Public

CALMAC FERRIES LIMITED ("CFL")
MINUTES of the BOARD MEETING
held on Tuesday 1 September 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) Grant Macrae (GMac) John Nolan (JN) Kay Ryan (KR)
In attendance:	Andy Robinson (AR) – Transport Scotland (part) Janine Ward (JW) – Finance Director Diane Burke (DBu) – Chief Operating Officer Alex Cross (AC) – Standards & Performance Director (part) David Gammie (DG) – IT Director (part) Pauline Blackshaw (PB) – Planning & Performance Director (part) Stephanie Griffin (SRG) – Company Secretary

Item **Action**

1. **GOVERNANCE**

1.1 **SAFETY & ENVIRONMENT MOMENT**

L Conway reported on a fishing boat accident where the boat had rolled causing the fishing net to start going overboard and a crew member standing on it to prevent this was knocked overboard. Then, as two crew members attempted to retrieve him, one of them fell in. The remaining crew member threw lifebuoys to the two crew in the water who were not wearing personal flotation devices (PFDs) and both men were brought back on board but unfortunately the skipper, who was pulled unconscious from the water, died as a result of immersion in water. The accident inquiry concluded that the crew were caught off-guard by sudden bad weather on a normal working day and that wearing PFDs and crew familiarity with the location of emergency man overboard equipment as well as practicing man overboard recovery drills would have helped achieve a better outcome. It was further concluded that during the incident the crew became task-focused which led to them not adequately assessing the risks to themselves. T Ingram reported a similar incident involving a fishing net – where it got snagged on a pipe and the crew became solely focused on net retrieval and the boat ended up tipping over causing the death of four crew.

1.2 **APOLOGIES FOR ABSENCE**

There were no apologies for absence.

1.3 **DECLARATIONS OF INTEREST**

The following new Declaration of Interest was noted:

- T Ingram: new role as registered consultant for LRQA.

1.4 **MINUTES FROM BOARD MEETING OF 1 JULY 2026**

The Minutes of the Board meeting held on 1 July 2026 were **APPROVED** and the Chair was **AUTHORISED** to sign the minutes.

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1.5 **ACTION LOG**

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

At this point A Cross and A Robinson joined the meeting.

2. **STRATEGIC ITEMS**

2.1 **NEW VESSELS UPDATE**

A Cross presented to the Board as follows.

Major Vessel Delivery & Disposal Plan

A Cross outlined to the Board a chart showing entry of new vessels into the fleet, vessels removed from service, vessels undergoing overhaul and total number of major vessels available during FY 2026/27 and FY 2027/28. **[Redacted – Section 30].**

New Vessels Into Service Dates & Confidence

A Cross took the Board through the 'into service' dates for the next four major vessels and the level of confidence management had about receiving the vessels at these dates. **[Redacted – Section 30]**.

Transition Period to 'steady state'

The Board noted the new vessel build & infrastructure works programmes across the network from 1 July 2026 to 31 December 2030 with 3 major vessels and 4 small vessels due into the fleet in the next 24 months **[Redacted – Section 30]**.

New Vessel Risks & Challenges

- Technical – **[Redacted – Section 30]**
- Crewing – **[Redacted – Section 30]**
- Disposal – **[Redacted – Section 30]**

Future Vessels

A Cross detailed the vessels needing replacement beyond the next two years.

At this point A Cross left the meeting.

3. **GROUP REPORTING**

3.1 **TRANSPORT SCOTLAND UPDATE**

A Robinson reported that the First Minister would be making a statement to Parliament later in the day which would include a commitment to exploring the establishment of a single ferries body for the Clyde & Western Isles routes. **[Redacted – Section 30].**

At this point A Cross and D Gammie joined and A Robinson left the meeting.

4. **STRATEGIC ITEMS (Cont'd)**

4.1 **AI – RISK, POLICY AND GOVERNANCE DISCUSSION**

G Macrae reported that he, J Nolan and T Ingram had discussed risks and governance of AI, **[Redacted – Section 30].**

At this point P Blackshaw joined and D Gammie and A Cross left the meeting.

4.2 **CHFS FUTURE FERRY MODEL**

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The Board noted the report from P Blackshaw and she reported that a Long-Term Service Model had been produced that built on the June Strategy Session discussions. **[Redacted – Section 30]**

The Board discussed the proposed Ferry Model and agreed that it was required **[Redacted – Section 30].** E Ostergaard noted that a long term view was already being taken with the fleet and there was now a need to do the same for ferry service operations.

5. **ANNUAL REPORT & ACCOUNTS**

5.1 **FINANCE DIRECTOR OVERVIEW**

The Board noted the report from J Ward and she reported that FY 2025/26 spanned CHFS2 CY9 and CHFS3 CP1 **[Redacted – Section 30]**.

J Ward reported that the DML Group ended FY 2025/26 with **[Redacted – Section 33]**.

[Redacted – Section 30]. J Ward confirmed that CalMac were now aligned to the Scottish Government funding timetable and the Finance team continued to work closely with Transport Scotland Finance.

She reported that no material changes were expected to the Accounts before External Auditor final sign-off.

5.2 **SHAREHOLDER LETTER OF COMFORT**

The Shareholder Letter of Comfort was noted **[Redacted – Section 30]**.

5.3 **KPMG AUDIT REPORT**

The KPMG Audit Report was noted and G Macrae reported that the External Auditor had taken the Audit & Risk Committee through the report and there were no concerns. **[Redacted – Section 30]**.

5.4 **CALMAC FERRIES LIMITED ANNUAL REPORT & ACCOUNTS 2025/26**

The CalMac Ferries Limited Annual Report & Financial Statements to 31 March 2026, including the Auditor's Report, were noted. It was noted that the Audit & Risk Committee had undertaken a detailed review of the Annual Report & Accounts and recommended the CFL Accounts for Board approval.

Decision

The Board **APPROVED** the CFL Annual Report & Accounts as at the date of finalisation of the external audit process, subject to no material changes being made, and **AUTHORISED** them to be signed at that point on behalf of the Board.

STATEMENT OF COMPLIANCE WITH CONDITIONS OF GRANT

The Board noted the Statement of Compliance and J Ward confirmed that this was a new requirement under CHFS3.

Decision

The Board **AUTHORISED** D Mackison, CEO, to sign the Statement of Compliance with Conditions of Grant.

5.5 **CALMAC FERRIES LIMITED LETTER OF REPRESENTATION**

The Board noted that J Ward had reviewed the Letter of Representation and had recommended its approval by the Board.

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Decision

The Board **APPROVED** the Letter of Representation and **AUTHORISED** it to be signed on behalf of the Board.

5.6 **ACCOUNTS PRESS RELEASE**

The Press Release was noted. **[Redacted – Section 30]**

6. **CFL REPORTING**

6.1 **CEO REPORT**

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

- Ferry Committees – Arran and Islay Ferry Committees had expressed concerns about the winter timetable and uncertainty over new vessel delivery dates. Mallaig Ferry Committee had expressed concerns over the impact on the Armadale service during the summer and D Beaton noted the importance of this service to the economy of that area of Skye.
- Staff Survey – 40 people had participated in the Action Plan workshop session.
- Press – **[Redacted – Section 30]**.

[Redacted – Section 30]. D Burke reported that the positive impact of the resilience vessel within the fleet had been shared with the FCB and Ferry Committees who had supported wider dissemination of this information.

D Mackison detailed to the Board the emergency response to the man overboard and bomb threat incident on the MV Caledonian Isles **[Redacted – Section 30]**.

Annual Business Plan Contract Period 2 – Performance Report

This was noted.

Portfolio Summary Report

This was noted.

Safety Benchmarking Report

This was noted.

6.2 **CHIEF OPERATING OFFICER REPORT**

The Board noted the report from D Burke and she reported as follows.

July Vessel Availability

The three main periods of vessel unavailability had all been covered by the resilience vessel and medical staff & equipment required had been transported during the period.

Enhanced Engagement Model

[Redacted – Section 30].

Customer Experience

- Customer Experience Scorecard – scores were positive and had improved from the period of significant disruption earlier in the year.

Achievements

- **[Redacted – Section 30].**

Key Challenges & Risks

- Telephony Stability Issues – work was ongoing with IT to implement an improved solution for the winter season. **[Redacted – Section 30]**.

D Burke reported that she was now meeting ScotRail's COO regularly and they were sharing joint lessons learned on apps as well as discussing smart & integrated ticketing. She confirmed that CalMac was on track with its CHFS3 ticketing obligations and reported that CalMac were involved in Scottish Government discussions on a national smart ticketing system with CalMac meeting other ferry operators to input a single view into these discussions.

7. **GROUP REPORTING**

7.1 **GROUP FINANCE UPDATE – July 2026**

The Board noted the report from J Ward and she reported as below.

7.1.1 **P&L – July Financial Performance**

2026/27 financial performance to end July was **[Redacted – Section 33].**

7.1.2 **26/27 Financial Forecast**

J Ward reported on the Financial Forecast which included the financial performance to end July and the revised vessel delivery dates **[Redacted – Section 33]**.

7.1.3 **DML Group Balance Sheet**

The Group Net Asset balance at end July 2026 was **[Redacted – Section 33]**.

The Group closing cash balance was **[Redacted – Section 33]**.

7.1.4 **Group Cashflow Statement as at 31 July 2026**

This was noted.

7.1.5 **Transition to NDPB – 1 April 2027 Financial Compliance**

J Ward reported that when the transition to NDPB status takes place on 1 April 2027 CalMac will need to be compliant with the SPFM and with the FReM for the 2027-28 Accounts. **[Redacted – Section 30]**.

7.2 **CFL TRANSITION TO NDPB – [Redacted – Section 30]**

The Board noted the report from J Ward. **[Redacted – Section 30]**.

7.3 **RISK REPORT**

This was noted.

7.4 **INSURANCE ARRANGEMENTS & RENEWALS**

This report was noted. G Macrae reported that the Audit & Risk Committee had received a detailed insurance report **[Redacted – Section 30].**

7.5 **ENVIRONMENTAL PERFORMANCE REPORT CP1**

The Board noted this report which was a CHFS3 requirement and T Ingram reported that the Health, Safety, Security, Environment & Quality Committee had reviewed the report and recommended it to the Board for approval.

Decision

The Board **APPROVED** the Environmental Performance Report October 2025-March 2026 (CP1) for submission to Transport Scotland.

7.6 **POLICIES**

D Mackison reported that HR were carrying out an exercise to review their policies and update them as appropriate.

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The following Policies, which had been reviewed by the ExCo and submitted for Board approval, were noted:

- FOI – new policy
- Security – new policy
- Health & Safety – updated policy
- Whistleblowing – updated policy
- BYOD – updated policy
- Acceptable Use – updated policy
- Information Security – updated policy
- Conduct & Standards – updated policy
- Disciplinary Policy & Procedure – updated policy
- Equality, Diversity & Inclusion – new policy
- Grievance Policy & Procedure – updated policy
- Harassment & Bullying Policy & Procedure – updated policy
- Sexual Harassment – updated policy

G Macrae reported that it had been agreed at the Audit & Risk Committee that a relaunch of the Whistleblowing Policy and process would take place.

Decision

The Board **APPROVED** the FOI, Security, Health & Safety, Whistleblowing, BYOD, Acceptable Use, Information Security, Conduct & Standards, Disciplinary Policy & Procedure, Equality, Diversity & Inclusion, Grievance Policy & Procedure, Harassment & Bullying Policy & Procedure, Sexual Harassment Policies.

8. **GROUP BOARD COMMITTEES**

8.1 **AUDIT & RISK COMMITTEE**

The draft minutes of 19 August 2026 were noted. **[Redacted – Section 30]**.

8.2 **ANNUAL REPORT FROM THE AUDIT & RISK COMMITTEE**

The Annual Report from the Audit & Risk Committee was noted.

8.3 **HEALTH, SAFETY, SECURITY, ENVIRONMENT & QUALITY COMMITTEE**

The draft minutes of 13 August 2026 were noted. T Ingram reported that security had now been included in the reporting to the Committee and included the recent bomb threat incident on the MV Caledonian Isles and the shooting at the yard in Turkey. He also reported that there had been an excellent, informative deep dive into Near Miss Reporting.

8.4 **REMUNERATION COMMITTEE**

The draft minutes of 19 August 2026 had been previously circulated. K Ryan reported that the Committee had received a progress update on initiatives following the Staff Survey. **[Redacted – Section 30]**.

9. **ANY OTHER BUSINESS**

9.1 **DML-FCB JOINT MEETING**

D Mackison reported that he had agreed with the FCB Chair, M MacInnes, that the next joint meeting should be postponed from October to December to allow the Chair and new FCB members to settle in.

9.2 **CONSULTATION BY SCOTTISH GOVERNMENT'S ISLANDS TEAM & TRANSPORT SCOTLAND**

It was noted that there was a consultation underway on eligibility regarding concessionary rates.

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9.3 **BOARD NETWORK VISIT**

D Mackison reported that M Scobbie would be issuing information on the Board Network Visit shortly and it was felt important that the topics for discussion at each meeting were shared with the other attendees.

10. **DATE OF NEXT MEETING**

Tuesday 27 October 2026 at 9.00am in Gourock.

Signed: Date:

E Ostergaard, Chair