUDIT & RISK COMMITTEE (ARC)

G Macrae reported that there had been no Committee meetings held since the last Board. He reported **[FOISA Status – Exemption under Section 33 (Commercial interests)]**

### 2.2 HEALTH, SAFETY, ENVIRONMENT & QUALITY COMMITTEE (HSEQCo)

T Ingram reported that there had been no Committee meetings held since the last Board however discussions regarding simplification of the HSEQ Committee reporting had continued with L De Wolff. T Ingram had attended a vessel dry dock in Leith which he had found very useful. It was noted that the November HSEQCo meeting was in the process of being re-scheduled.

**Action:** It was agreed that arrangements should be made for the new Minister to visit a vessel in dry dock and this invitation was also extended to G Cox.

RD

### 2.3 REMUNERATION COMMITTEE (REMCO)

S O'Connor reported that a RemCo meeting had been held earlier in the day at which bonuses had been discussed and that the minutes from that would be circulated to the Board for information in due course. She advised that progress continued on the review of pay and structures.

## 3. GROUP REPORTS

### 3.1 GROUP FINANCE UPDATE – MAY 2023

The Board noted the report from J Ward.

#### 3.1.1 DML Group Draft P&L

J Ward reported that YTD performance was **[FOISA Status – Exemption under Section 33 (Commercial interests)]**. Key variances to plan included **[FOISA Status – Exemption under Section 33 (Commercial interests)]**:

#### 3.1.2 DML Group Financial Risks and Opportunities – 23/24

The financial risks and opportunities 23/24 were noted.

#### 3.1.3 DML Group Balance Sheet

J Ward reported that the Net Asset Balance was **[FOISA Status – Exemption under Section 33 (Commercial interests)]** at end May 2023.

#### 3.1.4 Cashflow Statement

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

#### 3.1.5 CHFS Contractual Funding Update

##### 1. CY7 Financial Performance

J Ward reported that vessel maintenance was a key area of spend and that a number of projects were on hold.

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

### 3.2 ACCOUNTS 22/23

The Board noted the report from J Ward. She reported **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**.

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### 3.3 CHANGE EXECUTIVE COMMITTEE SUMMARY REPORT

The report was noted and R Drummond reported as follows:

- Ar Turas **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**
- Network Improvements **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**
- Projects **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**
- Introduction into service of 801 **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

### 3.4 GROWTH EXECUTIVE COMMITTEE SUMMARY REPORT

The Board noted this report and R Drummond reported as follows:

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

## 4. ANY OTHER BUSINESS

### 4.1 BOARD COMMITTEE COMPOSITION

The Board noted the proposed changes to the Board Committees, following the new director appointment, as below.

#### **Audit & Risk Committee (ARC) – 3 members**

Grant Macrae – Chair – no change

Tim Ingram – member – no change

David Beaton – appointed to ARC from 5 July

Sharon O'Connor – leaves as member from 5 July

#### **Health, Safety, Environment & Quality Committee (HSEQCo, formerly SafetyCo) – 3 members**

Tim Ingram – Chair – no change

Sharon O'Connor – member – no change

David Beaton – appointed to HSEQCo from 5 July

#### **Remuneration Committee (RemCo) – 3 members**

Sharon O'Connor – Chair – no change

Grant Macrae – member – no change

Erik Ostergaard – member – no change

#### **Decision**

The Board **APPROVED** the changes to the Board Committees detailed above.

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

### 4.3 BOARD DATES 2024

The Board noted the draft 2024 Board and Committee dates and confirmed that they were suitable.

**Action:** S O'Connor to review the dates and advise S R Griffin of any issues with the 2024 Board & Committee dates.

SOC

### 4.4 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

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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.

RD

**Action:** R Drummond to communicate the dates of the network public drop-in sessions to the Non-Executives.

5. **DATE OF NEXT MEETING**

Wednesday 6 September 2023 at 9.00 am in Gourock.

Signed:

**E Ostergaard, Chair**

Date: