

Meeting Subject:			
FMPG Board Meeting			
Location:	Ferguson Marine (Port Glasgow)		
Date:	Thursday 26 th May 2022	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, CEO (DT) George Crookston, CFO (GC)</p> <p><u>In Attendance</u></p> <p>David Palmer, Strategic Industrial Assets Division (DP) Reuban Aitken, Directorate for Covid Resilience and Support (RA)</p> <p>Partial attendance for specific agenda items:</p> <p>Alex Logan, Trade Union Representative (AL)</p>		

Item	Minutes
1	<p><u>Apologies</u></p> <p>No apologies were given and introductions took place around the table.</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 to the meeting and thanked him for his attendance.</p> <p>AL advised the recent Cabinet Secretary visit to the yard was positive.</p> <p>AL raised the recent media attention and negative press surrounding the company and noted it is causing low morale with the workforce feeling disheartened. AL stated that the workforce is happy with DT's visibility on the shopfloor, and they are responding to him well. DT recently met with staff on 801 to discuss moving forward and build on morale. RM noted this is good progress and supported</p>

	<p>open communication between DT and the workforce. AL advised the workforce still feel frustrated with the pace we are moving and feel mistakes are still being made. This issue was raised with DT on his arrival and the workforce have commented on the secondment of AC making a positive difference. The workforce is still reporting issues with drawings and work packs. DT advised we are addressing these issues and there is a clear all hands-on deck message to staff for 801 as we replan for 802.</p> <p>RM advised he is planning a meeting with the Chair of the Board at CMAL to continue our clear communication and collaborative working.</p> <p>AL also raised the issue of losing skilled workers to other sites (BAE, Babcock etc) as we are yet to secure any new business after 801/802. AL advised GMB are starting a campaign to push ministers on a decision for the small ferry project.</p> <p>AL commented that himself and the workforce feel DT is upfront and honest and it now feels like we are all working together.</p> <p>RM thanked AL for his and JMc’s continued support.</p> <p>AL advised he had no further matters to raise with the Board and he left the meeting.</p>
<p>4</p> <p>4a</p> <p>4b</p>	<p>Matters Arising</p> <p>The Board formally agreed to the appointment of John Petticrew, Non-Executive Director and Chris Mackay, Non-Executive Director and the appointment of Robert Mackenzie as interim chairperson.</p> <p>Approval of Minutes of Board Meeting held 24th March 2022</p> <p>Agenda item 4 – Fire Station visit has now been deferred and a new date to follow.</p> <p>Agenda item 8 - Risk management process and internal audit function has been raised with SG and no feedback has been received. Keep on agenda as an action.</p> <p>CN to create an action tracker for the Board meetings.</p> <p>Minute of the Audit and Risk Committee held 16th March 2022</p> <p>RM provided the Board with an update on the previous ARC meeting.</p> <p>Corporate Risk Register – GC/RMac/DH to progress.</p>
<p>5</p>	<p>Future Strategy Discussion</p> <p>DT discussed the OPV market and explained this opportunity has been on the table since FMEL days. DT noted that it is an attractive market however, he does not feel confident we have been through a rigorous internal process on whether we have the resources to build.</p> <p>DT updated on recent discussion with BAE and Babcock regarding potential outsource work for the yard after completion of 801 and 802.</p> <p>DT noted the primary objectives are looking at workflow opportunities and having supporting papers in place. Capital to enhance the yard is required and the contract for a review to support the business case for this will go to tender in July.</p> <p>RA advised Scottish Government will want to see a business case with a return on investment. A clear pipeline to show what market we sit in and how we can be competitive and upgrade the yard.</p>

<p>5a</p>	<p>DT discussed the labour profile and advised trades will be coming free in July- August 22 and if on schedule the modular hall will be empty by September 22. DT commented that module units and small ferries are a good option and fit for our yard and workforce. SS suggested we still consider the SOV/OPV market. DT advised the SMT will look at a sequence of options and roadmap to be brought to the Board. JP noted the upgrade to the yard is required so we can compete appropriately and be a modern shipbuilder. AJ said in the short time we need to recover our reputation and show that we are reliable. RM advised DT to identify 3-4 workstreams to be brought back to the Board.</p> <p>RA asked the Board to share their input and advice on the business case for investment.</p> <p>Commercial Proposals Procedure ARC have discussed and updated the commercial proposal procedures, especially Board approval processes. Strategic direction to be added then brought back to Board for approval.</p>
<p>6</p> <p>6a</p> <p>6b</p>	<p>CEO's Report No material changes since issue.</p> <p>DT advised we are working with ICE on new drawings for 802.</p> <p>DT raised concerns with financials due to rising contractor costs. GC noted that AC has looked at manpower hours required. JP asked who monitors contractors on the ship? DT said we have made changes since the arrival of AC however it is still not great but is getting better.</p> <p>RA stressed the importance of figures being with the Permanent Secretary by the end of May 22.</p> <p>RM asked how do we get a handle on risk and when will we have a realistic figure of increased finance? DT advised contractor costs are an issue however we won't be ready to provide figures by the end of May as we are running through financial assurance for overheads, contractors and procurement at the moment.</p> <p>RA asked when will we have figures we are confident in? DT/GC noted they are working on the contractor issue and these figures should be ready by the end of June 22.</p> <p>Functional Updates No material changes since issue.</p> <p>AM commented that absence remains high and asked if there is a cultural issue or another reason for this? DT advised there is an issue on site with work packs not being planned and delivered well which is a frustration for the workforce as they feel this is a barrier to getting work complete. We are also making changes to the absence policy to tackle absence.</p> <p>801/802 Monthly Report Pack and Programme Update SS asked for S curves to be reintroduced to the monthly pack. DT advised he agreed with CMAL to take this information out and work on a better way of reporting. RM commented that collaboration with CMAL is visible in the monthly pack. AJ agreed there is a more collaborative approach in the pack however S curves are needed to measure. DT took the comments on board and said he is happy to rethink the matrix and what reports the Board need.</p>

	<p>AJ asked for an update on the cable pulling programme. DT noted its slower than we would like as there is an issue with our electrical contractor.</p> <p>OOR Status was discussed, and DT advised we have Category 1 (must be completed before handover), Category 2 (can be done in the first year however is better if we complete before handover) and Category 3 (snagging).</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>CFO’s Report</u> No further comments were made.</p>
7b	<p><u>801 802 costs April 22</u> No further comments were made.</p>
7c	<p><u>Finance Monthly Report April 22</u> No further comments were made.</p>
8	<p><u>Health, Safety, Environment & Security</u> No further comments were made.</p>
8a	<p><u>H&S Statistics Report</u> AM asked for an action plan to be added to the report with clear target dates to give assurance.</p>
8b	<p><u>Status of HSE Management Framework Dashboard Update</u> No further comments were made.</p>
9	<p><u>AOCB</u> RM advised a Board to Board with CMAL will take place in coming months. Date to be confirmed.</p> <p>RA thanked the meeting for the opportunity to attend the meeting.</p> <p>The meeting ended.</p>