

<b>Meeting Subject:</b>			
FMPG Board Meeting			
<b>Location:</b>	Virtual – via Microsoft Teams		
<b>Date:</b>	24.09.20	<b>Time:</b>	11:00 – 13:00
<b>Chairman:</b>	Alistair Mackenzie		
<b>Participants:</b>	<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)          Barry Whyte, Head of Procurement (BW)          Gary Jones, Finance Business Partner (GJ)</p>		
<b>Apologies:</b>	NA		

<b>Agenda</b>	
<u>Business</u>	
1	Apologies for absence
2	Declarations of Interest/Conflict
3.	Engagement with Workforce/Trades Union Representatives (pre-read issued)
4.	Health, Safety, Environment and Security
5.	Funding Arrangements – Presentation by Gary Jones (Scot Gov)
6.	Approval of Minutes of Board Meeting held 30 <sup>th</sup> July 2020 (pre-read issued)
6a	Matters Arising and Review Actions Plan (pre-read issued)
7.	Turnaround Director’s Update (pre-read issued)

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| 7a | Turnaround Director's Report | (pre-read issued) |
| 7b | 801/802 Monthly Pack         | (pre-read issued) |

- 8. Finance Update
- 9. Minutes of Audit & Risk Committee held 31<sup>st</sup> August 2020 (pre-read issued)
  - 9a Matters Arising

Matters Requiring Board Decision

- 10. Confirmation of Company Secretary
- 11. Board endorsement of contracts novated from FMEL

Matters For Noting

- 12. Overview of Procurement and arrangements – presentation by Barry Whyte
- 13. A.O.C.B.
- 14. NEDs private session

Item	Minutes
1	<p><b><u>Apologies for absence</u></b> No apologies were given.</p>
2	<p><b><u>Declarations of Interest/Conflict</u></b> No declarations of interest/conflict were given.</p>
3	<p><b><u>Union/Workforce Reps Introduction to Board</u></b> AMac welcomed AL and JMc, the GMB Trades Union Reps, to the meeting and asked if they had any matters they wished to draw to the attention of the Board. The main area of discussion related to the delay in concluding wage negotiations. AMac thanked AL and JMc for their patience and acknowledged the length of time that this has been outstanding. AMac advised that it was hoped that an update would be forthcoming in the week commencing 28<sup>th</sup> September 2020 and if no update received, confirmed that he and the Turnaround Director would take further action to expedite a response.</p> <p>AMac also asked if there were any Health &amp; Safety concerns that the Board should be aware of and if processes and controls around the yard restart post Covid 19 restrictions were satisfactory. Both AL and JMc confirmed that they are happy with the process currently followed at the yard and will continue to raise issues, as necessary, at the weekly yard restart meeting which is held in conjunction with the reps and several members of the Executive Team.</p> <p>JMc raised several industrial forums (MEWG and FSS) and expressed a concern that FMPG was not represented at either, providing access to Fleet Solid Support Ships (FSS Programme) and other potential future work opportunities. TH confirmed that FMPG participated in MEWG via himself and the Sales Manager. AMac reinforced that future work &amp; yard sustainability are key activities for the Board and committed to keeping JMc updated.</p> <p>Both AL and JMc advised that they had no further matters to raise with the Board and left the meeting.</p> <p><b><u>Workers Consultation Group Constitution</u></b></p> <p>The Board had for consideration a paper outlining the mechanism by which the Board will engage with the workforce and achieve workers consultation.</p> <p>The Board agreed that the Trades Union representatives (AL and JMc) and the Chair of the Workers Consultation Group would partially attend the Board Meetings to provide any feedback as appropriate.</p> <p>The Board endorsed the proposed arrangement and directed the Executive to establish the associated worker consultation group.</p>

<p>4</p>	<p><b><u>Health, Safety, Environment and Security</u></b> (issued as a pre read)</p> <p>A discrepancy was noted in relation to the H&amp;S stats contained within the 801/802 Monthly Pack and the stand alone Monthly Safety Statistics Report – TH confirmed that the stand alone report confirmed the correct statistics.</p> <p>TH advised that he planned to bring more rigour to the first aid accident reporting process.</p> <p>JH queried the apparent lack of near miss instances being reported and spoke in particular of a specific incident for which TH provided an update in relation to the investigation and corrective action taken.</p> <p>TH advised the Board that a H&amp;S Specialist (contractor) had been appointed and was commencing on Monday 28<sup>th</sup> September 2020, on a 3 day a week basis.</p> <p>AM requested that the report is amended to incorporate remedial actions taken so that there is visibility over the learnings from yard incidents. It would also be advantageous for the report to include details on the root cause, nature of near miss/accident and corrective action taken.</p> <p>TH confirmed that this would be addressed, and the more detailed information provided as the company moves in a more professional direction with the appointment of the H&amp;S Contractor.</p> <p>Clarification was requested on the cumulative stats and if they are based on financial or calendar year? TH to clarify.</p>
<p>5</p>	<p><b><u>Funding Arrangements – presentation by Gary Jones (Scot Gov)</u></b></p> <p>GJ took the Board through a presentation outlining the funding arrangements of the business.</p> <p>AJ raised a question around organisational capacity to address requirements given the complexity of the task. AMac confirmed that there is a strong interface and relationship between FMPG and the Scottish Government Ferguson Marine Response Division who would be expected to progress the majority of the associated workload.</p> <p>A discussion followed around timescales and urgent deadlines in the financial cycle and need for definitive dates for completion.</p> <p>GJ to address required timeline and revert to the Board.</p>
<p>6</p>	<p><b><u>Approval of Minutes of Board Meeting held 30<sup>th</sup> July 2020</u></b> (issued as a pre read)</p> <p>AMac sought approval of the previous Board Minutes which all parties approved, and no corrections raised.</p> <p>All members agreed to the subsequent publication of the minutes on the FMPG website.</p>

<p>7</p>	<p><b>Turnaround Director's Update</b> (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>The appointment of Interim Operations Director, Paul Dakin. TH confirmed that there has been a significant shift in his management team following the restructure and he is confident that he now has a collaborative group of people with the shared aspiration for success.</p> <p>Inventory checking – significant progress has been made with no major show stoppers identified as yet. An Interim Warehouse &amp; Materials Manager has been appointment and will commence with the business on Monday 12<sup>th</sup> October, reporting directly to Paul Dakin.</p> <p>As part of the board papers circulated, each Head of Section had provided an update on their respective functions. TH asked if there were any questions relating to these updates:</p> <p>AM – requested clarification on the interim status of the Health &amp; Safety and Warehouse appointments.</p> <p>TH – confirmed that permanent recruitment is being carried out in tandem with any interim recruitment with the main objective being to have as many roles filled with permanent employees as possible. Sarah Wass will provide further update to the Board in November.</p> <p>AJ – raised an observation regarding lack of measures to track and identity where the business is in terms of project delivery.</p> <p>TH – confirmed the current report mechanisms are 'work in progress' and that further refinement will be added by the time of the next board meeting. TH also confirmed that he also intended to revisit the creation of a detailed yard turnaround plan.</p> <p>AM – raised a question in relation to recruitment and timeframes versus yard constraints.</p> <p>TH – confirmed that the constraints are in relation to the yard welfare amenities which have now been altered taking the capacity at any given time from 32 to 60. This change across 3 shifts with staggered start times and a night shift will enable 100% of yard workforce return.</p> <p>JH – queried whether Engineering capacity is a risk to the successful delivery of 801 and 802.</p> <p>TH – agreed that Engineering is a potential bottleneck and remains a cause for concern, but recruitment is being undertaken to fill a number of positions.</p> <p>AM – requested that the Board's congratulations should be communicated to the Trainee Quality Control Inspectors who have recently completed internationally recognised qualifications.</p> <p>SS – raised the matter of lack of clear understanding of the critical path information contained in the monthly report.</p> <p>TH – agreed to review this activity and determine a better way in which this information is presented.</p> <p>The group agreed that there were no other points of clarification required.</p>
<p>8</p>	<p><b>Finance Update</b></p> <p>GC took the Board through a brief overview of the financial KPIs and agreed to circulate the cost summary report for the month of August.</p>

9	<p><b><u>Minutes of Audit &amp; Risk Committee held 31<sup>st</sup> August 2020</u></b> (issued as a pre read) AMac sought approval of the first Audit &amp; Risk Committee Minutes which all parties approved, and no corrections raised.</p>
10	<p><b><u>Confirmation of Company Secretary</u></b> AMac proposed to the Board that GC become Company Secretary.  The Board resolved that GC be appointed in this capacity.</p>
11	<p><b><u>Board endorsement of contracts novated from FMEL</u></b> AMc asked all members for their endorsement of the novation of various FMEL contracts further to the email correspondence from TH prior to the Board meeting.  All Board members confirmed their endorsement of novation of these contracts,</p>
12	<p><b><u>Overview of Procurement and arrangements – presentation by Barry Whyte, Head of Procurement</u></b> BW provided a comprehensive update taking the Board through the FMPG Procurement Plan.  AMac asked for any points of clarification:  AM - requested clarification on the sub division/split of projects (801/802 vs others) to avoid any conflict of the public procurement of materials. BW – Procurement metrics generated provide for control on what project the expenditure relates to.  AMac requested that the Procurement presentation is circulated amongst Board members following the meeting.</p>
13	<p><b><u>A.O.C.B</u></b> AMac raised financial assurance going forward, capital expenditure requirements and the need for urgent progression. AMac spoke of the need to develop a capital investment plan and the way in which the business will engage with it.  TH confirmed that there is an ongoing project developing a draft proposal to be submitted to Scot Gov and the Board for review.  Crane Replacement – TH agreed to circulate an overview to Board members.</p>