

## REPORT ON THE ENGAGEMENT ARRANGEMENTS FMPG TO/WITH CMAL

The Boards of FMPG and CMAL convened a board-to-board meeting on 15th February 2022. The primary purpose of the meeting was to explore and progress measures to improve the working relationship between the parties. The meeting was informal, generally cordial and achieved a positive outcome.

### General Overview/Programme for Delivery

CMAL outlined their frustration in an inability to “get deeper into” the details of the programme for construction and delivery of hulls ‘801’ and ‘802’. In absence of a full insight on the granular detail behind the plan they, CMAL, felt unable to support the credibility of the programme for delivery and indeed determined it to be unachievable.

The differing opinions on voracity of the projected programme resulted in both parties reporting (to SG in particular) significantly different views on likely/projected outcome. It was agreed that this circumstance is unhelpful and that a joint effort is required to achieve general alignment of opinion of the parties. The parties might not necessarily always agree on detail (not uncommon in a client/provider arrangement) but where disagreement does remain it should be clearly understood, including why, and even then the substantive headline detail on delivery outcomes should be aligned as far as possible.

FMPG reinforced that the responsibility for the delivery programme resides with FMPG and they will continue to own the programme. It was however agreed that the re-evaluation required by the recently highlighted cables issue provides a catalyst via which significant improvement can be achieved in shared acceptance of a re-based project delivery plan. As FMPG Chair I emphasised that the re-based programme must be resilient and pragmatic and whilst recognising the challenges faced it must be developed with a view to getting the ferries into service as soon as possible in recognition of the needs of the island communities they will serve.

The primary requirement for that to be achieved at the Executive (‘coal face’) interface was emphasised and the CEOs of FMPG and CMAL were tasked with ensuring this is achieved and effectively cascaded in their respective organisations. The CEOs had in fact met the day before the board-to-board meeting so some initial relationship building had already commenced.

The Boards agreed on the benefit to be delivered by closer collaborative working, and the collective benefit to be achieved from harnessing resource in both organisations towards the shared incentive of getting ‘801’ and ‘802’ delivered. This will be achieved by a proactive focus on greater alignment between the parties.

### Legacy/Installed Cables Issue

The full scope and recovery plan for the cables issue remains work in progress but the FMPG CEO provided the attendees with an overview of status as currently known. He also outlined that the current thought process is to ‘strip out’ all but 167 heavy gauge cables and replace, re-running new replacement cables. What is known at this time suggests that strip out and replacement is the most expeditious remedial action. That will have the added benefit of higher assurance of the quality of cable fitted (during survey some damage has been noted in cables in-situ). The alternative approach of ‘cut and junction box’ cables is considered suboptimal at this time. As further detail is confirmed the FMPG CEO will keep CMAL CEO apprised.

### Reports to NZET Committee

CMAL’s CEO expressed some frustration at not being sighted on the content of FMPG’s Accountable Officer update to the Net Zero Energy & Transport Committee, and that these sometimes included inappropriate details (information on the ducktail for ‘802’ in the December 2021 update was given as example of this). Attendees were reminded that responsibility for the update to NZET resided

solely with FMPG and that “authoring” by multiple parties was not practical and not appropriate. I am confident that this is a relatively minor issue and progress in achieving alignment on the primary messaging around delivery of the ferries will go a long way to overcome this matter.

### In Summary

Whilst quite a short initial meeting, I believe that positive progress was achieved. There is an agreed and shared commitment to align the parties, harness the combined expertise and progress delivery whilst being mindful of the formal contract arrangements in place.

I have a long established business relationship with the Interim Chair at CMAL and she and I have agreed to regularly ‘check-in’ with each other to confirm that progress is being made - it is critical that alignment (as far as practical) is demonstrated at the Executive interface.

It was also agreed that the Boards of FMPG and CMAL will have a scheduled catch up meeting as a minimum twice per year. The next of these will be scheduled for mid year.



Alistair Mackenzie  
Chairman, FMPG

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