

Public

CALMAC FERRIES LIMITED (“CFL”)
MINUTES of the BOARD MEETING
held on Wednesday 4 February 2026 at 9.00 a.m.
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: 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: Chris Wilcock (CW) – Assessor, Transport Scotland
Janine Ward (JW) – Finance Director
Diane Burke (DBu) – Chief Operating Officer
Joanna Peteranna (JoP) Highlands & Islands Enterprise (part)
Alex Cross (AC) – Interim Standards & Performance Director (part)
Nicola Hurrell (NH) – Head of HSQE (part)
Fraser Wallace (FW) – Head of Harbours (part)
Darrell Broom (DBr) – Project Manager (part)
Pauline Blackshaw (PB) – Planning & Performance Director (part)
Stephanie Griffin (SRG) – Company Secretary

Item

Action

1. **GOVERNANCE**

1.1 **SAFETY & ENVIRONMENT MOMENT**

J Nolan reported that the recent rail fatal accident inquiry had found that staff had not been properly trained in the company’s safety system and that having a system was not sufficient to ensure safety; staff must be adequately trained in its use. He noted that it was important for CalMac that staff were trained to use the systems provided and that it was recognised that systems were designed to help staff make decisions with the ultimate action being taken by staff.

D Mackison reported that the MV Isle of Islay, which was waiting for a weather window to travel up to and across the Bay of Biscay, had rescued a man in the water off the Moroccan coast and he was currently on board. CalMac had received support from the MCA as this rescue had occurred in international waters which made it difficult to establish responsibility for the rescued person.

1.2 **APOLOGIES FOR ABSENCE**

There were no apologies for absence.

1.3 **DECLARATIONS OF INTEREST**

There were no new declarations of interest.

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1.4 **MINUTES FROM BOARD MEETING OF 3 DECEMBER 2025**

The Minutes of the Board meeting held on 3 December 2025 were **APPROVED** and the Chair was **AUTHORISED** to sign the minutes.

1.5 **ACTION LOG**

It was noted that all actions were complete.

At this point J Peteranna joined the meeting.

2. **STRATEGIC ITEMS**

2.1 **HIGHLANDS & ISLANDS ENTERPRISE (HIE) ECONOMIC BRIEFING & FUTURE VIEWS**

J Peteranna of Highlands & Islands Enterprise (HIE) presented on the economy of the CHFS3 Network area and advised that three of HIE's seven areas were within the CHFS Network area.

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

At this point J Peteranna left and A Cross joined the meeting.

2.2 **STANDARDS & PERFORMANCE DEEP DIVE**

A Cross presented on the Standards & Performance department as follows.

He outlined the changes since 2023, including the move to the Fleet Management 'TOM' structure, and reported that Standards & Performance's role was to ensure the frameworks, assurance, and governance were in place to support the safe, reliable and sustainable delivery of ferry services. He also detailed Standards & Performance's role within the value chain from customer/ CHFS3 Contract requirements through service design and service delivery to CalMac customers together with the remit of the seven teams within the department.

Standards & Performance Activity

- Improvement: internal 'consultancy' to support business with identification and delivery of continuous improvement.
- Transformation: delivery of the Programme of Transformation and governance & assurance of project & programme change management.
- HSQE: Health, Safety, Quality and Environmental standards and assurance, including management of integrated auditing programme and company management system.
- Marine Authority: Marine standards, Internal ISM auditing, Complex Investigations, Improvement activity and preparing for introduction of new vessels & infrastructure.
- Technical Authority: Engineering Standards, Maintenance, Condition Assessment & Operational Technology, Vessel Upgrade Project Delivery.
- Service Resilience Programme: Programme Manager and team delivering New Vessel & Infrastructure project support and Just Culture with Enterprise Asset Management System tbc.

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

2.3 **PROPOSED TRANSFER OF MV ALI CAT AND MV ARGYLL FLYER**

The Board noted the report from A Cross and he reported that for legacy reasons DML owned two of the vessels within the fleet, the rest being owned by CMAL (apart from the MV Chieftain which was chartered from a third party) and that the aim was, therefore, to transfer ownership of these vessels to CMAL to streamline the CHFS3 fleet ownership and remove the complexity regarding funding for resilience work on these vessels.

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This transfer had been agreed in principle by the CMAL Board and if the CalMac Board was also in agreement then the process proposed to effect the transfer was:-

- Obtain an independent valuation of the two vessels
- Sale & transfer at the valuation price and charterparty agreement negotiated
- Approval of the sale & transfer process & documentation by the CMAL and CalMac Boards
- Transfer ownership as at 31 March (if feasible)

C Wilcock confirmed that Transport Scotland were happy with this course of action providing that no additional public money was required. It was noted that Transport Scotland approval for this type of transaction was now required under CHFS3 and J Ward would seek formal approval as part of the process.

Decision

The Board **APPROVED**, in principle, the sale of the MV Ali Cat & MV Argyll Flyer to CMAL.

At this point N Hurrell joined the meeting.

2.4 ENTERPRISE RISK FRAMEWORK IMPLEMENTATION UPDATE

The Board noted the report from N Hurrell and she reported that CalMac was moving away from siloed risk management to an enterprise risk management framework and that there was now specialist risk management resource within the team to support this change.

She reported that it was early in the process but benefits already being seen were decision-making aligning with the strategic/corporate plan, business plan and risk appetite. Another benefit would be the biennial horizon-scanning workshop which had not previously been carried out and ERM would allow a dynamic view of risk within the business. The risk team were currently working with risk owners to align the risk register to business priorities.

N Hurrell suggested that a producing video for staff on ERM featuring the Committee Chair would assist with implementation across the business.

At this point F Wallace and D Broom joined and A Cross and N Hurrell left the meeting.

2.5 PORTS OF EXCELLENCE

F Wallace presented on Ports of Excellence as follows.

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

At this point F Wallace and D Broom left the meeting.

3. CFL REPORTING

3.1 CEO REPORT

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

- Staff Survey – 35% had been completed to date with a month still to go (previous survey final completion rate was 29%). The totals completed from each area of the business were noted.
Action: D Mackison agreed to add a percentage column to future statistics and also find out the open rate of his initial email and viewing figures for the video.
- MV Isle of Islay – this vessel was on voyage to Scotland.
- Executive Recruitment – A Cross had been appointed Standards & Performance Director which completed the appointments for the Exec Team vacancies.

DM

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- Managing Successful Programmes / EFQM – there was a great deal going on within the change implementation/quality area.
- Mull & Iona visits – D Mackison and D Burke had met with parents on Iona who had outlined the long weekly trip to & from high school in Oban and it had been agreed that where CalMac could be more flexible it should be.

Portfolio Summary Report

It was noted that the technology projects (CPS Platform Migration and Data Strategy Implementation) had experienced delays.

Safety Benchmarking Report

D Mackison reported that this data was helpful to the business but that one incident could make a big impact on the scores.

Action: T Ingram asked that leading indicators be added in to provide context for the lagging indicators provided.

DM

D Mackison confirmed that analysis was carried out on safety statistics i.e. trends, underlying causes, ports vs vessels, at dock vs at sea, seasonal variations. He also confirmed that CalMac were involved in various UK Chamber of Shipping groups that were sharing industry lessons learned. It was also noted that the port standards & training work was industry leading. T Ingram reported that the first HSEQ Committee deep dive would be on traffic management.

3.2 **CHIEF OPERATING OFFICER REPORT**

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

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

Centre of Excellence – Year in Review

This was noted together with the next steps.

Deck space Management – Continuous Improvement

- Utilisation of booked GLM was >94%
- Fewer cancellations in December
- 3500 additional car spaces freed up across winter timetable due to improved optimisation of deck space

ScotRail Partnership

This information was noted.

eBooking

This was noted.

At this point P Blackshaw joined the meeting.

3.3 **CHFS3 OPERATION/PERFORMANCE**

The report from P Blackshaw was noted and she reported as follows.

The Case for Change

- The existing fragmented performance environment was being brought into a single, integrated planning & reporting system.
- This would allow the building of trust with Transport Scotland with clear, consistent assurance of delivery of the CHFS3 Contract and Corporate Plan & Annual Plan.

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- Cascade strategy and reporting tool being employed to cover reporting from frontline delivery to Board oversight.

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

At this point P Blackshaw left the meeting.

4. **GROUP REPORTING**

4.1 **GROUP FINANCE UPDATE – December 2025**

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

4.1.1 **P&L – December Financial Performance**

2025/26 financial performance to end December was **[FOISA Status – Exemption under Section 33 (Commercial interests)]**

4.1.2 **P&L – 2025/26 Financial Forecast**

J Ward reported that the funding forecast was lower than budget due to vessel delivery delays and updated funding forecasts were being shared with Transport Scotland Finance.

4.1.3 **DML Group Balance Sheet**

J Ward reported that the Group net asset balance as at 31 December 2025 was **[FOISA Status – Exemption under Section 33 (Commercial interests)]**

4.1.4 **Group Cashflow Statement**

This was noted.

4.2 **FUNDING UPDATE – APRIL 2026-MARCH 2027**

The report from J Ward was noted and she reported as follows.

1. Funding Forecast 2025/26

The current funding forecast was **[FOISA Status – Exemption under Section 33 (Commercial interests)]**

2. Funding Forecasts 2026/27, 2027/28, 2028/29

The funding forecasts for the next three financial years were noted and J Ward reported **[FOISA Status – Exemptions under Section 30 (Prejudice to effective conduct of public affairs)]**

4.3 **TRANSPORT SCOTLAND UPDATE**

C Wilcock reported as follows.

Vessel & Ports Update

- MV Lord of the Isles procurement had started
- Port Ellen port works had now been approved internally at Transport Scotland
- Ardrossan port – work continued on this.

4.4 **POLICY APPROVALS**

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

- Asset Disposal – new policy

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Decision

The Board **APPROVED** the Asset Disposal Policy subject to the addition of wording to clarify that this Policy did not apply to a transfer or sale.

5. **GROUP BOARD COMMITTEES**

It was noted that the new Board members had completed their inductions with the Chairs of the Committees they had joined.

5.1 **AUDIT & RISK COMMITTEE**

G Macrae reported that, following the issues with the external audit faced in 2024/25, he wanted to ensure that KPMG could deliver to the agreed timetable this year.

5.2 **HEALTH, SAFETY, ENVIRONMENT & QUALITY COMMITTEE**

There was no update from this Committee.

5.3 **REMUNERATION COMMITTEE**

There was no update from this Committee.

6. **ANY OTHER BUSINESS**

6.1 **ANNUAL AGENDA SCHEDULE/PLAN OF WORK 2026**

The Board noted the report and the 2026 Annual Agenda Schedule/Plan of Work and S R Griffin reported that the updates to the previous schedule were outlined in the Executive Summary.

Decision

The Board **APPROVED** the Annual Agenda Schedule/Plan of Work 2026.

6.2 **DML-FCB JOINT MEETING**

E Ostergaard asked that the May DML-FCB be re-scheduled, perhaps to the afternoon before.

Action: S R Griffin to re-schedule the DML-FCB Joint meeting in May.

SRG

6.3 **MV ISLE OF ISLAY**

D Mackison reported that the First Minister had sent his thanks to the crew of the MV Isle of Islay for their rescue of a man in the water off Morocco.

6.4 **NORTHLINK FERRIES LIMITED - DISSOLVED**

S R Griffin reported that Northlink Ferries Limited had been dissolved with effect from 3 February 2026 and this completed the project to strike off all the dormant or non-trading DML Group companies.

6.5 **NETWORK VISIT – 10-12 MARCH 2026**

The Board noted that the Board Network Visit to Arran would take place early next month.

Action: The Board asked to be sent the itinerary and information in good time.

DM/DBu

7. **DATE OF NEXT MEETING**

Tuesday 10-Thursdays 12 March – Network Visit to Arran.

Monday 30 March 2026 at 9.00 am in Gourrock.

Signed:

Date:

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E Ostergaard, Chair