

Meeting Subject:			
FMPG Board Meeting			
Location:	Virtual – via Microsoft Teams		
Date:	30.07.20	Time:	11:00 – 13:00
Chairman:	Alistair Mackenzie		
Participants:	<p><u>Non-Executive Members</u></p> <p>Alistair Mackenzie, Chairman (AMac) John Hudson, Non Executive Director (JH) Alan Johnston, Non Executive Director (AJ) Robert Mackenzie, Non Executive Director (RMac) Alison Mitchell, Non Executive Director (AM) Stuart Smith, Non Executive Director (SS)</p> <p><u>Executive Members</u></p> <p>George Crookston, Chief Financial Officer (GC) Tim Hair, Turnaround Director (TH)</p> <p><u>In Attendance</u></p> <p>Catriona Syme, FMPG Response Division (CS)</p> <p>Partial attendance for specific agenda items:</p> <p>Alex Logan, Trades Union representative (AL) John McMunagle, Trades Union representative (JMc) Sarah Wass, Interim HR Director (SW)</p>		
Apologies:	NA		

Agenda
<ol style="list-style-type: none"> 1 Apologies for absence 2 Declarations of Interest/Conflict 3 Union/Workforce Reps Introduction to Board 4 Health, Safety, Environment and Security 5 Turnaround Director’s Report (pre-read issued) 6 Finance Update <ol style="list-style-type: none"> 6(a) Budget Overview 6(b) Overview Status of Finance Function 7 Register of Interests 8 Establishment and Appointment to Sub-Committees

- 8(a) Audit & Risk Committee.
- 8(b) Remuneration Committee.

- 9 Workforce Access to Board – preliminary discussion
- 10 'Deep Dive' Review Programme – consider future programme of topics/use of meeting date
- 11 Scottish Government/FMPG Framework Document (Draft)
- 12 A.O.C.B.

Item	Minutes
1	<p><u>Apologies for absence</u> No apologies were given.</p>
2	<p><u>Declarations of Interest/Conflict</u> No declarations of interest/conflict were given.</p>
3	<p><u>Union/Workforce Reps Introduction to Board</u> AMac introduced AL and JMc the GMB Trades Union Reps who joined the meeting for the purpose of introductions from/to the Board. AMac invited their thoughts around the yard restart process post - Covid 19 restrictions. Both AL and JMc confirmed that the restart plan is going well and that robust control measures have been adopted in line with government guidance. Restart progress is reviewed weekly and it was agreed at the last meeting with TH that the business had to reinforce the subject of social distancing given the increase in employees now having returned to work. Further Toolbox talks have subsequently taken place to reinforce the importance of this subject. JMc advised that he had received some calls from other yards to understand more in relation to FMPG's restart measures which is positive news.</p> <p>The matter of a recent cluster in Inverclyde COVID-19 cases was raised and both AL and JMc are content with the track and trace and monitoring systems that the yard has in place.</p> <p>Pay negotiations have commenced with TH around which AL and JMc have expressed concerns given the potential lengthy approval routes with SG given the impact that the COVID-19 shut down has already had in delaying implementation. AMac thanked the reps for the patience they have shown to date and asked that the COVID-19 delay is recognised and the subject will be progressed by the FMPG Executive team.</p>

4	<p>Health, Safety, Environment and Security (issued as a pre read)</p> <p>TH highlighted that the accident rate is at a manageable level and there has been no significant injuries.</p> <p>TH confirmed that work is ongoing to recruit a Health & Safety Advisor.</p> <p>TH confirmed ongoing effort to raise and maintain appropriate standards in HS&E in the yard but is content that the highest risks are being managed in an effective manner and to an acceptable standard.</p> <p>SS – Suggested that the Board allocate a ‘deep dive’ to the subject of health and safety to allow increased visibility to the detail of performance.</p> <p>TH – Agreed and advised he intends to provide better visibility of severity measures going forward.</p> <p>AM – Raised the subject of safety inspections and asked of the structure/system currently adopted around safety inspections.</p> <p>TH – Confirmed that a schedule is in place. Senior Management walkrounds of the yard are also in place with health and safety matters being addressed as part of that process.</p> <p>The Board also discussed physical and cyber security and TH confirmed that there have been no significant issues identified.</p> <p>GC confirmed that with support from Scot Gov, he has undertaken an initial review of all IT security and resilience which is still work in progress.</p> <p>AMac – confirmed that Board papers will continue to be password protected.</p>
---	--

<p>5</p>	<p>Turnaround Director's Report (issued as a pre read)</p> <p>TH confirmed that there was no significant material change since issuing the pre read but wanted to highlight:</p> <p>Inventory checking - anticipated that this will take several months and until full analysis has taken place, the outcome remains high risk.</p> <p>AJ – requested further discussion around the transition to a different vessel systems provider. TH – confirmed that he and Ian Latham (Programme Director) had been unable to conclude successful negotiations with initial identified provider. Decision was then made to explore an alternative provider. CMAL have confirmed their agreement with this new appointment. SS – confirmed from his experience of working in this area that the proposed change is a positive move.</p> <p>Discussion around electrical systems competence in the yard was undertaken and TH confirmed that it was a focus of the Head of Engineering to develop internal competence in this area.</p> <p>AJ – requested further discussion around the alignment issues of 802. TH – the issue has only recently emerged whereby there is deck misalignment at the bow of 802 and will require significant rework to resolve.</p> <p>There was further discussion relating to steel works and the need to explore future options for plating. The Board agreed that this would be explored going forward.</p> <p>JH – requested more information relating to the bow of 801 and the PR sensitivity around this. TH – elaborated on his comments issued as part of the pre read and advised that arrangements are in hand to proactively address PR messaging around this.</p> <p>JH – made an observation around the company's system and reporting mechanism and would like better visibility of detailed progress reports. TH - agreed that this is a shared aspiration and associated work is being progressed.</p> <p>SS – requested clarity on the future work pipeline of FMPG. TH – clarified the opportunities currently active in the market and within FMPG's capacity.</p> <p>AMac – confirmed that the funding mechanism is still work in progress and has arranged for a presentation on same to the September Board meeting.</p>
<p>6</p>	<p>Finance Update (issued as a pre read)</p> <p>GC took the Board through the Finance presentation incorporating key budget assumptions, internal finance organisational structure, current issues and actions going forward and clarified detail as required.</p> <p>AMac decided to bring the following AOB into discussion – <i>appointment of auditors</i> The Executive tabled a recommendation for the appointment of Grant Thornton as auditors. The proposal was accepted and passed by the Board.</p>

7	<p><u>Register of Interests</u> AMac requested that Board members advise any other business interests to VL who will record those in a Register of Interests.</p>
8	<p><u>Establishment and Appointment to Sub-Committees</u> AMac proposed the creation of the following sub-committee:</p> <p>(a) Audit & Risk Committee AMac proposed that RMac, AM and AL form this committee.</p> <p>(b) Remuneration Committee AMac proposed that SS, JH and AMac form this committee.</p> <p>The Board accepted the proposals put forward in relation to the two committees.</p> <p>There will also be FMPG Executive representation on both committees as appropriate to purpose and as provided for in Terms of Reference (ToR). AMac to circulate draft ToR for both committees for consideration.</p>
9	<p><u>Workforce Access to Board – preliminary discussion</u> (issued as a pre read) SW joined this discussion.</p> <p>AMac asked for members to provide their views on Board/Workforce engagement. The group discussed different approaches and agreed the need for effective communication.</p> <p>SW updated the members with her observations since joining the business and supported the requirement for an effective communications interface.</p> <p>Following discussion, the Board agreed that TH and SW will summarise the workforce engagement structure and circulate ToR to all members for review.</p>
10	<p><u>'Deep Dive' Review Programme – consider future programme of topics/use of meeting date</u> If permitted, it was agreed that the 'deep dive' on 20th August will be a visit to the yard.</p> <p>AMac asked if any of the attendees had any burning issues which they would like to be addressed as a 'deep dive' and that they send any suggested priorities to him for collation/consideration.</p>
11	<p><u>Scottish Government/FMPG Framework Document (Draft)</u> AMac circulated the most recent version of the Framework Agreement for review and asked for feedback on significant material matters to be provided. CS advised that the finalised Framework Agreement needs to be submitted to public body authority followed by CabSec by the end of August for formal approval.</p>

12	<p>A.O.C.B</p> <p>AM – status of D&O liability insurance GC – advised the proposals have been received and will be summarised and circulated to board members.</p> <p>AMac – tower crane TH – crane has recently been condemned and work in hand to find an alternative solution. TH will keep the Board updated with progress.</p> <p>AMac – current status of Deed of Indemnity.</p> <p>GC – advised that data had been submitted to Scot Gov. per furlough costs.</p>
----	---