

Meeting Subject:			
FMPG Board Meeting			
Location:	Ferguson Marine (Port Glasgow)		
Date:	Thursday 21 st July 22	Time:	11:00
Chairperson:	Robert Mackenzie		
Participants:	<p><u>Non-Executive Members</u></p> <p>Robert Mackenzie, Chairman (RM) Alan Johnston, Non-Executive Director (AJ) Alison Mitchell, Non-Executive Director (AM) Stuart Smith, Non-Executive Director (SS) Chris Mackay, Non-Executive Director (CM) John Petticrew, Non-Executive Director (JP)</p> <p><u>Executive Members</u></p> <p>David Tydeman, Chief Executive Officer (DT) George Crookston, Chief Financial Officer (GC)</p> <p><u>In Attendance</u></p> <p>Reuban Aitken, Directorate for Covid Resilience and Support (RA) Kate Hall, Deputy Director, Strategic Commercial Assets Division (KH)</p> <p><u>Partial attendance for specific agenda items:</u></p> <p>Alex Logan, Trade Union Representative (AL) John McMunagle, Trade Union Representative (JMCM)</p>		

Item	Minutes
1	<p><u>Welcome and Apologies</u></p> <p>The Chair welcomed those present to the meeting. No apologies were received.</p>
2	<p><u>Declarations of Interest/Conflict</u></p> <p>No declaration of interests/conflict were given.</p>
3	<p><u>Engagement with Workforce/Trades Union Representatives</u></p> <p>RM welcomed AL and JMCM to the meeting and thanked them for their attendance.</p> <p>AL/JMCM updated the Board as follows –</p> <p>AL advised TU reps have regular meetings with DT. Staff have reported that DT is approachable and listens which is well received.</p>

	<p>AL commented that there is noticeable progress on 802 however the dry docking for 801 could have been better organised.</p> <p>AL noted there is a big concern with subcontractors not completing work at present. AL also raised CCTV as a concern from staff as they feel it is being used to target them and where they are spending their time. DT noted he will pick this concern up out with this meeting and raise with relevant members of the Executive Team. AL discussed the “no clock no pay” policy that has been issued by HR and noted it is hard to monitor with the current systems on site. Absence remains high at 17%. TU Reps are supporting HR with the new absence policy.</p> <p>JMcM agreed that DT has been very supportive since joining the organisation. JMcM raised a concern with other shipyards targeting our workforce to join them with better incentives and salaries. JMcM noted we are training new apprentices and they are leaving to join yards with better incentives and steady pipeline. JMcM noted that this is a huge worry. DT noted that other shipyards need supply chain options, and there are discussions taking place for partnership working. JMcM reiterated that the TU Reps are committed to working with CAK/HR on absence and timekeeping.</p> <p>AL advised there had been a total of £5.5k raised by the workforce for bereavement collections. The meeting acknowledged this was a great achievement.</p> <p>DT advised that Deputy First Minister John Swinney will be visiting the yard on 2nd August and will meet with the TU Reps and staff groups.</p> <p>AL/DT to plan a walk around of the shed area to look at space and equipment being stored.</p> <p>AL informed the Skipper and Chief Engineer from Cal Mac are coming onsite this week.</p> <p>JMcM/AL left the meeting.</p>
<p>4</p> <p>4a</p> <p>4b</p>	<p><u>Matters Arising</u></p> <p>RM informed that a date for a joint Board meeting with CMAL will be arranged in due course.</p> <p><u>Approval of Minutes of Board Meeting held 26th May 2022</u></p> <p>The minutes of the previous meeting were discussed and the following amendments were proposed -</p> <p>Point 4a – Internal Audit functions - Assurance has now been given from Scottish Government that this can be included in 801/802 overheads.</p> <p>Point 4a - fire station visit – this has now been deferred and will be arranged in due course.</p> <p>Point 6a – note to be added to the minute to inform we are making changes to the absence policy.</p> <p>All changes were agreed.</p> <p><u>Minute of the Audit and Risk Committee held 5th July 2022</u></p> <p>The minutes of the previous meeting were discussed and the following amendments were proposed –</p> <p>Further review of the corporate risk register has taken place and comments have now been addressed. Workshop to be arranged to discuss.</p> <p>Point 5 - changes to delegated authority have now been circulated out of meeting and will become a formal procedure.</p>

	All changes were agreed.
5	<p><u>New Business Opportunities</u> DT gave an update on recent dialogue with BAE regarding the potential for FMPG to build units. FMPG and BAE have a weekly call in the diary to keep open communication and talks have started well.</p> <p>DT tabled a proposal from DMcV and his teams regarding T31 work for Babcock. This is the reopening of a proposal from 2019. Discussions will take place in the coming months however DT noted he is comfortable with the scope of work and timing proposed and added that we will need an upgraded burner table to undertake this work. AJ asked if we could accelerate the burner table upgrade via FMI? DT noted we have a meeting with FMI next week for further discussions. The Board noted their support for this programme and the proposal will be submitted tomorrow.</p> <p>RA asked DT how adding a new work schedule would fit with the completion of 802. DT advised any new projects being considered would not require a significant number of workers in the beginning and sequencing of work would fit our current schedule.</p> <p>RA asked if we do upgrade the burner table before the FMI report would this be out of sequence. DT advised we can separate the work and move the burner table to a new area as required.</p>
6	<p><u>SMT Update</u> No material changes since issue.</p>
6a	<p><u>CEO Commentary</u> JP commented on the significant improvements with work packs and said he is impressed with overall progress in the yard. JP noted that having AC on the SMT is making a noticeable difference. JP expressed his confidence saying the sequencing is getting better and there are improvements across the yard.</p> <p>AM raised a concern regarding the current risk of inflation and the short-term pressures that could come from potential requests for pay increases or incentives. Discussion ensued regarding pay constraints and the risk of staff turnover.</p> <p><u>CFO Report</u> No material changes since issue.</p> <p><u>Functional Updates</u> No further comments.</p> <p><u>801/802 Monthly Report Pack and Programme Update</u> DT advised the slides are being replaced and updated for the next report. S curves are now monitored weekly. Risks to Project – risk workshop planned.</p>
7	<p><u>Finance Update – Management Information Update Including Impact from Rebaseline.</u> GC confirmed that there was no notable change since issuing the pre read.</p>
7a	<p><u>Summary 801 802 costs July 22</u></p>

	<p>DT tabled cost reports for 801 and 802.</p> <p>Deep Dive scheduled for August 22 can review 802 costs.</p> <p>802 – DT shared working progress document from ICE. DT advised we need 4 weeks of detailed analysis which will show a clearer position.</p> <p>SS commented that we need to know we are maintaining pace of work on both ships.</p> <p>RM advised the increase in costs are high however we have confidence in the data improvement work being done.</p> <p>RM noted the Board are pleased with the progress in the quality of forecasting for 801 and comfortable with the forecast for 802.</p> <p>CMcK stressed the importance of staying on top of risks and suggested a weekly action plan for key risks.</p> <p>SS commented that the processes are right however we need to see improvements with pipe work, hot work and electrical work.</p> <p>RA noted that the data for work packs is helpful, but can we report cumulative spend vs completion.</p> <p>JP advised that work packs are now aligned to S curve data. RA expressed these are critical figures and asked the Board how they are planning cost control and what is the assurance on figures and where an increase in money would come from. RA asked the Board if they had considered other options to cut costs?</p> <p>RM noted that a range of options had been discussed and considered.</p> <p>JP added that the Board have considered all alternative options and can show minister’s evidence if required. JP noted that the Board know these are challenging figures but they are confident in the reporting</p> <p>RA noted Scottish Government will require evidence. RA advised the Board to capture all the options and data.</p> <p>DT informed that we could stay in the projected delivery window of March – May 23 but we do need an increase in funds.</p>
8	<p><u>Health, Safety, Environment & Security</u> No further comments were made.</p>
8a	<p><u>H&S Statistics Report</u> No further comments were made.</p>
8b	<p><u>Status of HSE Management Framework Dashboard Update</u></p>

	<p>AM requested to see more data/information around improvements following reported near misses. There are too many unknown unknowns and we need more evidence to monitor progress.</p>
9	<p>AOCB SS noted the need to close out weight stability and have clarification from MCA. SS will share further comments outside of the meeting.</p> <p>Deep Dive Board Meeting will take place 25th August by Teams with the following agenda points – 802 figures and re baseline from 4 weeks data.</p> <p>Date of next meeting Board Meeting is set for Thursday 22nd September 22 at 11am.</p> <p>Meeting closed.</p>