

Public

**CALMAC FERRIES LIMITED (“CFL”)  
MINUTES of the BOARD MEETING  
held on Monday 30 March 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 38 (Personal data)]

**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) – Assessor, Transport Scotland  
Janine Ward (JW) – Finance Director  
Diane Burke (DBu) – Chief Operating Officer  
Craig McLellan (CMcL) – Financial Planning Manager (part)  
Pauline Blackshaw (PB) – Planning & Performance Director (part)  
David Gammie (DG) – IT Director (part)  
[Redacted]  
Stephanie Griffin (SRG) – Company Secretary

**Item**

**Action**

1. **GOVERNANCE**

1.1 **SAFETY & ENVIRONMENT MOMENT**

D Beaton reported that the recent fatal accident at La Guardia airport was due to a systemic failure i.e. two air traffic controllers doing the job of four. This had become standard operating practice for some years without it being raised as an issue or reviewed. CalMac needed to ensure that there was regular review of what was happening in practice and whether it was safe in order to guard against becoming used to unsafe ways of operating.

1.2 **APOLOGIES FOR ABSENCE**

There were no apologies for absence.

1.3 **DECLARATIONS OF INTEREST**

There were no new declarations of interest.

1.4 **MINUTES FROM BOARD MEETING OF 4 FEBRUARY 2026**

The Minutes of the Board meeting held on 4 February 2026 were **APPROVED** and the Chair was **AUTHORISED** to sign the minutes.

It was noted that a Board meeting had been held on 17 March 2026 to approve and authorise signature of CFL agreements in relation to Project Sandstone, the CMAL purchase of Ardrossan Harbour and that the Board had approved the minutes at that meeting.

1.5 **ACTION LOG**

The Board discussed the action log as below.

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### **01.26 CONSIDERATION OF USE OF GAELIC IN PORTS – PORTS OF EXCELLENCE**

F Wallace confirmed that, although there would be CalMac standardisation and branding, local knowledge of how individual ports worked was important and it would be important to achieve a balance between the local and the CalMac brand.

**Action:** L Conway suggested that use of Gaelic be considered and F Wallace agreed to ensure this was included.

Incorporation of Gaelic into signage / branding etc. for relevant locations has been added into the Ports of Excellence project and discussions have been initiated on how best to achieve this. Initial discussions have been held with Outer Hebrides Heritage Society as well as engagement with CMAL on their Gaelic policy to ensure alignment going forward. L Conway reported that she had been advised that CalMac was also now working with Bord na Gaidhlig and she would advise F Wallace. Action complete.

### **03.26 LEADING INDICATORS TO BE ADDED TO SAFETY BENCHMARKING REPORT – CEO REPORT - 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.

**In progress** – work was in progress on defining leading indicator KPIs however it was a challenging area so time was being taken to get it right with further updates to the next Board. Meantime trend analysis & reviews of PURE data were being used to identify leading indicators but this does not easily translate to KPI indicators. As safety leading indicators were reported to HSEQCo the suggestion was that this action be transferred to HSEQCo, with Board agreement. C/fwd.

All other actions were complete or not yet due.

*At this point C McLellan joined the meeting.*

## **2. STRATEGIC ITEMS**

### **2.1 ANNUAL BUDGET 26/27**

The Board noted the Annual Budget 26/27 and J Ward reported that the Annual Budget total funding requirement was **[Redacted –Section 33]** and included four specific areas:

- New vessels – four major vessels were due into the fleet during 26/27
- Service Resilience initiatives
- Improving customer service
- Digital development programme

She reported that, following recent global events, there would be a review of fuel cost provisioning – with likely additional costs of £15m-£20m from fuel price rises to be added to the Annual Budget. The Board noted that there had previously been a fuel hedge in place but once it had ended it had not been feasible to put another in place during the CHFS2 extension periods. Management had been considering putting a new one in place under CHFS3 when the Middle East crisis had arisen and it was agreed that, while this crisis had removed the option for the foreseeable future, this matter should be revisited when appropriate.

J Ward reported that the Annual Budget 26/27 had assumed that the MV Isle of Arran would retire from the fleet allowing her crew to cover the new MV Lochmor however the retirement of the MV Isle of Arran was now unlikely to take place as scheduled and, therefore, a new crew would be needed for the MV Lochmor and the Annual Budget updated accordingly.

### **Financial Budget KPIs**

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**[Redacted – Section 33]**

Farebox -  
Retail Revenue -  
Expenditure -  
Funding -

**Key Movements from Prior Year**

These included:

- Vessels - increased new vessel lease costs & cost of resilience (additional) vessel for fleet.
- Resilience initiatives
- Inflation

**[Redacted – Section 30]**

**Assumptions**

Assumptions included no Ardrossan to Campbeltown route during 26/27 and A Robinson reported that Ministers were discussing this route. D Mackison confirmed that CalMac had provided indicative costs for this route to Transport Scotland but it had not been included in the Annual Budget 26/27 as it had not yet been agreed. It was noted that Ministers needed to be aware of the risks of using an ageing vessel for this route.

**Cashflow Forecast**

J Ward confirmed that there would be no requirement for a banking facility as it had been agreed with Transport Scotland that CHFS3 funding would be seasonally phased to match business requirements.

**Decision**

The Board **APPROVED** the Annual Budget 26/27, subject to the amendments outlined above (including fuel cost provision and MV Lochmor crew costs).

**Action:** J Ward would update the Annual Budget 26/27 with the agreed amendments (including fuel cost provision and MV Lochmor crew costs) and circulate it to the Board.

JW

2.2 **FIVE YEAR FUNDING PROJECTION**

The Board noted the report from J Ward and she reported that from 1 April 2026 the CHFS3 Contract Year would now be aligned with the CalMac and Scottish Government financial years.

**[Redacted – Section 33]**

**New Vessels Delivered/Vessel Retirals**

These changes were detailed to the Board together with the Vessel Lease Costs. The costs of new crew versus reallocating crew would be captured in an updated 5 Year Funding Overview and the Board discussed the number of major vessels in the fleet during this 5 Year period, including whether a second resilience vessel might be required.

J Ward reported that the 5 Year Funding Overview would be shared with Transport Scotland.

**[Redacted – Section 30]**

*At this point C McLellan left and P Blackshaw joined the meeting.*

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2.3 **ANNUAL BUSINESS PLAN CP2 (2026/2027) – UPDATE**

The Board noted the Annual Plan CP2 and P Blackshaw reported that since the previous Board approval, the Annual Plan innovations section had been updated. There had been engagement with the Ferries Community Board who did not have any inputs to the innovation section currently as their focus was on service improvements and management would look into innovation in the future and also across business plan activity.

**Decision**

The Board **APPROVED** the updated Annual Plan CP2 (2026/2027).

*At this point P Blackshaw left and D Gammie and [Redacted – Section 38] joined the meeting.*

2.4 **[Redacted – Section 30]**

2.5 **IT DATA STRATEGY IMPLEMENTATION – BUSINESS CASE**

The Board noted the IT Data Strategy Implementation Business Case and D Gammie reported **[Redacted – Section 30]**

**Decision**

The Board **APPROVED** the full business case **[Redacted – Section 30]**.

*At this point D Gammie left the meeting.*

2.6 **ONS RECLASSIFICATION & BASIS OF 25/26 ACCOUNTS PREPARATION**

A Robinson reported that the ONS Reclassification was proceeding according to plan with ONS having met with both CMAL and CalMac and a decision expected in May. **[Redacted – Section 30]**.

3. **CFL REPORTING**

3.1 **CEO REPORT**

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

- **[Redacted – Section 30]**
- Port Askaig – with Port Ellen scheduled to close in June, there had been a meeting with the CEO of Argyll & Bute Council regarding health & safety concerns at Port Askaig. Argyll & Bute Council had raised an issue regarding the linkspan and in addition SSEN were looking to run cabling across the marshalling lanes. There was pressure to get these issues resolved before Port Ellen closed.
- MV Isle of Islay – the Cabinet Secretary had visited the new vessel.
- Staff Survey – a response rate of 49% had been achieved (double 2025's rate) and D Mackison would be recording a follow-up video to staff. The next step was to establish focus groups comprising representatives from all levels & locations across the business to look at areas for improvement before a full action plan was drafted. D Beaton commented that his organisation had done this via an action committee and it had worked well.
- Cumbrae – the community was unhappy with the safety-related changes and had queried why a community impact survey had not been carried out. It had been explained that this was not required for decisions related to safety issues.
- Transport Scotland Ferries Unit – there had been a CalMac presentation to Ferries Unit staff on CHFS3 initiatives including EEM and the Centre of Excellence.

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**Annual Business Plan Contract Period 1 – Performance Report**

This was noted.

**Portfolio Summary Report**

This was noted.

**Safety Benchmarking Report**

This was noted.

**3.2 CHIEF OPERATING OFFICER REPORT**

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

**Customer and Colleague Improvements**

- Largs Port Refresh – this was the first port refresh and lessons had been learned about engaging properly with port teams before undertaking refresh works. Improvements included digital options for customers and improved CalMac branding.
- Sexual Harassment- Support & Incident Management – the national “Ask Angela” campaign was being rolled out across the network.
- RMT Action Against Assault Campaign – CalMac was supporting this campaign.

[Redacted – Section 30]

**4. GROUP REPORTING**

**4.1 GROUP FINANCE UPDATE – February 2026**

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

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

2025/26 financial performance for 11 months to end February was a funding requirement [Redacted – Section 33].

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

J Ward reported that the funding forecast was [Redacted – Section 33].

**4.1.3 DML Group Balance Sheet**

This was noted and J Ward reported that a close-off and reconciliation exercise would shortly be started for CHFS3 CP1, covering the six-month period from 1 October 2025 to 31 March 2026.

**4.1.4 Group Cashflow Statement**

This was noted.

**4.2 TRANSPORT SCOTLAND UPDATE**

A Robinson reported that he had updated the Board earlier on ONS Reclassification. He noted that during the election period there were likely to be manifesto pledges and policies across the political parties which covered ferries reform and the Board noted that it was important that any such policies, including a merger of CMAL and CalMac, would enhance ferry services.

**4.3 RISK REPORT**

This was noted. [Redacted – Section 30].

**4.4 POLICY APPROVALS**

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

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**Asset Addition & Impairment – new policy**

D Mackison reported that discussions regarding whether the Faulds Park Warehouse & Workshop lease should be held by CMAL were underway.

**Insurance Claims Management – new policy**

J Ward reported that this policy provided clarity on roles and responsibilities and an annual insurance renewals report would be coming to the Audit & Risk Committee for approval.

**Decision**

The Board **APPROVED** the Asset Addition & Impairment Policy and Insurance Claims Management Policy.

**4.5 RECORDS RETENTION SCHEDULE**

The report from E O'Brien and J Ward was noted. J Ward updated the Board on progress with the Information & Records Management Project, noting that records held across the business had been reviewed & defined with a retention schedule allocated to each category. She reported that data & information management governance was being brought together.

**Decision**

The Board **APPROVED** the Records Retention Schedule.

**5. GROUP BOARD COMMITTEES**

**5.1 AUDIT & RISK COMMITTEE -**

The draft minutes of 18 February 2026 were noted. G Macrae reported that the Committee had discussed the potential impact of the ONS Reclassification and that this had now been resolved as outlined by A Robinson earlier in the meeting. **[Redacted – Section 30]**. He reported that the Internal Audits carried out during the year had been well received and the annual internal audit opinion being submitted to the April meeting was not anticipated to be a qualified one.

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

The draft minutes of 19 February 2026 were noted. T Ingram reported that the Committee had held its first deep dive, on traffic management, which had been useful and these would continue each quarter. He reported that a Committee performance self-assessment questionnaire had been issued and results would be reported to the May meeting. He also reported that Letters of Recognition to individuals and teams were being issued now that there was a process in place.

**5.3 REMUNERATION COMMITTEE**

The draft minutes of 17 February 2026 had been previously circulated. K Ryan reported that it had been agreed that the Nautilus union should be recognised and that the Committee's Annual Schedule had been approved.

**6. ANY OTHER BUSINESS**

**6.1 BOARD NETWORK VISIT**

The Board noted that they had had a useful, positive visit to Arran.

**6.2 MODERN SLAVERY STATEMENT**

The Board noted the Modern Slavery Statement for year ended 31 March 2026.

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**Decision**

The Board **APPROVED** the Modern Slavery Statement.

6.3 **TAX STRATEGY**

The Board noted the Tax Strategy which is required to be produced and approved annually and published on the CalMac website. J Ward reported that historically she had reviewed and approved the Tax Strategy, as Senior Accounting Officer for DML Group, however Finance had now been advised that best practice was that the Tax Strategy be approved at Board level. She reported that the Tax Strategy had been reviewed by the external tax advisors and was recommended by her for Board approval.

**Decision**

The Board **APPROVED** the Tax Strategy.

7. **DATE OF NEXT MEETING**

Tuesday 19 May 2026 at 9.00 am in Glasgow.

Signed:  
**E Ostergaard, Chair**

Date: