Public

CALMAC FERRIES LIMITED ("CFL")
MINUTES of the BOARD MEETING
held on Wednesday 1 July 2026 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) and Section 33 (Commercial interests)]

Present:	Erik Ostergaard (EO) – Chair David Beaton (DB) Lucy Conway (LC) Tim Ingram (TI) Duncan Mackison (DM) John Nolan (JN) Kay Ryan (KR)
In attendance:	Chris Wilcock (CW) – Transport Scotland Janine Ward (JW) – Finance Director Diane Burke (DBu) – Chief Operating Officer Kevin Hobbs (KH) – CEO, CMAL Pauline Blackshaw (PB) – Planning & Performance Director (part) Kirsten McCue (KMcC) – HR Director (part) Stephanie Griffin (SRG) – Company Secretary
Apologies:	Grant Macrae (GMac)

Item **Action**

1. **GOVERNANCE**

1.1 **SAFETY & ENVIRONMENT MOMENT**

T Ingram reported on a 2024 container ship collision with a bridge in Baltimore that resulted in the fatalities of six workers on the bridge and led to the vessel's chief engineer facing charges. He had reconfigured the vessel's systems but not realised that these changes meant that the engine auto-start would no longer operate. Therefore, when the engines had shut down in Baltimore they did not auto-start and could not provide power to the vessel to avoid the bridge. This reconfiguration of the vessel's systems had not been subject to a management of change process and had not been approved by the company's engineering controls. T Ingram noted that insufficient management of change was often the root cause for health & safety incidents and that the lesson for CalMac was to ensure that a robust management of change process was undertaken when making modifications. D Mackison commented that there could be a temptation to override faulty safety switches whereas the correct response was to raise this as a fault and have it dealt with properly. It was noted that implementation of Just Culture would assist with management of change.

1.2 **APOLOGIES FOR ABSENCE**

Apologies for absence had been received from G Macrae.

1.3 **DECLARATIONS OF INTEREST**

The following new Declaration of Interest was noted:

- T Ingram: new roles as Consultant Senior Safety Strategist for Arinite Ltd and Consultant Safety Expert for HKA Ltd and a new professional status as a Registered Occupational Safety and Health Consultant.

1.4 **MINUTES FROM BOARD MEETING OF 19 MAY 2026**

The Minutes of the Board meeting held on 19 May 2026 were **APPROVED**, subject to a minor amendment to reflect Scottish Government budget process timings**,** and the Chair was **AUTHORISED** to sign the minutes.

1.5 **ACTION LOG**

The Board noted that all actions were either complete or not yet due.

At this point K Hobbs joined the meeting.

2. **CMAL UPDATE**

K Hobbs reported on CMAL updates as follows.

Vessels

- MV Glen Rosa – this vessel would need to go into dry dock before sea trials, with the yard estimating early November 2026 delivery.
- MV Loch Indaal, MV Loch and MV Claymore – these vessels had recently been purchased to protect the ownership rights & OEM guarantees **[Redacted – Section 30].**
- SVRP Phase 1 Seven Loch-Class (Small) Vessels – No.1 vessel (MV Loch Awe) had had its technical launch in Poland **[Redacted – Section 30]**.
- MV Lord of the Isles Replacement Vessel – tendering for this vessel was underway.
- SVRP Phase 2 – **[Redacted – Section 30].**

Ports

- Cumbrae – works to build a new slipway & facilities were in progress but would have no impact on services.
- Port Ellen – this port was now closed for the ferry service and works were starting.
- SVRP port works – works relating to power supplies for the new electric vessels were on schedule for the CMAL ports **[Redacted – Section 30].**
- Ardrossan – this was now CMAL-owned and time had been spent doing short-term remedial works including to the linkspan, however major redevelopment works were required **[Redacted – Section 30].**
- Council Ports **[Redacted – Section 30].**
- Gourock & Troon ports – discussions were ongoing regarding works required. **[Redacted – Section 30].**

[Redacted – Section 30]

At this point K Hobbs left and P Blackshaw joined the meeting.

3. **STRATEGIC ITEMS**

3.1 **CP1 ANNUAL BUSINESS PLAN PERFORMANCE REPORT**

The Board noted the CP1 Annual Business Plan Performance Report and P Blackshaw reported that this report, which was a requirement under CHFS3, covered both overall and route level performance. She reported that the period being reported had included some challenges and the transparent and honest narrative reflected both these challenges and the positive improvements.

- Priority 1 Reliable & Resilient – vessel availability statistics were positive however reliability and cancellation statistics had been negatively impacted by delays to overhauls with the MV Alfred charter extended to assist with this. Safety performance was mixed and these items had been built into the CP2 Annual Business Plan activities.
- Priority 2 Accessible – customer side targets such as customer trust had been achieved.

- Priority 3 Integrated – islander satisfaction and islander trust targets had not been achieved which reflected the impact of disruptions on islanders.
- Priority 4: Environmental impact and low carbon – these had been achieved.

Action: P Blackshaw agreed to review how the direction of travel over the period could be demonstrated in the report (including potentially showing how one incident could impact the overall performance). DM (PB)

P Blackshaw confirmed that the targets would be reviewed for each new business plan, with planning for CP3 in progress. DM (PB)
Action: P Blackshaw confirmed that the relevant targets would be corrected to show they were ≥ (equal to or above).

The Board discussed the report and P Blackshaw confirmed that it would be published on the CalMac website with a communications plan to raise public awareness. She confirmed that it would also be submitted to Transport Scotland for information.
Action: C Wilcock asked that the report not be published until the Cabinet Secretary for Economy, Tourism & Transport had seen it and he acknowledged that CalMac were keen to publish the report as soon as possible to meet their transparency commitments. DM (PB) /CW

[Redacted – Section 30].

Decision
The Board **APPROVED** the CP1 Annual Business Plan Performance Report for publication and for submission for information to Transport Scotland and the Shareholder.

3.2 **CP3 ANNUAL BUSINESS PLAN**
P Blackshaw shared information with the Board to provide the strategic context for the CP3 Annual Business Plan. **[Redacted – Section 30].**

At this point P Blackshaw left and K McCue joined the meeting.

3.3 **HR DEEP DIVE**
The Board noted the report from K McCue and she presented as follows.

[Redacted – Section 30].

At this point K McCue left the meeting.

4. **CFL REPORTING**
4.1 **CEO REPORT**
The report from D Mackison was noted and he reported as follows:-
- Coll & Tiree and Mallaig – collaborative and positive meetings had been held
- Staff Survey – this had been discussed earlier in the meeting.
- Islay Port Works – change to single port operations from Port Askaig with significant work to put this in place, including a full walkthrough of the processes to be employed, and it seemed to be working well.
- EFQM – continuing to embed into the overall Company Quality Management System
- Executive Workshop – these had been planned from August to end 2026
- Political meetings – the CEO had met with MSPs and the new Cabinet Secretary with a visit to Arran and Gourock planned with Reform MSPs.

Annual Business Plan Contract Period 2 – Performance Report
This was noted.

Portfolio Summary Report
This was noted.

Safety Benchmarking Report
This was noted **[Redacted – Section 30].**

4.2 **CHIEF OPERATING OFFICER REPORT**
The Board noted the report from D Burke and she reported as follows.

Centre of Excellence
This was now under business as usual and Small Vessel crew would be coming in for training.

Customer Experience
- **[Redacted – Section 30].**
- **[Redacted – Section 30].**
- Accessibility Advisory Board now in place with positive feedback received from customers
- ScotRail and Citylink partnership agreements were now in place
- **[Redacted – Section 30].**

eBooking Update
This was noted.

Ports Update
- Port Askaig operations – currently working well.
- **[Redacted – Section 30].**

5. **GROUP REPORTING**
5.1 **GROUP FINANCE UPDATE – May 2026**
The Board noted the report from J Ward and she reported as below.

5.1.1 **P&L – May Financial Performance**
2026/27 financial performance for two months to end May **[Redacted – Section 33].**

5.1.2 **26/27 Financial Forecast**
J Ward reported on the Financial Forecast which included financial performance to end May as well as variances detailed in the report.

[Redacted – Section 33].

5.1.3 **Annual Budget 2026/27 – Proposed Amendments**
J Ward reported that a review of the Annual Budget had been undertaken with an update to the assumptions from the previously approved Annual Budget as below:- **[Redacted – Section 33].**

Decision
The Board **APPROVED** the re-categorisation of items within the Annual Budget as detailed above.

5.1.4 **DML Group Balance Sheet**
[Redacted – Section 33]

5.1.5 **Group Cashflow Statement as at 31 May 2026**
This was noted.

5.1.6 **FUTURE BUDGETS AND ACCOUNTS**
CP3 Draft Annual Budget
J Ward reported that the CP3 Draft Annual Budget approved by the Board would be updated to reflect fuel prices agreed with Transport Scotland.

25/26 Accounts and CP2 Funding Levels
J Ward reported **[Redacted – Section 33].**

Change to NDPB Status and 27/28 Accounts
Planning for 27/28 Accounts under NDPB status (from 1 April 2027) would be commenced in good time to ensure requirements (e.g. disclosures in the Accounts) could be met.

5.2 **TRANSPORT SCOTLAND UPDATE**
C Wilcock reported that the new Cabinet Secretary for Economy, Tourism and Transport had met with E Ostergaard and D Mackison and been out on the network. He reported that Transport Scotland were working on the first 100 days of the new Scottish Government and SNP manifesto commitments as well as continuing with Public Service Reform activities. The CFL & CMAL NDPB status change work was progressing as scheduled.

He confirmed that, in regard to global resilience challenges such as global supply disruptions and cyber-attacks, Transport Scotland carried out regular resilience and business continuity exercises and also liaised with the UK Government in Westminster regarding fuel supplies. He also reported that a maritime group had been set up.

5.3 **NDPB STATUS UPDATE**
The Board noted the Transport Scotland slides in the pack set out the steps undertaken so far and timelines regarding the S483 Order (to move under the Auditor General for Scotland) and Accountable Officer designation.

[Redacted – Section 30].

6. **<u>GROUP BOARD COMMITTEES</u>**
6.1 **AUDIT & RISK COMMITTEE**
J Ward reported that the audit of the 25/26 Accounts was progressing to timeline.

6.2 **HEALTH, SAFETY, SECURITY, ENVIRONMENT & QUALITY COMMITTEE**
T Ingram reported that security would be formally included in reporting to this Committee.

6.3 **REMUNERATION COMMITTEE**
K Ryan reported that there was no update.

7. **<u>ANY OTHER BUSINESS</u>**
7.1 **MANAGEMENT COVER – ON CALL & HOLIDAY**
D Mackison reported that there would now be a rotating Executive Team member on call each week and that while he was on leave D Burke would cover.
Action: D Mackison agreed to send the Executive Team on call rota to the Board for information. DM

7.2 **BOARD NETWORK VISIT**

D Mackison confirmed that planning was underway for the September Board Network Visit to Islay.

Action: It was requested that more information was provided to the Board regarding what the meetings would cover, including background issues, and who was attending them. DM (MS)

8. **<u>DATE OF NEXT MEETING</u>**

Tuesday 1 September 2026 at 9.00am in Gourock.

Signed: Date:

E Ostergaard, Chair