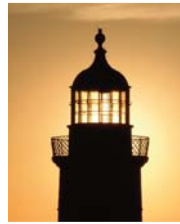


# Commissioners' Handbook



Commissioners of Northern Lighthouses

**NORTHERN LIGHTHOUSE BOARD**  
**COMMISSIONERS' HANDBOOK**

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## NORTHERN LIGHTHOUSE BOARD

### Chairman's Foreword

This is a working document which, I trust, will be useful to all serving Commissioners of Northern Lighthouses.

It reflects the explicit intention of the Board to maintain the highest standards of corporate governance, drawing on best current practice in the public, corporate and voluntary sectors, as appropriate to the particular circumstances of the Northern Lighthouse Board.

We are a hybrid organisation – funded by the private sector but a creature of an 18<sup>th</sup> Century statute now in modern guise; the Board as such is not mentioned in the Merchant Shipping Act 1995 and only one Commissioner is nominated formally by the Secretary of State; for co-option by the Board. Our financial accounts are prepared separately, but are combined with those of Trinity House Lighthouse Service and Commissioners of Irish Lights where they are published with the approval of the UK Parliament by the Department for Transport as the Accounts of the General Lighthouse Fund. The Permanent Secretary of the Department is the Accounting Officer for the Fund, but the Department has no power of direction over us, although a detailed Framework Document (incorporating Financial Memorandum and Management Statement) regulates our mutual relationship.

So the task of Commissioners is not directly comparable with that of a Director of a listed private sector company or of a Ministerial appointee to the Board of an NDPB. However, the responsibilities of each Commissioner are significant and, I hope, the document provides a useful framework against which they can be carried. A continuing review of the best corporate governance practice from the public, private and voluntary sectors has led to this version of the Handbook.

We have included in it some supporting information to help Commissioners in their day-to-day dealings with the Board – eg the staff lists and other supporting papers, and the Chief Executive and I hope that Commissioners will find the Handbook a useful work of reference. It will be revised annually so please let me, the Chief Executive or the Secretary to the Board know of any suggestions for its improvement.

Sheriff Principal Alastair Dunlop  
Chairman  
Board of Commissioners of Northern Lighthouses  
1 April 2011



# COMMISSIONERS OF NORTHERN LIGHTHOUSES

## COMMISSIONERS' HANDBOOK

### INTRODUCTION

1. This document provides guidance for the Commissioners of Northern Lighthouses, the General Lighthouse Authority for Scotland and the adjacent seas and islands, and the Isle of Man. Under the provisions of the Merchant Shipping Act 1995 the Board comprises 13 ex-officio Commissioners, one appointed by the Secretary of State on the recommendation of the Lieutenant Governor of the Isle of Man, and up to 5 elected by the Board. With the agreement of the Board, one of the members elected by the Commissioners is nominated by the Secretary of State for election. The current membership of the Commissioners with dates of appointment is listed at **Annex 15**.

### INTERPRETATION

2. In this code:
  - **the Board** means the Board of Commissioners sitting as a Board.
  - **the Managing Board** means the group reporting to and appointed by the Board, consisting of both Commissioners and the Executive. (See the terms of reference at **Annex 4.2**).
  - **NLB** means the whole organisation and is the adopted trading name of the Commissioners of Northern Lighthouses.
  - **the Executive** means the Chief Executive and the three Directors.
  - **the Department** means the Department for Transport (**DfT**).
  - **The Secretary of State** means the **Secretary of State for Transport**.

### PUBLIC SERVICE VALUES

3. The Board must at all times:
  - observe the highest standards of propriety involving **impartiality, integrity** and **objectivity** in relation to stewardship of the funds made available for its use out of the General Lighthouse Fund for the management of the NLB.
  - in accordance with Government policy on **openness**, comply with all reasonable requests for information from Parliament, users of the service and individual citizens.
  - be **accountable** to the Secretary of State, users of the service and individual citizens for the activities of the NLB, stewardship of its funds and the extent to which key performance targets and objectives have been met.

- maximise **value for money** through ensuring that the service is provided in the most efficient and economical way, within available resources.

## **RELATIONSHIP WITH THE DEPARTMENT**

4. The Secretary of State is answerable to Parliament for the policies and performance of the General Lighthouse Authorities, including their use of resources and the policy framework within which they operate. The respective roles, duties and powers of the Secretary of State and the Board are set out in the Merchant Shipping Act 1995 supplemented by a Framework Document (incorporating a Financial Memorandum and Management Statement) specifying procedures governing financial and management controls and delegations, issued by the Department on behalf of the Secretary of State.

## **CORPORATE RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS**

### **Accountability for public funds**

5. The Board has collective responsibility for ensuring that the Board and its employees comply with any statutory or administrative requirements for the use of the General Lighthouse Fund.
6. The Board has a duty to ensure that its funds - which for this purpose should be taken to include all forms of receipts from fees, charges and other sources - are properly safeguarded; and that, at all times, it conducts its operations as economically, safely and effectively as possible, with full regard to the relevant statutory provisions.

### **Operating intra vires**

7. The Board has a duty to ensure that all relevant legislation is observed and that it does not exceed its powers or functions, whether defined in statute or otherwise. It shall be advised on these matters by the Chief Executive and, if necessary, the Board's legal advisers.

### **Strategic planning and control**

8. The primary task of the Board is to give strategic direction and to exercise oversight of the production, review and updating of the rolling corporate strategy and the annual operating plan and spending limits. This process provides an opportunity for reviewing and then agreeing, with the Department, the policy and resources framework within which the Board requires to discharge its statutory duties and responsibilities; and for determining its key strategic objectives, milestones and targets. Such targets should normally cover areas such as the efficiency and effectiveness of the organisation's operations and the quality of the services it provides. The Board will monitor performance against agreed strategic objectives and targets.

### **Annual Report and Accounts**

9. As part of its responsibilities for the stewardship of the funds made available for its use out of the General Lighthouse Fund, the Board must ensure that it includes a full statement of the use of such resources in its Annual Report and Accounts. Such accounts shall be prepared in accordance with instructions and guidance as may be issued from time to time by the Department.

## OTHER RESPONSIBILITIES

10. Other important responsibilities of the Board collectively include:
  - acting as a responsible employer.
  - ensuring that high standards of corporate governance are observed at all times.
  - ensuring that, in reaching decisions, the Board has taken into account any guidance issued by the Department.
  - ensuring awareness of the work of the Board.

## LEGAL LIABILITY OF COMMISSIONERS

11. The Board is established under Statute and has corporate responsibility for all actions taken by Board members in good faith and without negligence, including any wrongful ones.

HM Treasury have advised in DAO(GEN)3/96 that:

*“The Government has indicated that an individual Board member who has acted, honestly, reasonably and in good faith and without negligence will not have to meet out of his own personal resources any personal civil liability which is incurred in execution or purported execution of his Board function.”*

The Board has in addition effected a Directors and Officers insurance policy.

12. Although any legal proceedings initiated by a third party are likely to be brought against the Board, in exceptional cases proceedings (civil or, in certain cases, criminal) may be brought against the Chairman or other individual Board members. For example, a Board member may be personally liable if he or she makes a fraudulent or negligent statement which results in loss to a third party. Board members who want further advice should consult the Board's legal advisers, after consultation with the Chief Executive or Chairman.

## CONFIDENTIALITY

13. A Board member will be required to treat discussions, documents or other information relating to the work of the NLB in a confidential manner. A Board member who misuses information gained by virtue of his position may incur personal liability for that misuse.

## ROLE OF THE CHAIRMAN

14. The Chairman is the non-executive leader of the NLB, and with the Chief Executive, is responsible for ensuring that the Board gives the NLB strategic direction and secures efficient and effective discharge of its statutory duties.
15. The main inter-related elements in the Chairman's role are:
  - a. Leadership of the Board and the NLB.
  - b. Developing and maintaining effective relationships with key third parties.
  - c. Ensuring the effective representation, in person where appropriate, of NLB to the wider communities of users and the public.
  - d. Working with the Executive and senior staff.
16. The Chairman will:
  - a. ensure that the Board collectively formulates, and revises its strategy for the effective discharge of its statutory duties, drawing to the full on the advice and expertise of the Executive, and within the policy and resources framework agreed with the Department.
  - b. ensure that the Board gives clear and timely guidance to the Managing Board, to the Board's Committees and to the Executive.
  - c. ensure that the Board has arrangements for monitoring the effective implementation by the Executive of the Board's strategy and decisions.
  - d. ensure that the Board has procedures in place, and that they are kept under review to secure the highest standards of propriety and corporate governance at all times.
  - e. ensure that the Board delegates to the Executive, sufficient authority which will allow them effectively to manage the day to day business of the NLB, and the implementation of agreed policy, whilst reserving for decision by the Board, those issues affecting strategic policy, and any novel or contentious issues affecting effective working relationships with the Department, users generally, or other third parties.
  - f. manage the meetings of the Board and the Managing Board to secure informed discussion, and from that clear decisions and direction. He will ensure that the Board and its Committees meet as provided in the Standing Orders, and will discuss and agree with the Chief Executive and the Secretary to the Board the major matters for debate and decision at Board and Managing Board meetings; and will ensure that the minutes properly reflect the decisions taken.
  - g. ensure that the structure, membership and terms of reference of the Committees of the Board and the Managing Board are kept under regular review. He shall also advise the Board when changes are necessary or desirable to meet new needs or to draw to the full on the expertise and experience of individual Commissioners and members of Staff.

- h. Ensure that the Board annually considers its effectiveness in its prescribed role and that the Chairmen of each Committee causes each Committee to do likewise.
  - i. seek to ensure that appointments to the Board of Commissioners reflect the skills and experience necessary for the Board's purpose and are made in accordance with procedures agreed with the Department. He will consult as appropriate to their interests in appointments with the Secretary of State and the Lieutenant Governor of the Isle of Man. He will have, in accordance with appropriate selection and appointment procedures, regard to the need for succession planning amongst the Commissioners to ensure that those with the necessary skills and experience are available to take on, after appropriate recommendation of the Nomination Committee, when needed, the offices of Chairman and Vice Chairman, and the chairmanship and membership of such committees as the Board may decide from time to time are necessary.
  - j. ensure, with the Chief Executive, that new Commissioners receive adequate induction and training on joining the Board, and that the training needs of the Commissioners generally and individually are kept under review.
  - k. ensure that an appropriate system of annual review exists of each Commissioner's performance and that of such committees as the Board may decide from time to time are necessary and that a record be kept of such performance assessments.
  - l. ensure that there also be maintained in respect of each Commissioner a register of business interests and a register of gifts and hospitality received (both said registers to be updated annually).
17. The Chairman is the point of formal contact between the NLB and the Patron, Ministers and the Lieutenant Governor of the Isle of Man. He will lead the NLB representation in the round of formal meetings between the GLAs, the Joint Co-ordinating Group, the Bilateral meetings with the Department and the Lights Finance Committee and with the Lights Advisory Committee.
18. In addition to his role in relationships with the key third parties (above), the Chairman will, when dealing with key user interests, such as the shipping and fishing industries, recreational interests, local authorities, MSPs, MPs, MEPs, the Scottish Executive and other UK and EU agencies:
- a. agree guidelines with the Chief Executive regulating the way in which the NLB is to be represented – whether by Commissioners, members of the Executive or other NLB staff at relevant international events.
  - b. determine and agree with the Chief Executive how representational duties in the UK, or at relevant international events, (including the handling of correspondence) are to be allocated, recognising that while he has the lead, there will be many occasions when representation by another Commissioner, the Chief Executive or one of his team may be more appropriate or effective.
19. The Chairman will seek to develop and foster a positive working relationship between the Executive, the Board, and individual Commissioners. It is the Commissioners collectively who are statutorily responsible for the NLB, but the Executive should be given the necessary authority to manage the day to day operations in a manner consistent with the agreed Corporate Plan, and within the framework document agreed with the Department, subject to systematic monitoring of progress in meeting

objectives and of the risks and opportunities which may affect the attainment of agreed targets. Frequent informal contact between the Chief Executive and the Chairman will be a necessary part of such a relationship.

The Chief Executive shall ensure that the Chairman is promptly and frankly informed and consulted on developing issues - and the Chief Executive must be able to turn at any time to the Chairman for informal advice and support.

20. In that spirit, the Chairman has particular responsibilities for:
- a. Monitoring the performance of the Chief Executive against agreed targets and advising the Remuneration Committee of the Board accordingly.
  - b. Undertaking a formal appraisal of the Chief Executive at least annually, and offering informal advice on performance more frequently as needed.
  - c. Assisting the Chief Executive in appraising the performance of Directors and the Secretary to the Board annually and keeping a record thereof and in maintaining a register of business interests, gifts and hospitality received in respect of each Director.
  - d. Assisting the Chief Executive in developing an appropriate senior management structure.
  - e. Supporting the Chief Executive in his role as the GLA Accounting Officer, personally responsible to the Accounting Officer of the General Lighthouse Fund, for the proper effective and efficient use of GLF resources.

### **The Vice-Chairman**

- 21(a). The Vice-Chairman shall support the Chairman in all of the foregoing, and shall deputise for him when so required. Accordingly it is important that the Chairman, Vice-Chairman and the Executive share a common understanding of how the Vice-Chairman's role is to be discharged, and ensure that he is appropriately briefed and supported.
- (b) It is presumed that the Vice Chairman will normally accede to the Chair, but the Nomination Committee has a reserved right to consider a Vice Chairman's desire or suitability for their role on the half way point at his or her tenure.

## **RESPONSIBILITIES AND LIABILITIES OF INDIVIDUAL COMMISSIONERS**

### **The seven principles of public life**

22. Individual Commissioners should be aware of their wider responsibilities as members of the Board. Individual Board members must comply at all times with the terms of this Handbook, the statutory requirements relating to the use of the General Lighthouse Fund and must act in good faith and in the best interests of the Board. They should adhere scrupulously to the Seven Principles of Public Life set out by the Committee on Standards in Public Life attached at **Annex 1**, or their successor provision.

They should not use information gained in the course of their service on the Board for personal gain, nor seek to use the opportunity of such service to promote their own private interests.

## Corporate Communications

23. All Commissioners are encouraged to act individually as ambassadors for the Board to help explain its role to the wider public. This role is expanded in the Board's Corporate Communications Strategy enclosed as a Supporting Document.

## Gifts and Hospitality

24. All Board members shall ensure that they comply with the Board's Standing Order 11 at **Annex 2** and related guidance on the acceptance of gifts and hospitality.

## BOARD PROCEDURES

### Standing Orders

25. The Board has agreed Standing Orders regulating aspects of its procedures and a mechanism for their review. A copy of the Standing Orders is attached for information at **Annex 2**.

### Personal or business interests of Board Members

26. Commissioners are required to declare any personal or business interests which either conflict or may conflict with their responsibilities as Board members. The Board, has established a register of such interests which Commissioners are required to update annually and which is available for public inspection.

### Openness and responsiveness

27. The Board is responsible for providing the Secretary of State and, via the Secretary of State, Parliament and the public with as full information as may be requested concerning its policy decisions and actions. It should ensure it can demonstrate that it is using resources to good effect and with probity and that the General Lighthouse Fund is not being used for private, partisan or party political purposes. Commissioners and staff should conduct all their dealings with the public in an open and responsible way, and ensure full compliance with the principles of the Citizen's Charter and the Code of Practice on Access to government information or their successor provision. **(See Annex 16 – Freedom of Information Act 2000)**

## Delegation to Committees

28. The Board has vested responsibility for the overall management of its activities in the **Managing Board** which meets six times a year. In addition, the Board has established other Committees to deal with specific topics:

- **Audit and Risk Committee:** to review the effectiveness of the internal control systems including those covering corporate governance and risk management. The Audit and Risk Committee reports to the Board of Commissioners.
- **Nomination Committee:** to identify and recommend candidates for:
  - election to the Board
  - appointment as Chairman and Vice-Chairman
  - appointment to the Board's Managing Board and Committees.

To maintain oversight of any system of appraisal and to annually appraise the Chairman on behalf of the Board. To recommend NLB staff for Honours and Awards. The Nomination Committee reports to the Board of Commissioners.

- **Remuneration Committee:** to review and determine remuneration for the Chief Executive and Directors. The Remuneration Committee reports to the Board of Commissioners.
- **Navigation Committee:** to review and formulate policies for the provision of aids to navigation. The Navigation Committee reports to the Managing Board.

The terms of reference for each Standing Committee is attached at **Annexes 4-8**.

29. The Board has a formal schedule of matters reserved to it for decision, but has delegated other matters to the Managing Board and these Committees, and each has a defined membership and terms of reference subject to annual review. In selecting members to be appointed to the Committees and Managing Board and to be the Chairman thereof, the Board shall consider the recommendations of the Nomination Committee and shall seek to secure the widest practicable spread of expertise among the Commissioners across the Committees and Managing Board.

## THE EXECUTIVE

### Delegation

30. The Board has delegated responsibility for day-to-day management matters to the Executive, within a clearly understood framework of strategic control. The Schedule of Delegation is attached at **Annex 11**. The diagrams at **Annex 13** outlines the individual areas of responsibility assigned to the Chief Executive and Directors.

### The Chief Executive and Accounting Officer

31. The Chief Executive is appointed as such by the Board; his Terms of Reference are attached for information at **Annex 12**. He acts as the Northern Lighthouse Board's GLA Accounting Officer; this role carries with it personal responsibility to ensure that appropriate advice is given to the Board on all matters relating to financial propriety and regularity, for the keeping of proper accounts and for the efficient and effective use of resources. In this respect, the Chief Executive has also to satisfy the Department's Accounting Officer who is liable to be examined on these matters by the Committee of Public Accounts of the House of Commons.

32. More detailed guidance on the role of an Accounting Officer and his dual responsibilities to the Board and to Parliament is set out in the NDPB Accounting Officer Memorandum issued by HM Treasury. A copy of this memorandum is available to all Board members from the Chief Executive or Director of Finance.
33. In recognition of the delegation to him of the responsibility of day-to-day management, the Chief Executive annually prepares a Statement of Internal Control which is reviewed by the Audit and Risk Committee in association with the Annual Report and Accounts.

### **Performance related pay**

34. The Board has a responsibility to monitor the performance of the Chief Executive and Directors to assess their entitlement to performance related pay increases under the scheme adopted by the Board. It does so on the advice of the Remuneration Committee.

### **Appointments**

35. The Board will appoint members of the Executive in accordance with the procedures set out within the Standing Orders at **Annex 2.2**.

## **THE BOARD AS AN EMPLOYER**

### **Aims**

36. The Board shall comply with all relevant employment and health and safety provisions and practices and relevant legislation and seeks to employ suitably qualified and appropriately remunerated staff, who will discharge their responsibilities in accordance with the high standards expected of the NLB. All staff are briefed at approximately 6-monthly intervals about the Board's corporate strategy, its main aims and objectives, and how their own responsibilities and targets mesh with that strategy.

### **Code of Conduct**

37. The Board has adopted a code of conduct for all staff reflecting its commitment to the public service values outlined at paragraph 22 above.

### **Training**

38. The Board is committed to ensuring that staff have access to expert advice and suitable training opportunities which they may require in order to exercise their responsibilities effectively, and to anticipate future training needs.

### **Equal Opportunities**

39. The Board's policy is that its procedures for the recruitment and management of employees must provide for appointment and advancement on merit on the basis of equal opportunity for all applicants and staff.



**ANNEX 1****THE SEVEN PRINCIPLES OF PUBLIC LIFE****SELFLESSNESS**

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

**INTEGRITY**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in their performance of their official duties.

**OBJECTIVITY**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

**ACCOUNTABILITY**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

**OPENNESS**

Holders of public office should be as open as possible about the decisions and actions they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

**HONESTY**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in any way that protects the public interest.

**LEADERSHIP**

Holders of public office should promote and support these principles by leadership and example.

**GENERAL PRACTICE AS REQUIRED BY THE FRAMEWORK DOCUMENT BETWEEN THE DEPARTMENT FOR TRANSPORT AND THE GENERAL LIGHTHOUSE AUTHORITIES**

Individual Board members will act in accordance with their wider responsibility as Members of the Board – namely to:

- comply at all times with the Code of Practice that is adopted by the General Lighthouse Authorities and with the rules relating to the use of public funds and to conflicts of interest;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments. The Internal Audit and National Audit Office audit processes may consider and assess the suitability of these rules and of their implementation. The GLAs have Hospitality Registers and Gift/Hospitality acknowledgement forms. These are checked by internal and external audit.
- act in good faith and in the best interests of the GLA .

**ANNEX 2****COMMISSIONERS OF NORTHERN LIGHTHOUSES****STANDING ORDERS****Authority**

**The Commissioners of Northern Lighthouses are constituted in accordance with Merchant Shipping Act 1995 Section 193 which is attached at Annex 2.1.**

**1. Meetings of the Board**

- (a) The Board, i.e. the Commissioners sitting as a Board, will meet at least on four occasions (at one of which the Board will have the opportunity to meet without the Executive present) in each Financial Year of the NLB, on such dates as may be agreed. At one such meeting the Board shall consider its effectiveness in its prescribed role.
- (b) If a matter of particular urgency should arise, the Chairman, on his own initiative or on the request of the Chief Executive, may call an extraordinary Board meeting. Such a meeting shall also be called at any time at the request of any three or more Commissioners.

**2. Quorum at meetings**

- (a) At any meeting of the Board five Commissioners will constitute a quorum. In the event of there being no quorum, any business which cannot on that account be dealt with will pass to the next scheduled meeting of the Board where it will take precedence over any other business.

**3. Schedule of Business**

- (a) At least 7 days before each meeting the Secretary to the Board will send to each Commissioner the schedule of business for that meeting together with any relevant supporting papers.

**4. Business Introduced by Commissioner**

- (a) A Commissioner who wishes to bring a matter of significance to the notice of the Board should inform the Secretary to the Board at least ten days before the date of a meeting so that it may be included in the schedule of business. Any matter not so notified may be discussed under "Any Other Business" at the absolute discretion of the Chairman.

**5. Appointment of Staff**

- (a) The Board shall appoint members of the Executive in accordance with the procedures outlined in **Annex 2.2**

## **6. Contracts and Major Works**

- (a) When tenders are received for construction or repair work, or for the purchase of equipment, over £1million or such other sum as the Board determines from time-to-time, they will be submitted to the Board for approval.
- (b) If a decision is required between Board meetings on any such matter, the Chief Executive will consult with the Chairman who may, on behalf of the Board, give such authorisation as may be necessary. In such circumstances the Chairman shall, at the next meeting of the Board, advise the Board of his actions.

## **7. Appointment of Chairman and Vice-Chairman**

- (a) The Nomination Committee has responsibility for recommending to the Board candidates from amongst the Commissioners for appointment as Chairman and Vice-Chairman. The Chairman of the Nomination Committee will ascertain the views and votes of individual Commissioners as to their choice of Chairman and Vice Chairman.
- (b) Two Commissioners will be appointed by the Board to be Chairman and Vice-Chairman of the Board respectively, for two years from 1 April. The holders of these offices should normally have served as Commissioners for at least three years and two years respectively.
- (c) The Chairman, at the end of his term of office, may be re-appointed as such to serve for a further term of one year, but will not normally hold office thereafter as either Chairman or Vice-Chairman unless he has subsequently served as an ordinary Commissioner for a period of at least two years. The Vice-Chairman, at the end of his term of office, may be re-appointed to serve for a further term of one year, but may not hold office thereafter as Vice-Chairman unless he has subsequently served as an ordinary Commissioner for a period of at least two years.

## **8. Chairmanship of Board Meetings**

- (a) The Chairman of each meeting will be the Chairman of the Board for the time being or, in his absence, the Vice-Chairman. If neither the Chairman nor the Vice-Chairman is present, the meeting will be chaired by a Commissioner appointed for that purpose by the Chairman, or, in his absence, the Vice-Chairman.

## **9. Voting at Board Meetings**

- (a) The Chairman of each meeting will have a deliberative vote and, in the case of equality, also a casting vote.

## **10. Committees**

- (a) The Board will appoint:
  - a Managing Board, consisting of Commissioners and the Executive
  - a Nomination Committee
  - a Remuneration Committee
  - an Audit and Risk Committee
  - a Navigation Committee

The Board and, on behalf of the Board, the Managing Board may also appoint other committees, sub committees or working groups to act on behalf of the Board, or to consider and report on matters of a specialised nature. When circumstances make it appropriate to do so, a person who is neither a Commissioner nor a member of the Board staff may be invited to attend any committee as a specialist adviser. Membership of the Committees shall be reviewed annually, in light of the advice from the Nomination Committee.

## **11. Tri General Lighthouse Authorities' Joint Strategic Board (JSB)**

The NLB membership of the Joint Strategic Board is currently the Chairman, Chief Executive and the Commissioner appointed by the Secretary of State. Unless the Vice Chairman is also the nominee of the Secretary of State, he/she may attend the Joint Strategic Board meetings but not as a voting member.

## **12. Acceptance of Gifts and Hospitality**

- (a) Commissioners shall not accept any offer of gifts or hospitality which could objectively give rise to any suspicion of influence on their part to show favour or disadvantage to any individual or organisation. As a general guide it is usually appropriate to refuse offers other than those of isolated gifts of a trivial character or normal hospitality associated with Board duties which could reasonably be regarded as inappropriate or offensive to decline. The acceptance or declining of such hospitality/gifts should nonetheless be recorded in the Register of Gifts/Hospitality.
- (b) Commissioners will be guided by common sense, by good manners, and above all by the need to maintain the high reputation of the Board in dealing with such offers. If in doubt they shall consult the Chairman.

## **13. Commissioners' Expenses**

- a) All reasonable travel, subsistence and incidental expenses solely and necessarily incurred by a Commissioner in the course of his/her official NLB duties will be reimbursed by NLB subject to the same rules and rates then in force for full time NLB staff.
- b) It has been agreed that the Commissioners should continue to mark the retirement of fellow Commissioners in a fitting way with an official dinner. The following guidelines are set down to ensure that expenditure is reasonable and minimised, and that responsibility for payment is clear and understood:
  - A maximum of one retirement dinner for outgoing active Commissioners will be held each year.
  - This Dinner will be held either immediately before or after a scheduled Board meeting.
  - Commissioners, Chief Executive and Directors will be invited to bring spouses/partners.
  - The cost of the Dinner for Commissioners, Chief Executive and Directors will be paid by the Board.
  - Any necessary additional overnight accommodation for Commissioners, Chief Executive and Directors will be reimbursed.

- Commissioners, Chief Executive and Directors will be responsible for all costs for spouses/partners with the exception of the spouse/partner of the retiring Commissioner(s) where the cost of the Dinner and any overnight accommodation will be reimbursed by the Board.
  - Any retirement gift will be paid for by the Commissioners, Chief Executive and Directors.
- c) Exceptionally, there may be other occasions at which it might be argued that, in the interests of NLB, a Commissioner's spouse should attend at NLB expense. In such a case, the Chairman will discuss the situation with the Chief Executive (as Accounting Officer) and, subject to their prior agreement, the Commissioner may claim all reasonable travel, subsistence and incidental expenses solely and necessarily incurred by his/her spouse at the rules and rates then in force.
- d) Any question about the eligibility of a Commissioner's expenses (including those in respect of a spouse) for reimbursement by NLB not covered by this guidance will be decided by the Chairman in consultation with the Chief Executive.
- e) The Chairman shall consult the Chief Executive about any expenses he or she is expecting to incur which might reasonably be regarded as unusual.

**ANNEX 2.1****COMMISSIONERS OF NORTHERN LIGHTHOUSES****CONSTITUTION OF THE BOARD**

The Commissioners of the Northern Lighthouses were first established as a corporate body in 1786. Detail of the current membership of the Board is contained within the Merchant Shipping Act 1995.

The Merchant Shipping Act 1995, Section 193, Schedule 8 states:

- “1. (1) The Commissioners of Northern Lighthouses shall continue to exist under that name as a corporate body constituted as follows.
- (2) The following persons holding the following offices constitute the Commissioners of Northern Lighthouses, that is to say
- (a) the Lord Advocate and the Solicitor General for Scotland;
  - (b) the Lords Provost of Edinburgh, Glasgow and Aberdeen, and the Conveners of the Councils for Highland and Argyll and Bute;
  - (c) the Sheriffs Principal of all the sheriffdoms in Scotland;
  - (d) a person nominated by the Lieutenant Governor of the Isle of Man and appointed by the Secretary of State;
  - (e) any person elected under paragraph 2 below
2. (1) The Commissioners may elect, as members of their body, the Convener of any Council whose area includes any part of the coasts of Scotland.
- (2) The Commissioners may elect, as members of their body, not more than five other persons; but a person shall not be elected in pursuance of this sub paragraph unless either he appears to the Commissioners to have special knowledge and experience of nautical matters or three persons who so appear are members of that body.
3. A person appointed by the Secretary of State under paragraph 1(2)(d) above, or a person appointed by the Commissioners under paragraph 2(2) above, shall hold office for three years, but shall be eligible for re-appointment.
4. (1) Any five of the Commissioners shall constitute a quorum.
- (2) The Commissioners constituting a quorum shall have power to do all such matters and this as might be done by the whole body.
5. In this Schedule “council” means a council constituted under section 2 of the Local Government etc (Scotland) Act 1994.”



**ANNEX 2.2****COMMISSIONERS OF NORTHERN LIGHTHOUSES  
SELECTION PROCEDURES FOR THE EXECUTIVE**

The Executive consists of the Chief Executive, the Director of Marine Operations, Director of Finance and Administration, and the Director of Engineering.

**1. Chief Executive**

An appointment to fill a vacancy for the post of Chief Executive will be made by the Board on the recommendation of a selection panel consisting of Commissioners, usually drawn from the membership of the Nomination Committee.

**2. Directors**

An appointment to fill a vacancy for the post of Director of Marine Operations, Director of Engineering or Director of Finance & Administration will be made by the Board on the recommendation of a panel consisting of the Chief Executive and two, or possibly three Commissioners usually drawn from the membership of the Nomination Committee, and advised by external recruitment consultants.

Each member of the panel shall have an equal vote in its deliberations.



**ANNEX 3****COMMISSIONERS OF NORTHERN LIGHTHOUSES  
MATTERS RESERVED TO THE BOARD**

The constitution of the Commissioners of Northern Lighthouses is set out in Schedule 8 to the Merchant Shipping Act 1995. The Commissioners, through the Chairman, Vice-Chairman, the Managing Board, and the Committees of the Board, delegate executive responsibility for the implementation of agreed plans and procedures to the Chief Executive and NLB Staff, over whom the Commissioners have established an agreed structure to monitor and guide the strategies, activities and financial control of the NLB. To this end the Commissioners have approved:

- Standing Orders for the conduct of the Commissioners sitting as a Board.
- A Commissioners' Handbook.
- Terms of Reference for the Managing Board and the Committees of the Board.
- A Schedule of Delegation of functions to its Committees and to the Executive.

This framework of documents sets out the method, extent and limit of delegated responsibility. However, in order to exercise properly its responsibilities under Statute, the Board has reserved to itself the powers to:

1. Develop and agree strategies for the implementation of its powers set out in the Merchant Shipping Act.
2. Approve the annual Corporate Plan setting out the strategy and plans for the next three financial years.
3. Approve the Annual Report and Accounts that includes a Report on the activities of the Board over the previous year and its future plans, and includes a report setting out the extent of the Board's compliance with the latest most relevant corporate governance guidance and good practice.
4. Approve regular reports on how significant business risks are identified, evaluated and managed.
5. Approve or amend the Standing Orders regulating the Board's procedures.
6. Approve or amend the Commissioners' Handbook.
7. Approve or amend any changes in the powers or function of the Commissioners.
8. Appoint members of the Executive in accordance with Standing Orders.
9. Co-opt and appoint Commissioners under the provisions of the Standing Orders and in line with the Appointment Procedures for Co-opted Commissioners. **(See Annex 2 and 6.2)**
10. Agree the terms of reference, membership and structure of the Board's Committees.

11. Consider and, if appropriate, approve at each meeting of the Board a report on Health, Safety and Environmental issues.”

**ANNEX 4.1**

## **Managing Board Membership**

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### **Membership of the Managing Board as at 7 June 2011:**

Sheriff Principal Alastair Dunlop QC (**Chairman**)

Mike Close (**Vice-Chairman**)

Sir Andrew Cubie CBE

Sheriff Principal Bruce Kerr QC

Robert Quayle

Alistair Whyte

Roger Lockwood

Phillip Day

Douglas Gorman

Moray Waddell

Secretary: Jill Bennett



## Managing Board Terms of Reference

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### 1. AUTHORITY

Whilst the Board of Commissioners retains responsibility for the approval of the Annual Report & Accounts, Corporate Plan and Business Risk Management (see **Annex 3**), it has vested overall management of the Board's activities in the Managing Board.

### 2. PURPOSE

The Managing Board has been entrusted by the Board with the responsibility of overseeing, regulating and advising on the management functions and user relationships of the Board and shall from time to time prepare major strategic papers for the consideration of the Board. A report from the Managing Board will be made to each meeting of the Board.

### 3. MEMBERSHIP

- (a) The Managing Board will be of not more than ten members; the Chairman of the Board - who shall chair the Managing Board, not more than five other Commissioners including the Vice-Chairman of the Board (of which six, at least one should normally be an ex-officio Commissioner and the Secretary of State's nominated Commissioner), the Chief Executive and the three Directors.
- (b) The Secretary to the Board shall be the Secretary to the Managing Board.
- (c) All members of the Managing Board are voting members.

### 4. ATTENDANCE AT MEETINGS

- (a) The Chairman of each meeting will be the Chairman of the Managing Board, or, in his absence, the Vice-Chairman of the Board. If neither the Chairman nor the Vice-Chairman is present, a meeting will be chaired by a member of the Managing Board appointed for that purpose by the Chairman, or in his absence, the Vice-Chairman.
- (b) Where a Director is unable to attend, he must arrange for a suitable member of his Department to represent him at the meeting. Attendance at Managing Board Meetings is to be given top priority amongst the calls made on the Directors' time.

### 5. QUORUM

The Managing Board meetings will have a quorum of three Commissioners and the Chief Executive (or, in his absence, a Director nominated for that purpose by him).

## 6. FREQUENCY OF MEETINGS

The Managing Board will meet on six occasions in each year, on such dates as may be agreed. At one such meeting the Managing Board shall consider its effectiveness in its prescribed role.

## 7. MATTERS RESERVED TO THE MANAGING BOARD

- (a) The Managing Board will keep the Board of Commissioners adequately and timeously apprised of the business dealt with by the Managing Board and of the Committees reporting directly to it. This will include provision of the Minutes of the Managing Board Meetings to all active members of the Board of Commissioners at the same time as to the members of the Managing Board.
- (b) The Minutes of Managing Board Meetings will be confined in the case of each item, to outlining the matter considered; noting any material points put forward and recording the conclusion reached or decision made; all as succinctly as circumstances permit.
- (c) While the list cannot be exhaustive, matters which might be dealt with by the Managing Board shall include:
- Proposing the direction and policies for the NLB.
  - Preparation of plans, budgets and the annual submission to the Department (the Corporate Plan) for approval by the Board.
  - Monitoring and reporting to the Board of Commissioners on performance and operations.
  - Monitoring commercial activity for probity and effectiveness and ensuring that there is no conflict between NLB's inspection role and its powers to exploit surplus capacity.
  - Financial control.
  - Preparation for the Board of Commissioners of papers on major policy issues.
  - Determination of policy for manning and staffing of ships and offices, and for associated pay settlements and structures.
  - Monitoring and reporting to the Board of Commissioners on the practice and conduct of Health, Safety and Environmental policies and issues, and to receive a report on all associated matters at each meeting
  - Determination and development of policies for the best management or disposal of the board's heritage assets and estate (*under the Framework document assets with a net book value of £100K or more must not be disposed of, leased or purchased without the approval of DfT*).

**ANNEX 5.1**

## **Audit and Risk Committee Membership**

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**Audit and Risk Committee Membership as at 7 June 2011:**

John Ross CBE FRAgS (**Chairman**)

Alistair Mackenzie

Frank Mulholland QC

Sheriff Principal Sir Stephen Young Bt QC

In Attendance:        Roger Lockwood  
                             Douglas Gorman  
                             Remo Lanni  
                             Nick Bateson (NAO)  
                             Bonnie Sweet (DfT)

Secretary:             Jill Bennett



**ANNEX 5.2**

## **Audit and Risk Committee Terms of Reference**

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**1. AUTHORITY**

- (a) The Audit and Risk Committee was established by a resolution of the Board and is an advisory body with no executive powers.
- (b) The Audit and Risk Committee is authorised to obtain independent professional advice if it considers this necessary.

**2. PURPOSE**

The Audit and Risk Committee has been given wide Terms of Reference by the Board of Commissioners to review all areas of financial control and probity. It is authorised by the Board of Commissioners to investigate any activity within its terms of reference and to seek any information it requires from staff who are required to co-operate with the committee in the conduct of its enquiries. Requests for work, and reports received, from Internal Audit will be channelled through Director of Finance and the Chief Executive.

**3. MEMBERSHIP**

- (a) The Chairman, three Commissioners and Secretary of the Audit and Risk Committee shall be appointed by the Board of Commissioners. The Chairman shall be a member of the Board of Commissioners other than its Chairman or Vice-Chairman.
- (b) The Secretary to the Board shall be the Secretary to the Audit and Risk Committee and will circulate Minutes of its meeting to all members of the Board of Commissioners.

**4. ATTENDANCE AT MEETINGS**

- (a). In addition to those appointed from the membership of the Board of Commissioners, the Chief Executive, in his/her role as accounting officer, the Director of Finance & Administration and the Finance Manager will normally attend meetings of the Audit and Risk Committee. Other individuals with relevant expertise e.g. external and internal auditors may be invited to attend meetings. Other Commissioners shall have the right of attendance as observers.
- (b) On at least one occasion each year the Committee is joined by the National Audit Office and any Auditors appointed by them, and the Department for Transport Internal Audit Team (who provide an independent internal audit service to the Board).

## 5. QUORUM

Committee meetings will have a quorum of two Commissioners.

## 6. FREQUENCY OF MEETINGS

The Board requires the Audit and Risk Committee to meet on at least three occasions each year. At one such meeting the Audit and Risk Committee shall consider its effectiveness in its prescribed role. The Committee may arrange additional meetings to deal with business without reference to the Board of Commissioners. The external auditor may request a meeting with the Committee if he considers such to be necessary.

## 7. MATTERS RESERVED TO THE AUDIT AND RISK COMMITTEE

- (a) To review the Northern Lighthouse Board's internal and external financial statements and reports to ensure that they are balanced and fair and reflect best practices.
- (b) To discuss with the external auditor, if or as necessary, the nature and scope of audits and to ensure that the external auditor has the full co-operation of staff.
- (c) To consider all relevant reports, by the NAO, or the appointed external auditor, including reports on the Board's accounts, achievement of value for money and the response to any management letters.
- (d) To review the effectiveness of the Board's internal control and risk management systems established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic and effective manner.
- (e) To ensure that the Board's internal audit service meets, or exceeds, the standards specified in the Government Internal Audit Manual, complies in all other respects with these guidelines and meets agreed levels of service.
- (f) To consider and advise the Board on the Board's annual and long-term internal audit programme.
- (g) To consider internal audit reports, including value for money reports and the arrangements for their implementation.
- (h) To consider any other matters where requested to do so by the Board of Commissioners.
- (i) To advise the Board of Commissioners on general issues of Corporate Governance and provide an annual report on compliance to the Framework Document, Data Protection and Freedom of Information Act (see **Annex 16**).
- (j) To recommend the appointment of the internal auditors to the Board.
- (k) To report at least once a year to the Board of Commissioners on the discharge of the above duties. This should take the form of a covering note to Commissioners on the annual NAO Report, together with an assurance on Internal Control.

- (l) To review the Code of Guidance for Commissioners on an annual basis.
- (m) To advise the Board of Commissioners on the appointment of the NLB's Money Laundering Reporting Officer. This is normally to be the Director of Finance and Administration, deputised in his absence by the Chief Executive.



**ANNEX 6.1**

## **Nomination Committee Membership**

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### **Nomination Committee Membership as at 7 June 2011:**

Sheriff Principal Bruce Kerr QC (Chairman)

Sheriff Principal Alastair Dunlop QC

Sheriff Principal Brian Lockhart

Frank Mulholland QC

Robert Quayle

Alistair Mackenzie

Nick Court (DfT Independent Assessor)

Secretary: Roger Lockwood



**ANNEX 6.2**

## **Nomination Committee Terms of Reference**

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### **1. AUTHORITY**

The Nomination Committee is established by a resolution of the Board to which it reports. It is an advisory body with no executive powers. The Nomination Committee is authorised to obtain independent professional advice if it considers this appropriate.

### **2. PURPOSE**

The Nomination Committee has six main functions:

1. To identify and recommend to the Board candidates for election to the Board.
2. To recommend to the Board candidates from amongst the Commissioners for appointment as Chairman and Vice-Chairman of the Board.
3. To recommend to the Board candidates for appointment to the various standing committees of the Board, including those reporting to the Managing Board.
4. To maintain oversight of any system of appraisal which may be introduced for Commissioners.
5. Annually to appraise the Chairman, on behalf of the Board as a whole.
6. To recommend, on behalf of the Board, NLB staff for Honours and Awards.

### **3. MEMBERSHIP**

- (a) The Committee will consist of 6 Commissioners, and when discharging function 2.1 above (appointment of external candidates to the Board) it will be joined by an official of the Department as an "independent" member all as more fully described in the Annex. The membership will consist of the Chairman of the day (except when considering function 2.5 above), three statutory Commissioners and two other Commissioners. It is a presumption that the Chairmanship of the Nomination Committee should always be held by a Statutory Commissioner.
- (b) In ordinary course the Chief Executive will act as secretary to the Nomination Committee. He will provide Minutes of the meetings to all Nomination Committee members, and the Chairman of the Nomination Committee will brief the Board of Commissioners as required.

#### **4. COMMITTEE PROCEDURES**

In discharging its functions under **2.1** above the Committee shall observe the procedures in the Annex, as amended from time to time by the Board in the light of relevant best practice elsewhere.

In relation to function **2.2** (Chairmanship and Vice-Chairmanship) the Committee shall have regard to, but not be bound by, a report from the Chairman on informal sounding he has taken of Commissioners about their preferences for nominees to fill the two posts. The Chairman shall canvas the views of the Commissioners widely in the matter having regard to the responsibilities of each office described in the Commissioners Handbook.

In relation to function **2.3**, the Committee will have regard to any preferences which individual Commissioners may have expressed to the Chairman, against the requirement that the needs of NLB shall have priority in drawing to the full on the knowledge experience availability and preferences of individual Commissioners.

In relation to function **2.5** (appraisal of Chairman) the Committee will normally have an annual private discussion with the Chairman to identify any ways in which the Chairman might be able, by his own action, to improve the workings of the Board or NLB as a whole. In doing so the Committee will have regard to any views expressed by Commissioners not on the Committee and will report annually to the Board that the review has taken place.

#### **5. ATTENDANCE AT MEETINGS**

In addition to those appointed by the Board, and the Chief Executive, (except in relation to 2.5) the Nomination Committee may require other individuals with relevant expertise to attend meetings.

#### **6. QUORUM**

The quorum shall be three members, or four including the Departmental official when considering external appointments under 2.1 above.

#### **7. FREQUENCY OF MEETINGS**

The Nomination Committee will normally meet at least twice a year so that its recommendations on the need or otherwise for external appointments can be considered at the August meeting of the Board and on internal appointments at the February Board. Additional meetings may be held without reference to the Board of Commissioners. At one such meeting the Nominations Committee shall consider its effectiveness in its prescribed role.

The Board of Commissioners will normally consider Committee recommendations on re-appointments (or otherwise) at its August meeting and recommendations on new external appointees at its December meeting.

**8. MATTERS RESERVED TO THE NOMINATION COMMITTEE IN RELATION TO EXTERNAL APPOINTMENTS**

- (a) To review and recommend revisions as necessary to the Board's procedures for the co-option of Commissioners. A summary of the current procedures for the Committee, agreed by the Board of Commissioners, is attached as an Annex.
- (b) To ensure that such procedures conform so far as practicable and appropriate with the procedures defined for Ministerial appointments in the Code issued by the Office of the Commissioner for Public Appointments (OCPA).
- (c) To consider what specialist skills are required to supplement existing skills on the Board of Commissioners, to address shortfalls in experience on the Board of Commissioners, or to complement existing skills amongst the Executive Staff.
- (d) To make such arrangements as are necessary and consistent with the procedures in the Annex to publicise forthcoming vacancies and interview candidates.
- (e) To recommend to the Board of Commissioners specific candidates for co-option.
- (f) To ensure that the Scottish Executive and the DfT are informed of the Board's intention to co-opt the successful candidates with effect from the date of the vacancy arising.



## **Annex – Nomination Committee Terms of Reference**

### **Summary of Appointment Procedures for co-opted Members**

(Approved by the Board of Commissioners, 10 February 2003)

1. An independent Assessor will be invited by the Board to join the Committee. This role will be filled by a DfT nominee until the Board decides otherwise. The Independent Assessor will be fully briefed on the principles underlying the OCPA Code and his role in ensuring that the Board's appointments procedures reflect the principles and spirit of the Code. The following arrangements do not apply formally to the procedures to be followed by DfT in identifying, in consultation with the Board, a candidate for nomination by the Secretary of State for co-option to the Board.
2. The Committee will normally meet before the August Board of Commissioners' meeting to consider whether or not to recommend re-appointment of those elected Commissioners whose current term of office is due to end in the next calendar year, and if re-appointment is not recommended, to confirm the procedures to be followed to fill the resultant vacancy.
3. In reaching a view on whether or not to recommend re-appointment, the Committee should have regard to the need to ensure a regular infusion of new ideas and experience onto the Board of Commissioners, recognising that under OCPA guidelines appointees should not normally serve for more than 10 years, and that second re appointments without open competition should be exceptional. The Committee should normally recommend re-appointment without open competition **only** if each of the following conditions is satisfied:
  - a) performance has been entirely satisfactory.
  - b) the knowledge and experience of the retiring Commissioner are still needed, and there is not a more pressing need for expertise which could only be met by a new appointee.
  - c) the Commissioner on completion of his current term will not have already served two consecutive three year terms as a co opted member, and is not currently Chairman or Chairman (designate).
  - d) a further term would not mean that he would serve more than ten consecutive years as a co-opted Commissioner.
4. If the Board of Commissioners decide, (normally at its August meeting) to seek a new co-optee, the Committee should:
  - a) Agree the skill set and person specification of the post, having regard to the statutory requirements for a minimum number of co-opted members with "special knowledge and experience of nautical matters". The Committee should authorise appropriate advertisement, including on the NLB Web site, to ensure so far as possible wide exposure to nautical and other relevant interests in Scotland, and where necessary, beyond.
  - b) Authorise approaches to relevant organisations (including DfT) indicating the qualities and experience required and inviting nominations, or applications from potential candidates.

- c) Consider and where necessary authorise direct but non-committal approaches to possible candidates, inviting applications.
  - d) Ensure that at least a quorum of the Committee is available to interview the candidates.
  - e) Normally interview at least two more candidates than there are vacancies before making a recommendation to the Board of Commissioners (normally at its December meeting).
5. The Committee's recommendation to the Board of Commissioners should outline the arrangements made for publicising the vacancy, the number of expressions of interest received, and the names and brief backgrounds of the candidates interviewed. It should confirm that the independent assessor is content that the principles and spirit of the OCPA Code had been met in the procedures the Committee adopted for publicising the vacancy and sifting, interviewing and recommending candidates.

**ANNEX 7.1**

## **Remuneration Committee Membership**

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**Remuneration Committee Membership as at 7 June 2011:**

Sheriff Principal Alastair Dunlop QC (Chairman)

Mike Close

John Ross CBE FRAgS

Sheriff Principal Sir Stephen Young Bt QC

In Attendance: Roger Lockwood

**Secretary:** Mike Close



**ANNEX 7.2**

## **Remuneration Committee Terms of Reference**

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**1. AUTHORITY**

The Committee was established by a resolution of the Board to which it reports.

**2. PURPOSE**

The purpose of the Remuneration Committee is to determine the entire remuneration package for the Executive Directors of the Northern Lighthouse Board (NLB) which will ensure that Directors of the right quality are attracted, retained and motivated. The Executive Directors are; the Chief Executive; the Director of Engineering; the Director of Finance and Administration; and the Director of Marine Operations.

**3. MEMBERSHIP**

- (a) The Committee will be made up of three Commissioners (excluding the Chairman).
- (b) The Board will appoint the Chairman and members of the Remuneration Committee.

**4. ATTENDANCE AT MEETINGS**

- (a) The Committee requires the Chief Executive to attend meetings for consultation and advice.
- (b) The Committee has a right to request professional advice from within and outwith the service.

**5. QUORUM**

The Remuneration Committee will have a quorum of two Commissioners.

**6. FREQUENCY OF MEETINGS**

The Committee will meet on at least two occasions in each financial year. At one such meeting the Remuneration Committee shall consider its effectiveness in its prescribed role. Additional meetings may be organised by the Committee to deal with remuneration business.

**7. MATTERS RESERVED TO THE REMUNERATION COMMITTEE**

- (a) To determine, on behalf of the Board of Commissioners, the broad policy for Executive Directors' remuneration and the entire remuneration packages for all existing and future Executive Directors.
- (b) To ensure that remuneration policy and individual packages give the Executive Directors encouragement to enhance the performance of the Service and to ensure that they are fairly, but responsibly, rewarded for their individual contributions having due regard to the budgetary constraints of the General Lighthouse Fund.
- (c) To report and account directly to the Board of Commissioners for its recommendations.
- (d) The Chairman will be responsible for reporting back to the Board of Commissioners.
- (e) The Committee should make an annual report to the Board of Commissioners which will form part of the Annual Report and Accounts.

The Annual Report and Accounts statement will include:

- Details of membership of the Committee.
  - A statement of the policy on Directors' remuneration.
  - A statement that the Committee have given full consideration to best practice provisions.
  - Full details of the remuneration package, including any bonuses of each Director and the pension entitlement earned during the year.
  - Any other relevant business interests.
- (f) Minutes of each meeting of the Committee will be maintained but distribution will be restricted to members of the Committee.

**ANNEX 8.1**

## **Navigation Committee Membership**

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### **Navigation Committee Membership as at 1 August 2008:**

Alistair Whyte (**Chairman**)

Captain Mike Close

Sheriff Principal Alastair Dunlop QC

Alistair Mackenzie

Roger Lockwood

Phil Day

Moray Waddell

Peter Douglas (Navigation Manager)

Secretary: Jill Bennett



## ANNEX 8.2

## Navigation Committee Terms of Reference

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### 1. PURPOSE

The purpose of the Committee is:

- (a) To determine and develop or amend policies for ratification and approval by the Board of Commissioners which will secure:
  - The timely and efficient provision of Aids to Navigation in the territorial waters around Scotland, and the Isle of Man.
  - A proper response to Wrecks and navigational hazard marking.
  - The Inspection and audit of all lighthouses, buoys and beacons within the territorial waters around Scotland and the Isle of Man.
  - A proper response to issues arising from applications under Section 34 of the Coast Protection Act 1949.
  - The control of sanction to local Lighthouse Authorities and other parties for lights, buoys and beacons provided by them.
  - Adequate and proper marking of offshore installations and aquaculture sites.
- (b) To oversee the development of plans and financial projections for the establishment, refurbishment or discontinuance of Aids to Navigation within the Board's area of jurisdiction, with particular attention to value for money in securing the correct level of Aids to Navigation provision and to recommend thereon to the Managing Board for inclusion in the annual operating and corporate plans.
- (c) To provide a focus for navigational matters and policies at national, UK, European and international level.
- (d) To oversee the functions delegated to the Navigation Assessors and the Navigation Section by these terms of reference.
- (e) To host the annual meeting of the Scottish Users Consultative Group and ensure that wide and regular consultation with local user groups and individuals takes place.
- (f) To determine the navigational priority of Capital works projects on the basis of:
  - Priority 1 - Critical
  - Priority 2 - Very Important
  - Priority 3 - Important
  - No Navigational Priority (see Explanatory Notes)

## **2. AUTHORITY AND PROCEDURE**

- (a) The Navigation Committee derives its authority and procedures from these terms of reference.
- (b) The Navigation Committee reports to the Managing Board. Minutes from the Navigation Committee will be issued to all members of the Navigation Committee, the Managing Board and the Board of Commissioners. Policy proposals requiring the ratification and approval of the Board of Commissioners will be submitted to the Board through the Managing Board.
- (c) In addition to the Minutes of the Navigation Committee the Managing Board will, where necessary, receive a supplementary report from the Chairman of the Navigation Committee or the Director of Marine Operations at each meeting of the Managing Board.
- (d) The Navigation Committee shall have no authority or involvement in decisions to engage in any Commercial Work.

## **3. MEMBERSHIP**

- (a) The Navigation Committee will normally comprise the following:
  - i. All qualified Master Mariners (or Royal Navy equivalent) who are Members of the Board of Commissioners or the Executive (to be known as Navigation Assessors).
  - ii. Those Commissioners appointed to the Board having special knowledge or experience of nautical matters under S193 2(2) of the MSA 1995.
  - iii. One Commissioner who is not a Navigation Assessor.
  - iv. The Chief Executive.
  - v. The Director of Engineering.
  - vi. Navigation Manager.
- (b) The Board of Commissioners will appoint the Chairman and members of the Navigation Committee. The Chairman of the Committee shall be a Commissioner who is a Navigation Assessor.
- (c) The Secretary to the Board shall be the Secretary to the Navigation Committee.

## **4. ATTENDANCE AT MEETINGS**

- (a) In addition to its standing membership, the Navigation Committee may require other individuals with relevant expertise to attend its meetings.
- (b) Other Commissioners have the right of attendance as observers.

## 5. QUORUM

Navigation Committee meetings will have a quorum of three Navigation Assessors and one other member, of whom at least two shall be Commissioners

## 6. FREQUENCY OF MEETINGS

- (a) The Committee shall meet on five occasions within the financial year or as directed. At one such meeting the Navigation Committee will consider its effectiveness in its prescribed role.
- (b) The Committee may arrange additional meetings as necessary to deal with business without reference to the Board of Commissioners.

## 7. DELEGATION

Whilst retaining overall responsibility for Navigation Matters as detailed in paragraph 1 of these Terms of Reference; in order to ensure efficient discharge of the Board's statutory obligations the Navigation Committee is authorised to delegate the following matters to appropriate member(s) of the Committee for decisions:

### (a) **MATTERS REQUIRING DECISION BY TWO NAVIGATION ASSESSORS AND REPORTED TO COMMITTEE**

- i. Decisions on the dispersal of, or clearance depths required, over wrecks considered a danger to navigation.
- ii. Proposals for the alteration to the characteristics of Category 1 Aids to Navigation.
- iii. Buoyage movements involving realignment of channels or in routing schemes.
- iv. Matters concerning UK Safety of Navigation Committee and International Organisations.

### (b) **MATTERS REQUIRING DECISION BY ONE NAVIGATION ASSESSOR AND REPORTED TO COMMITTEE**

- i. Proposals for alteration to the characteristics of Category 2 and 3 Aids to Navigation.
- ii. Non standard marking of Offshore Structures.
- iii. Matters referred up by the Navigation Manager.
- iv. Marking of works (jetties, piers, bridges).
- v. Marking of Oceanographic Buoys.

- vi. Granting of Statutory Sanction with regards to all local AtoN.
- vii. Buoyage movements not involving realignment of channels or in routeing schemes.

**(c) MATTERS TO BE DEALT WITH BY THE NAVIGATION SECTION AND REPORTED TO COMMITTEE**

- i. False lights including street lighting and advertising signs.
- ii. Marking of offshore installations, in accordance with the Standard Marking Schedule for Offshore Installations.
- iii. Marking of Aquaculture sites.
- iv. Marking of bathing areas marker buoys, yacht racing marks and speed land marks.
- v. Examination of Surveys.
- vi. Dredging and depositing matters.
- vii. Moorings.

**(d) FOR THE AVOIDANCE OF DOUBT, THE FOLLOWING MATTERS WILL BE AMONGST THOSE REQUIRING DECISION IN COMMITTEE**

- i. Proposals for the establishment and discontinuance of Aids to Navigation provided by the Board.
- ii. Approval and prioritisation of projects and financial projections for the Aids to Navigation Capital Works programme.
- iii. Approval and prioritisation of projects and financial projections for individual repair or major maintenance (cost exceeding £50,000) projects for Aids to Navigation.
- iv. Proposals for the alteration of range of Northern Lighthouse Board Aids to Navigation.
- v. Proposals requiring a memorandum to the Lights Advisory Committee (i.e. where the change(s) are discernable to the Mariner and/or involves additional DfT financial sanction).
- vii. Approval of annual report to the DfT on local and offshore light inspections.

## **8. WRECKS**

- (a) Marking of new wrecks will be referred to any Navigation Assessor for an immediate decision. Any Navigation Assessor so consulted may make the required decisions to mark, or not. The Navigation Assessor may seek a second opinion if required. In the

case of a dangerous wreck the statutory opinion shall be formulated by the Navigation Assessor and submitted to the Managing Board for information.

- (b) In the event of a decision based on navigational need to mark a wreck outside territorial waters, the wreck should be marked but no further action should be taken before contacting the Department for Transport (DfT). The DfT will seek guidance as necessary from the Foreign and Commonwealth Office and in particular if the wreck is registered in a foreign flag state.

### **Explanatory Notes**

- Priority 1. Critical to the Navigational safety of marine users. Any delay or **cancellation of the project could very seriously affect the safe navigation** of marine users, and expose the NLB to potential liabilities.
- Priority 2. Very Important to the Navigational safety of marine users. Any delay or cancellation of the project could seriously affect the safe navigation of marine users, and expose the NLB to potential liabilities.
- Priority 3. Important to the Navigational safety of marine users. Any delay or cancellation of the project could affect the safe navigation of marine users.

### **No navigational priority but needed for other reasons**

Relative priority in the capital programme will be determined by the Managing Board.



## NLB Schedule of Delegation

1. Under the Merchant Shipping Acts the Board of Commissioners is responsible for the discharge of NLB's functions. The Board has decided to reserve for its decision those matters specified in Annex 3 of the Commissioners' Handbook and to delegate remaining matters to its Committees and to the Chief Executive.
2. In so deciding, the Board is mindful of the need to ensure that the Chief Executive and Directors (the Executive) have sufficient authority to allow them effectively to manage the day to day business of the NLB, and the implementation of agreed policy, whilst reserving for decision by the Board those issues affecting strategic policy and any novel or contentious issues affecting working relationships with the Department, users generally, other GLAs, or other important interests.
3. In essence, Annex 3 reserves strategic decisions to the Board, including the approval of the annual corporate plan. It also retains to the Board the regulation of its own procedures and appointments; the approval of its annual report and accounts, the approval of its risk management strategy; and the approval of any tender valued at more than £1m, or such other sum as it shall from time to time decide.
4. In general, decisions on other matters are delegated to three of the four Committees reporting to it, and to the Chief Executive as follows:
  - **The Nomination Committee's** terms of reference are defined at Annex 6 of the Commissioners' Handbook. In general it makes recommendations to the Board, but it has delegated powers to maintain oversight of the system of appraisal of Commissioners, to appraise the Chairman on behalf of the Board, and to recommend on behalf of the Board, NLB staff for Honours and Awards.
  - **The Remuneration Committee's** terms of reference are defined at Annex 7 of the Commissioners' Handbook; it has delegated authority to determine on behalf of the Board of Commissioners the broad policy for Executive remuneration and the annual remuneration, including any performance element, for each Director. It does so within the financial provision in the Corporate Plan and a framework agreed with the Department.
  - **The Audit and Risk Committee's** terms of reference are defined at Annex 5 of the Commissioners' Handbook. In general it has no executive functions and its role is essentially advisory to the Board.
  - **The Managing Board's** terms of reference are at Annex 4 of the Commissioners' Handbook. In essence the Board of Commissioners has vested the overall management of NLB's activities in the Managing Board (MB). The MB does this by reserving some functions to itself and by delegating others, with the approval of the Board of Commissioners, to the Navigation, Ship and Estates Committees and to the Chief Executive.

5. In considering what powers to delegate to its Committees and to the Chief Executive the MB has regard to the principle at para 2 above and to the requirements of the Department's Framework Document and financial memorandum, which specifies at Annex B those matters which must be referred to the Department, for approval or consultation, before a decision is reached.
6. In general, where a matter requires submission to the Department under Annex B for prior consultation or approval (but not merely for information) it should be approved first by the MB, unless otherwise specifically delegated. In some case MB may refer the matter to the Board of Commissioners before a submission is made to the Department or a final decision is taken.
7. Against that background, in addition to the monitoring functions listed in its terms of reference at Annex 4 of the Commissioners' Handbook the MB has reserved to itself approval of:
  - 1) All policy papers to be submitted to the Board of Commissioners other than those from the Nomination, Remuneration and Audit and Risk Committees.
  - 2) Plans, budgets (including the hospitality budget), and the annual Corporate Plan submission to the Department for approval by the Board of Commissioners.
  - 3) General arrangements for manning and staffing of ships and shore establishments.
  - 4) Policy and plans for pay structures, including overall level of pay settlements, within frameworks agreed with the Department.
  - 5) NLBs commercial activities within the scope of para 18 of the Department's Framework document and the policy agreed by the JCG and the Board, and in particular approval of any contractual arrangements which have to be submitted for approval (but not just information) to the Department under that paragraph.
  - 6) Any expenditure of more than £50,000 for which provision has not been made in the Corporate Plan, or of any capital project where the lowest tender exceeds Corporate Plan provision by more than 10% or £50,000, whichever is less.
8. **The Navigation Committee** reports to the Managing Board and its terms of reference are defined at Annex 8 of the Commissioners' Handbook. The Committee has general oversight of the provision of Aids to Navigation in NLB's territorial waters (but not beyond without specific Board authority) and advises the Managing Board, and through it the Board of Commissioners, accordingly. In addition it has specific power of decision on the following matters:
  - 1) The establishment and discontinuance of Aids to Navigation provided by the Board within the framework of the strategy agreed by the Board.
  - 2) Approval and prioritisation of projects and financial projections for the AtoN Capital Works Programme within the approved Corporate Plan.

- 3) Approval and prioritisation of projects and financial projections for individual repair or major (cost exceeding £50K) maintenance projects for AtoN.
  - 4) Approval of the annual statutory report to the Department on local and offshore light inspections.
9. In addition the terms of reference provide for delegation to Navigation Assessors (Master Mariner members of the Committee) and the Navigation section of NLB of other specified decisions relating to wrecks, and day to day minor changes in location and characteristics of AtoNs, marking of structures and installations, and other miscellaneous approvals.
10. The Chairman, or in his absence the Vice Chairman, has authority to approve the opening of bank accounts, changing signature panels, etc and any other account changes where the authority needs to be separate from the Executive. The Chairman will report any use of this authority at the next meeting of the Managing Board.
11. **The Chief Executive** - All matters not reserved above for the Board or its Committees are delegated to the Chief Executive, whose terms of reference are defined at Annex 12 of the Commissioners' Handbook.
12. In addition to these delegated functions the Chief Executive retains personal responsibilities to the Accounting Officer for the GLF as defined at 5.3 of the Framework document.
13. The Chief Executive has delegated responsibilities which incur expenditure liabilities for the GLF to those staff answering directly to him. This is included in Job Descriptions for the following staff:
- Director of Finance  
Director of Marine Operations  
Director of Engineering  
Human Resources Manager.

In addition the Board the following specific schemes of delegation will be maintained:

- General scheme of delegation of staffing matters – Human Resources Manager
- Financial Transactions, Borrowing, Lending and Investment – Director of Finance
- New Business Contracts – Chief Executive
- Commitments under purchase orders – Directors of Finance
- Examples of the range of areas that will need to be addressed are shown in the Annexes.
- Annex D already operates.

Examples of the range of areas that will need to be addressed are shown in annexes A to C. Annex D already operates and is reviewed annually by the Chief Executive and Director of Finance.

#### 14. Execution of Documents

All deeds and other documents relating to heritable property transactions in the name of the Commissioners shall be valid only if they are subscribed by The Chief Executive or Director of Finance and witnessed by one member of staff. The Chief Executive or Director of Finance will require to be satisfied that the commitment has been agreed by a person authorised to do so in the Schedule of Delegation, and shall be responsible for the safe custody of all deeds and other documents relating to heritable property transactions.

If there is a legal requirement, or if it is specifically required by the other party to the contract, for documents other than those that relate to heritable property transactions to be formally executed in the name of the Commissioners, these shall be valid only if they are subscribed by the Chief Executive or Director of Finance and a witness. The Chief Executive or Director of Finance will require to be satisfied that the commitment has been agreed by a person or body authorised to do so in the Schedule of Delegation, and that arrangements are in place for the safe custody of all such documents.

Where there is no requirement for a contract or agreement to be formally executed in the name of the Commissioners, it may be signed by the person to whom authority to make the commitment has been delegated in the Schedule of Delegation, and may be delegated further where this is permitted by the Schedule of Delegation. The person to whom authority to make the commitment has been delegated in the Schedule of Delegation shall be responsible for ensuring that arrangements are in place for their safe custody of all such contracts and agreements.

The Chief Executive and Director of Finance will therefore act as authorised signatories and are granted specific power by the Board of Commissioners to execute documents. The Chairman is therefore authorised to provide a signed extract from this section of the Schedule of Delegation to satisfy a third party that the authorised signatory is authorised to execute the document on behalf of the Commissioners.

#### **Important Note**

All delegated authorities must be exercised in keeping with relevant procedural requirements (eg in the Framework Document, the NLB Procurement Handbook and other internal NLB guidelines) and applicable statutory requirements. Those **individuals** above to whom authority is delegated can delegate it further if they so wish to a member of staff accountable to them, with the approval of the Chief Executive (or in the Chief Executive's case, of the Managing Board). Such further delegation does not diminish the personal responsibility of the individual to whom the Chief Executive (or Managing Board) has made the initial delegation.

## General scheme of delegation of staffing matters

### Formal Offers of Appointment

Co-opted Commissioner	Chairman
Chief Executive	Chairman
Directors	Chief Executive
Other Staff	Human Resources Manager

### Engagement and authorisation of payment of:

Casual Staff	Human Resources Manager
Agency Staff	Human Resources Manager
Promotions	Human Resources Manager
Re-grading of posts	Human Resources Manager
Age Retirements	Human Resources Manager
Starting salary above the pay band minimum	Chief Executive
Overtime payments	Line Managers
Voluntary Severance Arrangements	Chief Executive
Compulsory Severance Arrangements	Chief Executive
Termination of Employment	Director
Implementation of annual pay awards	Chief Executive

**Note:** For the appointment of ship-based casual or agency staff, responsibility is delegated to the Director of Marine Operations working within guidelines agreed with the Human Resources Manager.



**ANNEX 9**  
**Annex B**

**Financial Transactions, Borrowing,  
Lending and Investment**

Authority to exceed the annual General Lighthouse Fund  
drawdown target

Director of Finance

Authority to invoke borrowing powers under the  
Merchant Shipping Act 1995 Department for Transport  
with approval from HM Treasury

Director of Finance



## **New Business Contracts**

Authority to prepare a tender or quote for commercial work	Chief Executive
Approval to submit a tender or quotation for commercial work	Chief Executive
Legal opinion on all non-standard contracts	Commercial Manager
Approval of prices, etc	Director of Finance



**ANNEX 9**  
**Annex D**

**Delegated Authority 1 April 2011 to 31 March 2012**

<b>BUDGET HOLDER</b>	<b>OPERATIONAL AND BUDGETARY APPROVAL</b>	<b>CONTRACTUAL AUTHORITY/ PO APPROVAL</b>	<b>APPROVAL TO PROCEED WITH SINGLE TENDER</b>	<b>APPROVAL TO OVERTURN LOWEST PRICE</b>
Chairman	>100K**	>100K**	>50K***	>100K
Chief Executive (NLB Accounting Officer)	>100K**	>100K**	>50K***	>100K
Director Of Finance	100K	100K	50K***	100K
Director Of Engineering	100K	15K*	30K*	20K*
Director Of Marine Operations	100K	15K*	30K*	20K*
<b>Staff within the Chief Executive's Office</b>				
HR Manager	20K	NIL	NIL	NIL
QHSE Manager	20K	NIL	NIL	NIL
HR Adviser (Training & Dev)	10K	NIL	NIL	NIL
Assistant To The Chief Exec	5K	NIL	NIL	NIL
Information Officer	5K	NIL	NIL	NIL
<b>Staff within the Engineering Department</b>				
Maintenance Engineer	50K	NIL	NIL	NIL
Projects Engineer	50K	NIL	NIL	NIL
<b>Staff within Finance &amp; Administration Department</b>				
Commercial Manager	NIL	50K	30K	50K
Finance Manager	30K	30K	10K	20K
IS Manager	30K	NIL	NIL	NIL
Network Manager	20K	NIL	NIL	NIL
Procurement Officer	NIL	30K	30K	30K
Procurement Administrator	NIL	30K	30K	30K
Technical Systems Manager	10K	NIL	NIL	NIL
Facilities Officer	10K	NIL	NIL	NIL
Risk & Estates Officer	10K	NIL	NIL	NIL
Payment Supervisor	5K	NIL	NIL	NIL
Stores Officer	1K	NIL	NIL	NIL
<b>Staff within the Marine Operations Department</b>				
Marine Operation Manager	50K	NIL	NIL	NIL
Ships Master	50K	NIL	NIL	NIL
Technical Superintendent	50K	NIL	NIL	NIL
Support Manager, Oban	30K	NIL	NIL	NIL
Navigation Manager	20K	NIL	NIL	NIL
Ships Chief Engineer	20K	NIL	NIL	NIL
Marine Co-ordinator	10K	NIL	NIL	NIL
Business Development Manager	<u>NIL</u>	NIL	NIL	NIL

Key:

\* These levels are by exception only. They should only be used in the unlikely event that the Commercial Manager, Finance Manager, Director of Finance and Chief Executive are all out of the office and the requirement is such that it cannot wait until their return. A record of the decision should be noted on the requisition form. With the exception of an emergency this should not be applied to the individual's own Department/Section.

\*\* DfT should be aware of any contract over £250,000 (Para. 4.2.9 Framework Document refers.)

\*\*\* DfT approval required when departing from good purchasing principles in any project exceeding £50,000 ( Para 6.1.33 of Framework Document) or single tender actions exceeds £50,000 (Para 6.1.34 of Framework Document)

Notes:

1. These authorities are only applicable to the budgets issued to you personally unless you have overall responsibility for Department or Section budgets, when this can be escalated to you by the budget holder.
2. The Chief Executive has overall responsibility as NLB Accounting Officer.
3. Budget Holders with individual budgets but with overall responsibility for Departmental Budgets:
  - Director of Finance for Finance & Administration Department
  - Director of Engineering for Engineering Department
  - Director of Marine Operations for Marine Operations Department
  - Chief Executive for the Chief Executive's Office
4. Budget Holders with individual budget but with overall responsibility for all budgets within their Section:
  - Commercial Manager for the Commercial Section
  - Finance Manager for the Finance Section
  - HR Manager for the HR Section
  - IS Manager for the IS Section
  - Marine Operations Manager for the Marine Operations Section
5. These authorities cannot be delegated downwards to team members and in cases of absence can only be delegated upwards as detailed in Senior Manager Briefing No: 18 dated 25 March 2009.
6. Operational and Budgetary Approval does not allow the holder to commit the Board to expenditure including contracts other than authorised GPC, RS and T&S transactions. You must follow the procurement procedures at all times.
7. All levels of authority are set annually in line with Budgets and operational requirements, these are not related to staff grades.
8. Anyone wishing to have their authority levels reviewed should raise this with the Commercial Manager in the first instance.
9. Budgets are the Finance Manager's responsibility; they are annually reviewed by the Chief Executive and Directors for the next Financial Year. Changes to Budget Holders can only be sanctioned by the Director of Finance acting for the NLB Accounting Officer.
10. The Chairman is responsible for all projects initiated by the Chief Executive. The Vice Chairman can approve in Chairman's absence

**ANNEX 9**  
**Annex E**

**Loan and Gift Protocol to  
Scottish Lighthouse Museum, Fraserburgh  
as of 1 December 2005**

Guidelines on the procedure to be followed if it is proposed to loan or gift NLB owned artefacts to the Scottish Lighthouse Museum (SLM) or any other museum.

1. Loans of any artefact or gifts of purely nominal value can be authorised by the Chief Executive with the agreement of the Director of Finance for an indefinite period, provided that the terms of the loan allow for the object to be recovered, permanently or temporarily, at the request of NLB.
2. Any other proposed gift (of more than nominal value) is subject to a third party signature, ie, the agreement of the Chairman or Vice Chairman.
3. These guidelines will be reviewed when the Board has completed its review of the management of its heritage assets.



**ANNEX 10****TERMS OF REFERENCE FOR THE CHIEF EXECUTIVE  
OF THE NORTHERN LIGHTHOUSE BOARD**

**Post title:** Chief Executive

**Accountability:** to the Chairman and to the Board; and as GLA Accounting Officer of the NLB, to the Accounting Officer of the Department

**Lines of Reporting:** to the Chairman and to the Board  
from: Director of Finance and Administration  
Director of Marine Operations  
Director of Engineering  
Quality Health, Safety and Environmental Manager  
Human Resources Manager  
Information Officer  
Assistant to the Chief Executive/Secretary to the Board

**Main duties:**

1. To manage the Northern Lighthouse Board's assets and staff properly, effectively, safely and efficiently, to deliver the strategic and operational plan objectives approved by the Board and the Department to establish, maintain and develop a reliable low-maintenance and cost-effective network of Aids to Navigation in Scotland and the Isle of Man.
2. To act as the GLA Accounting Officer of the NLB, in a manner consistent with the Framework Document from the Accounting Officer of the DfT.
3. To ensure that the NLB operates within the terms of the Financial Memorandum agreed with the Department.
4. To consult and inform the Chairman and Vice Chairman promptly and fully, in recognition of the roles of the Chairman and Vice Chairman as defined in the Board's Commissioners' Handbook.
5. To inform and consult the Commissioners as necessary, ensuring in consultation with the Chairman, that issues are brought to the Board for decision in good time.
6. To propose, and obtain the agreement of the Board to annual operational and strategic plans.
7. To monitor progress in achieving such plans, and to report to the Board.
8. To ensure the timely provision of advice to the Board on aids to navigation and associated requirements and developments.
9. To support the Chairman and Commissioners in the discharge of their responsibilities.
10. To ensure the proper servicing of the Board, the Managing Board, and their Committees.

11. To be a member of the Managing Board and any other Committees and groups as the Board may from time to time direct.
12. To ensure that proper systems exist and are observed for staff selection, reporting, and appraisal, remuneration, training and career progression.
13. To ensure that the Board maintains the highest practicable standards of Health and Safety at work for its employees and contractors.
14. To manage and appraise those staff reporting directly to him.
15. To act as Chairman of the Northern Lighthouse Staff Council.
16. To act as a Trustee of the Black Bequest.
17. To act as a Trustee of the Commissioners of Northern Lighthouses 2000 Trust.
18. In consultation with the Chairman, to liaise on all matters of common interest, resolving disagreement where necessary, with
  - The Department
  - The European Commission
  - The Scottish Executive and Scotland Office
  - The other General Lighthouse Authorities
  - IALA and other navigation organisations and authorities
  - The International Maritime Organisation
  - The Maritime and Coastguard Agency
  - The Lights Advisory Committee
  - Users and User Fora
  - Other interests or groups as required.
19. Within guidelines agreed with the Chairman to represent the Board and its interests nationally and internationally.
20. To support the Chairman of the Nomination Committee in the carrying out of his functions in connection with:
  - selection and appointment procedures for the offices of Chairman and Vice-Chairman and new Commissioners.
  - consultation and selection procedures for the chairmanship and membership of such committees as the Board may decide from time to time are necessary
  - annual review of the performance of each Commissioner and of the various Board committees.
  - maintenance on an annual basis of registers of business interests and of gifts and hospitality received in respect of each Commissioner.
21. To maintain a register of business interests and a register of gifts and hospitality received in respect of Directors and other senior staff (see Annex A).

**ANNEX 10**  
**Annex A****DECLARATION OF INTERESTS -****DIRECTORS AND SENIOR MANAGERS POLICY**

The Commissioners of Northern Lighthouses operating as the Northern Lighthouse Board (NLB) requires that Directors and Senior Managers should declare any personal or business interests which may conflict with their responsibilities to NLB.

**Directors i.e. Chief Executive and Directors are currently:**

Chief Executive  
Director of Engineering  
Director of Finance & Administration  
Director of Marine Operations

**Senior Managers i.e. staff currently in Pay Bands NLB senior Managers 1 & 2, Master and Chief Engineer currently:**

Business Development Manager  
Civil Engineer  
Commercial Manager  
Electrical Engineer  
Finance Manager  
HR Manager  
IS Manager  
Maintenance Engineer  
Marine Operations Manager  
Mechanical Engineer  
Navigation Manager  
Projects Engineer  
QHSE Manager  
Ships Captain  
Ships Chief Engineer  
Support Manager (Oban)  
Technical Superintendent

**Declaration of Interests**

Any Director or Senior Manager of NLB who has a material interest, either directly or through a business partner, spouse, civil or unmarried partner or close relative or friend, in matters likely to be considered by NLB should declare that interest. Such declarations should describe the interest clearly and state whether it carries either direct or indirect financial interests.

**Relevant interests in this context are as follows:**

- Directorships, including non-executive directorships of, or employment by, public or private companies likely or possible seeking to do business with NLB.
- Significant shareholdings in public or private companies or ownership or part-ownership of or employment by businesses or consultancies likely or possibly seeking to do business with NLB.
- Remunerated or honorary positions and other connections with groups, associations, institutions or other bodies which may give rise to a conflict of interest.
- Representational or other non-financial interests.
- Individual Service Agreements may have additional requirements to declare interests. Individuals with Service Agreements must comply with the terms of their agreement as well as the requirements set out in this policy.

**Appropriate Conduct**

Any Director or Senior Manager who has a clear interest in a matter under consideration by NLB should declare that interest as soon as possible and no later than at any meeting where the matter is to be discussed, whether or not that interest is already recorded in the Register.

The Director or Senior Manager concerned should seek advice from the Chief Executive regarding any involvement with the matter, who will consider if there is a conflict of interest and what action should be taken. However this must at all times include withdrawal from any meeting during the relevant discussion or decision.

**Register of Interests**

NLB has established a formal register of interests. The register may be used by NLB for business and report purposes and may be made available to the public, on receipt of any written request under the Freedom of Information Act 2000. The Register is noted in the Annual Accounts and Report.

The Register includes details of all directorships and other relevant interest which have been declared by both the Directors and Senior Managers (as defined above).

The Register will be updated annually for each financial year by the Secretary to the Board by means of an annual issue of the Declaration of Interests Form – Directors and Senior Managers. All Directors and Senior Managers must return a signed copy of this form and where there are no interests to declare must state “no interests to declare”.

The register is not intended as a substitute for the declaration of an interest at the relevant time. Its purpose is to put the transactions of NLB on an unambiguous basis, to enable Directors and Senior Managers to address items of business with a clear perception of their responsibilities and to avoid any embarrassment in the conduct of business.

**Nondisclosure of Interests**

A nondisclosure of interest if established as material to the business of NLB may lead to disciplinary action under NLB's Disciplinary Policy which may result in disciplinary sanctions being applied.



### Declaration of Interests Form – Directors & Senior Managers

I \_\_\_\_\_ as a Director/Senior Manager of the Northern Lighthouse Board have detailed my interests below in accordance with NLB's Policy.

Category of conflict	Please give details of relevant* interests, whether it applies to yourself or a close family member or some other close personal connection. Continue on a separate sheet if necessary.
Directorships, including non-executive directorships of, or employment by, public or private companies likely or possible seeking to do business with NLB.	
Appointments (including voluntary) such as directorships, trusteeships, local authority memberships etc.	
Membership of any professional bodies, pressure or special interest groups etc	
Significant shareholdings in public or private companies or ownership or part-ownership of or employment by businesses or consultancies likely or possibly seeking to do business with NLB.	
<i>Any other conflicts not covered by the above (including those of a social or personal nature that the member considers might give rise to a conflict).</i>	

\*Relevant interests: interests that are relevant to NLB's activities or where it could be perceived that such an interest exists.

To the best of my knowledge, the above information is complete and correct. I undertake to update the information as necessary, to review it on an annual basis and to inform the Chief Executive or my line manager if a conflict suddenly arises. I confirm I have read and understand NLB's Declaration of Interests – Directors and Senior Managers Policy and give my consent for the information to be used as described in the policy and for no other purpose.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Role Title: \_\_\_\_\_



## ANNEX 11

**Executive Responsibilities**

<b>CHIEF EXECUTIVE'S OFFICE</b>	<b>ENGINEERING</b>	<b>FINANCE &amp; ADMIN</b>	<b>MARINE OPERATIONS</b>
<b>Chief Executive</b> <b>Roger Lockwood</b>	<b>Director of Engineering</b> <b>Moray Waddell</b>	<b>Director of Finance &amp; Administration</b> <b>Douglas Gorman</b>	<b>Director of Marine Operations</b> <b>Phil Day</b>
Human Resources Unit	Lighthouses	Finance	Navigation
Quality, Health, Safety & Environmental Unit	Capital Works Projects	Information Systems	Marine Operations and Ship Management
Corporate Communications	Maintenance Projects	Commercial	Helicopter Programme
Committee Support	Buoyage Design	Administration	Monitor Centre
	Workshops	Public Affairs	Client Interface



## Current Serving Commissioners

### Law Officers for Scotland

Frank Mulholland QC, The Lord Advocate

Commissioner since 30 May 2007

Lesley Thomson QC, Solicitor General for Scotland

Commissioner since 25 May 2011

### Sheriffs Principal of the Sheriffdoms in Scotland

Sheriff Principal Bruce A Kerr QC, Sheriff Principal of North Strathclyde

Commissioner since 31 December 1998

Sheriff Principal R Alastair Dunlop QC, Sheriff Principal of Tayside, Central & Fife

Commissioner since 28 April 2000

Sheriff Principal Sir Stephen Young Bt QC, Sheriff Principal of Grampian, Highland and Islands

Commissioner since 11 September 2001

Sheriff Principal Brian Lockhart, Sheriff Principal of South Strathclyde, Dumfries & Galloway

Commissioner since 1 November 2005

Sheriff Principal Craig Scott, Sheriff Principal of Glasgow and Strathkelvin

Commissioner since 1 May 2011

Sheriff Principal Mhairi Stephen, Sheriff Principal of Lothian & Borders

Commissioner since 7 May 2011

### Nominated by the Lieutenant-Governor of the Isle of Man and appointed by the Secretary of State

Robert Quayle

Commissioner since 26 May 2004 and appointed until 25 May 2013

### Elected by the Commissioners

Captain Mike Close

Commissioner since 1 July 2008 and co-opted until 30 June 2014

John Ross CBE FRAGS

Commissioner since 1 October 2008 and co-opted until 30 September 2014

Alistair Mackenzie

Commissioner since 1 August 2009 and co-opted until 31 July 2012

Alistair Whyte

Commissioner since 28 February 2004 and co-opted until 27 February 2013

### Nominated by the Secretary of State and elected by the Commissioners

Sir Andrew Cubie CBE

Commissioner since 14 January 2003 and co-opted until 31 March 2012, Chairman from 1 April 2009

## **Lord Provosts**

The Rt Hon Lord Provost of The City of Edinburgh, Rev Dr George Grubb

Commissioner since 17 May 2007

The Rt Hon Lord Provost of Glasgow, Councillor Robert Winter

Commissioner since 17 May 2007

Lord Provost of Aberdeen, Councillor Peter Stephen

Commissioner since 16 May 2007

## **Convener of Highland Council**

Councillor Sandy Park

Commissioner since 17 May 2007

## **Convener of Argyll & Bute Council**

William Petrie OBE JP DL, Convener

Commissioner since 1 April 2001

## **Patron**

Her Royal Highness The Princess Royal LG LT GCVO QSO continues to act as the Patron of the Northern Lighthouse Board.

## Committee Membership 2011-2012

### BOARD OF COMMISSIONERS

Sheriff Principal Alastair Dunlop QC (Chairman)  
 Captain Mike Close (Vice-Chairman)  
 Frank Mulholland QC  
 Lesley Thomson QC  
 Sheriff Principal Bruce Kerr QC  
 Sheriff Principal Brian Lockhart  
 Sheriff Principal Craig Scott  
 Sheriff Principal Mhairi Stephen  
 Sheriff Principal Sir Stephen Young Bt QC  
 Sir Andrew Cubie CBE  
 Robert Quayle

Alistair Mackenzie  
 John Ross CBE FRAGS  
 Alistair Whyte

Rev Dr George Grubb  
 Councillor Robert Winter  
 Councillor Peter Stephen

Councillor Sandy Park  
 Councillor William Petrie OBE JP DL

*In attendance:* Roger Lockwood CB  
 Captain Phil Day  
 Douglas Gorman  
 Moray Waddell

*Secretary:* Jill Bennett

### MANAGING BOARD

Alastair Dunlop (Chairman)  
 Mike Close (Vice-Chairman)  
 Andrew Cubie  
 Bruce Kerr  
 Robert Quayle  
 Alistair Whyte  
 Roger Lockwood  
 Phil Day  
 Douglas Gorman  
 Moray Waddell

*Secretary:* Jill Bennett

### NAVIGATION COMMITTEE

Alistair Whyte (Chairman)  
 Mike Close  
 Alastair Dunlop  
 Alistair Mackenzie  
 Roger Lockwood  
 Phil Day  
 Moray Waddell  
 Peter Douglas (Navigation Manager)

*Secretary:* Jill Bennett

### NOMINATION COMMITTEE

Bruce Kerr (Chairman)  
 Alastair Dunlop  
 Brian Lockhart  
 Frank Mulholland  
 Robert Quayle  
 Alistair Mackenzie  
 Nick Court (DfT Independent Assessor)

*Secretary:* Roger Lockwood

### AUDIT AND RISK COMMITTEE

John Ross (Chairman)  
 Frank Mulholland  
 Alistair Mackenzie  
 Stephen Young

*In attendance:* Roger Lockwood  
 Douglas Gorman  
 Remo Lanni  
 Nick Bateson (NAO)  
 Darren Hall (DfT)

*Secretary:* Jill Bennett

### REMUNERATION COMMITTEE

Alastair Dunlop (Chairman)  
 Mike Close  
 John Ross  
 Stephen Young

*Secretary:* Mike Close

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## ANNEX 14

**FREEDOM OF INFORMATION ACT 2000  
PUBLICATION SCHEME – AMENDMENTS  
ANNEX TO BE ADDED TO THE COMMISSIONERS HANDBOOK**

**PURPOSE**

The purpose of this note is to set out the process for adding the minutes of the meetings of the Board of Commissioners, Managing Board, Navigation Committee and Heritage & Estate Committee to the Publication Scheme that the Board is required to establish and maintain under the Freedom of Information Act 2000.

**PROCESS OUTLINE**

Minutes of the meetings of the Board of Commissioners, Managing Board, Navigation Committee and Heritage & Estate Committee will be added to the Board's Website subject to the following:

1. They have been approved by the Board/Committee as a true record
2. Ensure that the information released achieves a proper balance between the right to know, the right to personal privacy and the delivery of effective government.
3. Where it is decided that information in the minutes will not be released then it will be made clear
  - that the Board is relying on an Exemption under the Freedom of Information Act 2000:
  - which specific Exemption or Exemptions are being relied upon;
  - why (if that would not otherwise be apparent) the Exemption applies; and
  - where the Board is relying on a qualified Exemption, states the reasons for claiming that the balance of the public interest comes down in favour of not complying with the request

**STEP-BY-STEP**

<b>Action</b>	<b>By?</b>
Draft minutes prepared	Secretary to the Board
Draft minutes edited for any Freedom of Information Act 2000 Exemptions ("Fol Minutes") – <i>The Director of Finance will advise on the applicability of Fol Exemptions</i>	Directors' meeting
Fol minutes prepared – <i>the Fol minutes will be clearly annotated "Embargoed until [date of next meeting]"</i>	Secretary to the Board
Fol minutes embargoed until next meeting	Secretary to the Board
Approval of Fol minutes and agreement of exemptions used – <i>at the "approval of minutes of previous meeting" agenda item the Board/Committee will approve the Fol minutes for release</i>	Board/Committee
Embargo of Fol Minutes lifted – <i>final decision</i>	Chairman
Fol Minutes passed to Information Officer	Secretary to the Board
Fol Minutes added to Website	Information Officer

## **OTHER POINTS**

The practice of embargoing FoI Minutes will allow proper consideration and application of Exemptions.

The Compliance Officer will provide advice on all aspects of the Freedom of Information Act 2000 and will provide a "*quick guide*" to the Exemptions and the wording to replace text when Exemptions are used.

# **NORTHERN LIGHTHOUSE BOARD Commissioners' Handbook**



# **Supporting Documents**





3. Have you any suggestions on the way we could improve the corporate governance of NLB?

4. I would particularly appreciate any suggestions you might have on ways in which I and my successors might improve the contribution of the Chairman.

5. Have you any other comments you would wish to make?

**Commissioner's Signature:** \_\_\_\_\_

**Chairman's Remarks**

*This section would normally include a brief summary of any discussion held with the Commissioner about the above comments. It is expected that such discussions will be held with all Co-opted Commissioners and Statutory Commissioners who Chair Committees, and with other Statutory Commissioners as mutually agreed.*

**Signed (Chairman):** \_\_\_\_\_

**Date:** \_\_\_\_\_



## Supporting Document 2

### DRAFT LETTER OF APPOINTMENT: STATUTORY COMMISSIONERS

#### From the Chairman

I write to congratulate you on your appointment as Sheriff Principal/Lord Provost/Convener and take this opportunity to welcome you to the Northern Lighthouse Board as an Ex-Officio Commissioner. You will remain a Commissioner while holding your current office.

I enclose a Briefing Pack that provides both background information about the constitution of the Board of Commissioners and details the various activities in which the Northern Lighthouse Board is involved and also includes the Commissioners' Handbook.

The strategic objective of the Board is:

*“To deliver a reliable, efficient and cost-effective Aids to Navigation Service for the benefit and safety of all Mariners.”*

The Board's management structure and its staffing allows us to meet this requirement in an effective and economic manner. The day-to-day running of the Board is in the hands of the Chief Executive and three Directors – Engineering; Marine Operations; and Finance and Administration. A committee structure centred on the Board's Managing Board, provides the essential overview of the running of the Board, together with the drafting of policies for endorsement by the full Board of Commissioners.

The full Board meets at least four times per annum. Information about the dates of future Board meetings is enclosed. Briefing papers will be provided to you by the Secretary to the Board approximately one week in advance of Board meetings. You will also receive copies of the minutes from each Managing Board meeting, and thus will be kept aware of events, developments, and factors which impact on the formulation of policy, or on our finances.

The work of the Board today is necessarily complex; it covers 201 lighthouses, together with a range of buoys, fog signals, beacons and radiobeacons. The Board is also active in the development and provision of precision Satellite Navigation, and its supporting policies. You will be aware that the Board receives no public monies. It is funded entirely from the General Lighthouse Fund in the Stewardship of the Secretary of State for Transport, which is itself funded entirely from Light Dues levied on ships loading or discharging cargoes in the British Isles. Under the Merchant Shipping Act (1995) and the Scotland Act (1998), the Board remains reserved to Westminster, although it has an effective relationship with the Scottish Executive on matters relating to coastal protection and others.

As a Statutory Commissioner you will not receive a salary, however, the Board will reimburse you for all reasonable and properly documented expenses you incur in performing the duties of your role as a Commissioner.

The Secretary to the Board will be in contact with your staff to arrange a suitable date for a visit to the Board's offices at 84 George Street, when you will be provided with a brief on the activities of the Board and its plans for the future. It will also provide you with an opportunity to meet some of your fellow Commissioners and the senior staff.

I would be very grateful to you if, for the sake of our records, you might return to Jill Bennett, the Secretary to the Board the enclosed form of acknowledgement confirming receipt of the Commissioners' Handbook and other papers.

With very best wishes



## Supporting Document 3

### DRAFT LETTER OF APPOINTMENT: CO-OPTED COMMISSIONERS

#### From the Chairman

I write to congratulate you on your co-option as a Commissioner of Northern Lighthouses. You are appointed for an initial term of 3 years, which term may be renewed for a further term. Your appointment will therefore run initially from xxxx to xxxx. In broad terms, your appointment aligns with the principles set out by the Commissioner for Public Appointments.

*I enclose a Briefing Pack that provides both background information about the constitution of the Board of Commissioners and details the various activities in which the Northern Lighthouse Board is involved and also includes the Commissioners' Handbook.*

The strategic objective of the Board is:

“To deliver a reliable, efficient and cost-effective Aids to Navigation Service for the benefit and safety of all Mariners.”

The day-to-day running of the Board is in the hands of the Chief Executive and three Directors – Engineering; Marine Operations; and Finance and Administration. A committee structure centred on the Board's Managing Board, provides the essential overview of the running of the Board, together with the drafting of policies for endorsement by the full Board of Commissioners.

The full Board meets at least four times per annum. The Managing Board, to which Co-opted Commissioners are normally appointed, meets on 6 occasions per annum, and the various Committees of the Board meet less frequently. The Corporate Calendar, with information about the dates of future Board and Committee meetings is enclosed. Briefing papers will be provided to you by the Secretary to the Board approximately one week in advance of Board and Committee meetings.

The work of the Board today is necessarily complex; it covers over 200 lighthouses, together with a range of buoys, beacons, radiobeacons, DGPS and e-Loran. The Board is also active in the development and provision of AIS, and its supporting policies. You will be aware that the Board receives no public monies. It is funded entirely from the General Lighthouse Fund in the Stewardship of the Secretary of State for Transport, which is itself funded entirely from Light Dues levied on ships loading or discharging cargoes in the British Isles. Under the Merchant Shipping Act (1995) and the Scotland Act (1998), the Board remains reserved to Westminster, although it has an effective relationship with the Scottish Executive on matters relating to coastal protection and others.

You will be paid a salary of £xxxx per annum which will be paid monthly in arrears and which will be subject to an annual review by the Board of Commissioners. The Board will reimburse you for all reasonable and properly documented expenses you incur in performing the duties of your role as a Commissioner.

You are required to meet the requirements and standards of the enclosed Commissioners' Handbook. Failure to do so in the judgement of the Nomination Committee, reporting to the Board of Commissioners who shall determine the matter, may lead to your being invited by the Chairman to tender your resignation with effect from such date as the Nomination Committee shall determine. In the event of your refusing so to do, your appointment shall be terminated forthwith.

The Secretary to the Board will be in contact to arrange a suitable date for a visit to the Board's offices at 84 George Street, when you will be provided with a brief on the activities of the Board and its plans for the future. It will also provide you with an opportunity to meet some of your fellow Commissioners and the senior staff.



## Supporting Document 4



### NORTHERN LIGHTHOUSE BOARD

## CORPORATE COMMUNICATIONS STRATEGY

### AIM

To inform and educate its staff, the specialist maritime user, influencers and the wider public about the current work, achievements, history and future of the Northern Lighthouse Board.

### KEY MESSAGE

The Northern Lighthouse Board are experts in marine Aids to Navigation. It is a cost effective and efficient organisation which provides and services a network of Aids to Navigation in Scotland and the Isle of Man, contributes to the shaping of marine navigational policy for the British Isles and has a significant influence in European and Worldwide marine navigational issues.

### OBJECTIVES

- To ensure that all NLB staff are kept aware of the Board's aims and objectives, its thinking, current developments and activities, and that Commissioners and senior staff are cognizant of staff views.
- To ensure that the specialist maritime user and press are aware of the current work, aims and statutory duties of the Northern Lighthouse Board and to provide a mechanism for feedback.
- To ensure that the role of the Board is understood by those who have influence in Government, at both Westminster and Edinburgh, the maritime industry and wider public life.
- To ensure a swift and accurate response to media and external enquiries, which might affect the reputation of the Board, in particular in the wake of a major incident.
- To increase the general awareness of the wider public to the current work, aims and statutory duties of the Northern Lighthouse Board.

## ACTIONS

### Commissioners and Staff

The NLB will:

- **Keep** Commissioners and Staff aware of the Board's aims, objectives and current developments so that they are both knowledgeable about our activities and able to act as ambassadors for the NLB.
- **Ensure** that there are avenues whereby staff views can be made known to Commissioners and senior management, and that those views are acknowledged.

### The Specialist Maritime User and Maritime Press

The NLB needs to:

- **Advise** any changes to the deployment, positioning or characteristics of NLB Aids to Navigation.
- **Circulate information** about enhancements and changes to Aids to Navigation technology so as both to give advice and to receive consensus on the consequential impact and timing of any implementation.
- **Ensure** that all Users, especially the maritime leisure communities, are aware of the existence, function and duties of the NLB and that there is a clear avenue for feedback.
- **Promote** the current work and achievements of the NLB with the maritime Press.
- **Increase** the NLB's interest in Maritime Colleges and courses so as to implant an early understanding of our business in the mind of the future mariner.

### Influencers

The NLB must:

- **Strengthen** existing relationships with Peers, MPs and MSPs in order that issues affecting NLB are fully understood and, where appropriate, countered or supported.
- **Establish** firm links with the Scottish Government beyond the current working relationship with respect to Coastal Protection work.
- **Maintain** an open and effective relationship with both the Department for Transport and the Lights Advisory Committee.
- **Foster** a stronger relationship with the Shipping Industry (ie the Ship Owners) through membership of the Chamber of Shipping, attendance at Chamber and Industry activities and through broader contacts.
- **Develop** a greater understanding of the NLB by those influential in wider public life through Receptions (in Scotland and in London), through lectures and presentations to societies and bodies, through ship visits and through personal contact.

## The Media

The NLB must:

- **Ensure** that all press enquiries are handled in an accurate, efficient and courteous manner.
- **Maintain** an effective, swift and round-the-clock media response organisation, using both internal resources and professional support (currently the MTI Network) to react to media enquiries in the wake of an a major incident.
- **Continue** to develop and enhance the current positive relationship with the local media within the footprint of the NLB.

## The Public

The NLB needs to:

- **Increase** the general awareness of the wider public to the current work, aims and statutory duties of the NLB through an active programme of magazine and newspaper articles, leaflets and the web.
- **Explore** a greater involvement in schools through the provision of carefully structured lighthouse and wider Aids to Navigation material.
- **Respond** positively and helpfully to requests by film companies, charities etc to the use of our lighthouse estate.

## METHODS

### COMMISSIONERS AND STAFF

*Achieved by:*

- **The Journal**

The Board issues an in-house Magazine “The Journal” to all staff, pensioners, Commissioners and other parties on a bi-annual basis. This contains a balance of information and briefings on current work progressing the Board’s objectives, staff news and historical items of general interest. This is managed by the Information Officer.
- **NLB News Briefing**

The Board issues a bi monthly newsletter “NLB News Briefing” to all staff and Commissioners. NLB News Briefing provides an overview of what has happened within the NLB in the last two months and a look ahead to forthcoming events. It also includes performance indicators, contracts won and ships movements. This is managed by the Information Officer.
- **Messages**

The Chief Executive and Directors (and exceptionally the Chairman) issue messages of immediate and crucial importance, communicated by email throughout the NLB as issues arise.
- **Board Business**

An abbreviated version of Board and Committee minutes is made available to all staff and external interested parties through the Board’s website.
- **Staff Meetings**

The Chief Executive holds an annual staff meeting to communicate to staff the Board’s objectives and plans for the future and to take staff views on current issues. This session is followed by an open questions forum. The Chairman and/or the Vice Chairman may attend this meeting as appropriate.
- **Meetings**

The Chief Executive, Directors and HR Manager meet on a 3 weekly basis to discuss progress towards the Boards Objectives and other issues. The Directors hold meetings with their respective Heads of Section to cascade discussions from the meeting with the Chief Executive, this is then followed by the Heads of Section holding meetings with their staff. These meetings are also an opportunity for staff to feed their views up the management chain.
- **Intranet**

The Board has a comprehensive Intranet “Worksite” accessible by all staff. This holds information relevant to all staff and access to all NLB official forms and instructions. This system is managed by the IS Department.
- **Staff Council**

The Board has a Staff Council, chaired by the Chief Executive. The Staff Council meets quarterly. The Objective of the Council is to ensure the greatest measure of co-operation between the Northern Lighthouse Board, in its capacity as employer, and its staff – full time or part time – in matters affecting their employment, and the well being and safety of all employees. The Council consists of the Chair and members drawn from the full-time and part-time employees of the Board at every level, including the recognised Trade Unions. The Vice chairman has the right to meet the Management Board at least once a year, and has a right of direct access to the Chairman on request.

## THE SPECIALIST MARITIME USER AND MARITIME PRESS

- **The Journal**

The Board issues the in-house Magazine “The Journal” to a limited external mailing list. This contains a balance of information and briefings on current work progressing the Board’s objectives and historical items of general interest.
- **On-Line Business Publication**

The Journal will be complemented with the introduction of an on-line Business Publication, available through the Board’s website. This will be produced bi-annually and will focus on the provision of service, developments and commercial activities. This will be managed by the Information Officer.
- **Five Yearly Joint Review**

The Board and other GLA’s carry out a five yearly joint review of the provision of marine Aids to Navigation in consultation with users. These reviews are published in draft and issued to all relevant users and wider audience detailing the vision for the future. On completion of consultations a final version is made widely available. Specific types of aids to navigation (e.g. Radio and AIS) are also subject to similar joint review.
- **IALA** (International Association of Marine Aids to Navigation & Lighthouse Authorities)

The Board is a National member of IALA, which is a non-profit making international technical association. Established in 1957, it gathers together marine aids to navigation authorities, manufacturers and consultants from all parts of the world and offers them the opportunity to compare their experiences and achievements. The Board has active representation on various IALA Committees, which are established when a subject relevant to the Aims of IALA is considered to need on-going study or discussion.
- **Website**

The Board has a comprehensive and easy to navigate Website [www.nlb.org.uk](http://www.nlb.org.uk), which promotes current activities and policies, objectives, Board business, commercial activities, performance targets and achievements, press releases, recruitment opportunities and the historical aspect of the service. The website offers a mechanism for feeding back views on the work of the Board and the provision of its aids to navigation. The website receives an average of 45,000 hits per month.
- **Press Releases**

The Board issues Press Releases to the media, (Newspapers, Trade Magazines, TV and Radio) to promote subjects and events of interest. The Board operates an open channel with the media and has developed a network of press and specialist contacts. The Board has a policy “Policy on Communication with the Media” for its staff, which is held within the Chief Executives Office Handbook. This details a procedure for staff should they be approached by the media/press.
- **Promotional Material**

The Board has a range of Promotional Brochures on the various strands and services provided by the Board. These contain contact details for feeding back comment on the service provided. The Board will introduce “users” leaflets aimed at the Mariner.

The Board has an historic motto “In Salutem Omnium” – *For the Safety of All*. This motto is used on all correspondence, promotional material etc. In the modern world the Board is promoting a wider message on its promotional material “More than Lighthouses”, to demonstrate and promote the wider activities of the Board and improve its commercial viability.
- **Promotional DVD**

The Board has produced a DVD “More than Lighthouses” to promote its statutory duty, its commercial activities and working in partnership with other bodies to help our natural heritage. This DVD will be reviewed every three years and be updated as necessary to reflect activities.

- **Scottish Users**  
The Board holds annual meetings with Scottish Users to advise on policies/developments and gain feedback on the service provide. The Board also hosts periodic presentations/briefings to the industry and other associated authorities in the local community on navigational requirements and its work. The Board also maintains contact with the Scottish maritime colleges.
- **Joint Users Consultative Group**  
The Chief Executive attends an annual Joint Users Consultative Group meeting in London.

## INFLUENCERS

- **Royal Patronage**  
The Board has a Patron, Her Royal Highness The Princess Royal. She is generous in her time commitment to the Board and her activities attract media and public interest.
- **Parliamentary Briefings**  
The Board actively seeks to brief Peers, MPs and MSPs, with a direct interest, on the work and developments of the Board.
- **Commissioners**  
All Commissioners are encouraged to act individually as ambassadors for the Board to help explain its role to the wider public. Commissioners from time to time host events to network with influencers in the communities where the Board operate. Inspection Voyages have a role in “showing the flag” throughout the NLB area. The Isle of Man Commissioner has a role to ensure the NLB’s case is heard by the appropriate authorities in the Isle of Man.
- **London, Edinburgh and Isle of Man**  
The Board will hold occasional Receptions in London, Edinburgh and the Isle of Man to inform Whitehall, the Scottish Executive, Manx Authorities and commercial and recreational maritime interests on recent NLB developments and plans.

## THE MEDIA

- **Media Monitoring**  
The Board contracts a media monitoring service to provide relevant news items/transcripts involving the Board directly and items of general interest to the world of marine navigation.
- **Parliamentary Monitoring**  
The Board contracts specialists to carry out Parliamentary Monitoring, following the Scottish Parliament, central Government and the EU. This is managed by the Director of Finance.
- **Specialist Media – Serious Incident**  
The Board contracts the services of a media specialist to limit reputation and damage in the event of a serious incident.
- **Press Releases**  
The Board issues reactive Press Releases on individual issues.
- **Complaints**  
The Board has a Policy on dealing with external Complaints; this is managed by the Quality Co-ordinator. The Chief Executive and Directors review all complaints and non-conformances. Serious issues, which may affect the reputation of the Board, are drawn to the attention of the Chairman.

## THE PUBLIC

- **Public Access**

The Board has a policy on Public Access; held by the Director of Finance. This policy involves the opening of one working lighthouse to the public each year in partnership with a local Trust. With the long-term aim of having one light in each geographical area open to the public. The objective is to raise the public awareness of the Board and its work. At other sites, not open to the public, but generally accessible by road the Board has provided Interpretation Panels.
- **Museum of Scottish Lighthouses**

The Board has links with the Museum of Scottish Lighthouses and actively promotes the Museum and assists with artefacts and information. The Director of Engineering is a member of the Museum Board.
- **Holiday Homes**

The Board has developed some of its former lighthouse keeper's cottages as holiday homes and works in partnership with the National Trust for Scotland for let to the general public.
- **Merchandise**

To assist with promotion the Board produces a limited selection of merchandise available to the public for purchase; calendars, ties, plaques, maps etc. For the future the Board plans to produce a quality coffee table book on the Northern Lighthouse Board.
- **NLB Award for Outstanding Achievement**

The Board is keen to support and encourage training in the marine environment and plans to work with a nautical college and present an NLB Award for Outstanding Achievement from a student.
- **Charitable Body**

The Board is keen to establish a charitable body to protect lighthouse heritage and working with others to encourage wider availability and appreciation of this heritage.
- **Open Days**

The Board hosts, bi annually, an open day at its base in Oban for the local community to find out about the work of the Board. This will also involve the Board's ships if they are available.
- **Careers Fairs**

The Board has participated in Careers Fairs for S2 school pupils to influence and assist in subject choice.
- **Exhibitions/Events**

The Board participates in maritime activities, Tall Ships Race, International Festival of the Sea, Maritime exhibitions etc to promote the work of the Board.



## Supporting Document 5

### NORTHERN LIGHTHOUSE BOARD Anti-Bribery Policy

#### POLICY STATEMENT

1. This policy has been created to comply with the requirements of The Bribery Act 2010.
2. The Northern Lighthouse Board has a zero-tolerance to bribery and corruption. This policy extends to all the Board's business dealings and transactions and these both have a wide interpretation across all functions.
3. The policy is given force in a detailed anti-bribery programme which is regularly monitored and reviewed to capture changes in law, reputation, demands and changes in our business.
4. The Senior Responsible Officer (SRO) within NLB is the Chief Executive.

#### WHO IS COVERED BY THIS POLICY?

5. All Commissioners, staff and Business Relationships.

#### WHAT IS BRIBERY?

6. The offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal or a breach of trust.

#### WHAT IS CORRUPTION?

7. The abuse of entrusted power for private gain or advantage. *It hurts everyone whose life, livelihood or happiness depends on the integrity of people in a position of authority.*

#### HOW WILL THE POLICY BE IMPLEMENTED?

8. The Policy will be implemented by:
  - An anti-bribery programme which will be actively managed and communicated to all our staff, to ensure that the policy is fully and consistently delivered in all our business dealings and transactions across all functions.
  - The visible commitment of the Board of Commissioners leading to the encouragement of the full participation of all Staff and all our business relationships.
  - The Directors' Group will regularly monitor and review the events that could give rise to bribery, the risk exposure to these events and the adequacy of the risk treatments in place. This will include reporting to the Board of Commissioners.
  - Internal control issues including those identified by Internal and External Audit on implementing the policy and programme and the results of risk assessments will be regularly reported to the Audit & Risk Committee.

#### WHAT SPECIFIC CONTROLS ARE IN PLACE?

9. There are four specific areas that can often be used as a subterfuge for bribery. We prevent this happening by:
  - **Political contributions** - We do not make political contributions under any circumstances. A political contribution is any contributions made in cash or kind to support a political cause, whether directly or indirectly.
  - **Facilitation Payments** – We do not make facilitation payments under any circumstances. These are small unofficial payments made to secure or expedite the performance of a routine or necessary action to which the payer of the facilitation payment has legal or other entitlement.

- **Sponsorship and charitable donations** - We very occasionally provide sponsorship for events and individuals and charitable donations. These can only be approved by the Chief Executive, whose approval will be contingent on, among other things, his personal assessment that it is not a subterfuge for bribery. All such payments will be accurately recorded and clearly declared in our financial records, statements and reports.
- **Gifts and hospitality** - We have separate written policies and procedures in place covering the giving and receiving of gifts and hospitality. These make it clear on the risks of these being used a subterfuge for bribery.

#### **HOW WILL WE COMMUNICATE THE RESULTS OF IMPLEMENTING THE POLICY?**

10. We will also regularly report on our Website and in our Annual Report & Accounts our progress in implementing the programme.

#### **WHAT IS EXPECTED OF THE PEOPLE COVERED BY THIS POLICY?**

11. All Commissioner and staff will be required to:

- Understand how the policy and programme impact on themselves and their job.
- Attend any training or other events designed to communicate the policy and the programme.
- comply with the policy and the anti-bribery programme at all times
- Re-sign the policy each year as evidence of their continued understanding of the policy, the programme and the impact on themselves and their own job.
- Seek advice if unclear or unsure of any aspect of this policy and programme.

12. In meeting these requirements no employee will suffer demotion, penalty or other adverse consequences for refusing to pay bribes even if the Board loses business.

13. All Business relationships will be required to:

- Understand how the policy and programme impact on themselves and their relationship.
- Attend any training or other events designed to communicate the policy and the programme.
- comply with the policy and the anti-bribery programme at all times
- Sign the policy as evidence of their continued understanding of the policy, the programme and the impact on themselves and their own relationship. This may be part of the contract terms for Suppliers or in documentation appropriate to the relationship.
- Seek advice if unclear or unsure of any aspect of this policy and programme.

14. Reporting of any act of bribery identified or suspected, in confidence, using the contacts and procedures contained within our Whistle Blowing Policy.

#### **WHAT ARE THE PENALTIES OF BREACHING THIS POLICY?**

15. The Bribery Act 2010 makes provision for individual and corporate responsibility with imprisonment for up to 10 years and unlimited fines depending upon the nature of the offence for individuals and corporate fines that may be unlimited.

16. Commissioners and Staff will be subject to our disciplinary procedures which could result in dismissal. There is also the possibility that criminal and or civil legal action will be taken.

17. Those acting in a Business Relationship (including Agents, Suppliers and Contractors) with NLB will have their business relationship terminated, the matter will be reported to the appropriate authorities and there is the possibility of criminal and or civil legal action.

#### **ADDITIONAL INFORMATION CAN BE FOUND WITHIN:**

- HR Manual
- Finance Manual
- Procurement Manual
- Commissioners' Handbook
- DfT/GLAs Framework Document
- Fraud Response Plan
- Business Risk Register
- Whistle Blowing Policy
- The Bribery Act 2010

**Northern Lighthouse Board  
BUSINESS GIFTS AND HOSPITALITY POLICY**

**POLICY STATEMENT**

The Northern Lighthouse Board has a zero-tolerance to bribery and corruption. The Board's Anti-Bribery policy extends to all the Board's business dealings and transactions and these both have a wide interpretation across all functions. The Board's Anti-Bribery policy must be complied with, without exception.

The Commissioners of Northern Lighthouses fully support and comply with "the seven principles of public life". The Commissioners therefore do not advocate that giving and receiving gifts and hospitality is appropriate to the efficient conduct of their or the Board's business. There are, however, limited exceptions to this policy that if applied, must be carefully considered against these principles together with the Board's Anti-Bribery Policy that complies with The Bribery Act 2010. Extreme caution is necessary as gifts and hospitality may carry a risk of being used as a subterfuge for bribery and corruption. In giving or receiving gifts or hospitality this Policy and the requirements of the Board's Anti-Bribery Policy must be followed.

**WHO IS COVERED BY THIS POLICY?**

- All Commissioners and staff.

**PROCEDURE**

1. Any member of staff who is given or offered a gift or hospitality of any sort by a business contact (e.g. customer, supplier, etc - actual or potential) must be disclosed, immediately at the point of offer, the fact of the gift using the Gifts and Hospitality Form.
2. The Gifts and Hospitality Form is the process by which gifts are disclosed to Management including a review of the nature of the gift or hospitality and whether it should be accepted or not. Together the completed Forms combine to become the Gifts and Hospitality Register, which will be held by the Assistant to the Chief Executive.

**Receipt of Gifts**

1. Upon review of the Form, the Head of Function or relevant Director decides if the gift might constitute a bribe or other inducement and also decides whether it can be accepted or not, the employee will be required to give the gift to the Assistant to the Chief Executive, who will return it to the donor with a suitable covering letter.
2. Promotional gifts such as Company calendars, pens, diaries, chocolates etc which are under £10.00 in value, are not exempt from this policy, but can be accepted without approval, with the exception of alcohol which cannot be accepted, although must be disclosed using the Form. However, staff are reminded that, since such gifts are sent only to a limited number of employees, they should be distributed to other members of staff across the organisation.
3. Promotional gifts linked to procurement of goods, must be treated with extreme caution, as these are being offered as inducements to purchase and therefore the Board's Anti-Bribery Policy and procedures apply and a Form should be completed. No individual should benefit from such gifts and everything received must be entered into the Board's Staff Raffle.

## **Giving Gifts including the Board's promotional items and Offering Hospitality**

1. While it is not the Board's policy to offer gifts or hospitality to clients, customers, etc. it is recognised that, on occasion, this may be necessary, for example when someone carries out work on a voluntary basis or for a nominal fee. Equally, it may be decided that a gift or hospitality would be appropriate if a service has been carried out in an exceptional manner.
2. In such a case, employees must complete the Form and pass this to the Assistant to the Chief Executive stating:
  - who the gift is for
  - why it should be given
  - the nature of the gift
  - its approximate value.
3. Only the Chief Executive can approve the giving of any gifts or offering of any hospitality and this approval must be given in writing using the Form in advance of any gift or hospitality being given.
4. Hospitality expenses must be carefully monitored by the Chief Executive and Managing Board including the processes by the Audit and Risk Committee.

## **Receiving Hospitality**

As with gifts, the receipt of modest hospitality is an accepted courtesy of a business relationship. However, recipients should not allow themselves to be influenced or be perceived by others to have been influenced in making a business decision as a consequence of accepting hospitality. The frequency and scale of hospitality accepted should be managed openly and with care and should not be greater than the Board is able to reciprocate. You may not be aware of what is happening within other areas of the Board and your actions may impact on these, therefore extreme caution must be exercised.

### **Gifts and Hospitality Register Protocol**

1. Each completed form becomes part of each financial year's Gifts and Hospitality Register, which is maintained and managed and held by the Assistant to the Chief Executive.
2. An electronic version of the Register must be created, maintained and managed to allow transparency and publication of the information in compliance with The Freedom of Information Act 2000 and publication on the Board's website.

### **Compliance**

Failure to comply with any aspect of this policy will be treated as a disciplinary offence, which will be dealt with under the Board's formal disciplinary procedure.

### **Review Procedure**

Adherence to the policy will be actively reviewed by Internal and External Audit and will be updated as required including but not limited to legislative changes.

### **Applicable Form**

1. Gifts and Hospitality Form

### Business Gifts and Hospitality Form

Please ensure you are familiar with NLB's Business Gifts and Hospitality Policy and understand the actions that need to be taken prior to completing this form. Advance approval is required for all Gifts and Hospitality irrespective of being received by NLB or offered by NLB.

The Business Gifts and Hospitality checklist overleaf, must be used as part of your decision making and returned with this form.

NLB has a zero tolerance to bribery and corruption and the offering or receiving of gifts and hospitality may be a subterfuge for this. NLB's Anti-Bribery Policy extends to all NLB's business dealings and transactions and these both have a wide interpretation across all functions. NLB's Anti-Bribery Policy must be complied with, without exception.

<b>Please complete all fields and attach any appropriate information</b>	
Name	
Role Title	
Department	
Identify the nature of the gift or hospitality is it to be offered by NLB or received by NLB?	
Date of Gift or Hospitality Received or to be Offered	
Details of the Business Gift, Hospitality to be offered or received	
If under £10.00 and a promotional item, is this gift being accepted	Yes or No*
Who is the ultimate recipient of the Gift or Hospitality if accepted including NLB Staff Raffle	
Estimate of the market value or actual value of the Gift or Hospitality offered or being offered (this must be completed even if best guess)	
What is the connection with the person making the offer or receiving the offer to you and NLB?	
Full details of the individual and/or company offering or being offered gifts or Hospitality including name, position, company, address	
Action being proposed	Acceptance or Rejection*
Action decided by Chief Executive/Director/Head of Function (Senior Manager)	Acceptance or Rejection*
<b>Signature as approval for Business Gifts and Hospitality <u>being offered by NLB or to note rejection.</u> This can only be the Chief Executive as Accounting Officer and Budget Holder</b>	
<b>Signature as approval for Business Gifts and Hospitality being received by NLB or to note rejection. This must be the Head of Function (Senior Manager) or relevant Departmental Director.</b>	
Date the rejected items were given to the Assistant to the Chief Executive for rejection.	
Date the rejected items returned by the Assistant to the Chief Executive and method of return.	

\*delete as appropriate

Shaded areas of the above table (not including personal data) will be used within our electronic register of Business Gifts and Hospitality, which will be published on our website for transparency purposes and in compliance with the Freedom of Information Act 2000.

### Gifts and Hospitality Checklist

This checklist must be completed without exception. If you are in any doubt or difficulty over the provision or receipt of a gift or hospitality please seek advice from the Commercial Manager, Finance Manager, HR Manager or Director of Finance.

Would the provision or acceptance of the gift or hospitality:-	Tick as appropriate	
	Yes	No
1. Create suspicion or conflict between your role in NLB and your personal interests?		
2. Have the appearance or be viewed to create suspicion or conflict between your role in NLB and your personal interests?		
3. Give the impression (to anyone inside or outside of NLB) that you have been, or might be, influenced to show favour or disfavour to any person, organisation or company?		
4. Risk bringing NLB into disrepute?		
5. Be, or be perceived to be, suspicious or dishonest?		
6. Attract public criticism of excessive generosity?		
Have you given, received or refused an offer of a gift or hospitality to/from this individual/organisation/company in the last six months?		
If you have ticked <b>Yes</b> to any of the above questions then you should refuse the gift or hospitality or not make any offer to give, as this creates doubt about the propriety of accepting or providing them.		
Would the provision or acceptance of the gift or hospitality:-	Yes	No
1. Stand up to public scrutiny?		
2. Be in the best interests of NLB?		
3. Be regarded as a fair and reasonable use of GLF funds?		
If you have ticked <b>No</b> to any of the above questions then you should refuse the gift or hospitality or not make the offer, as this creates doubt about the propriety of accepting or providing them.		

Please return the original copy of all fully completed forms to the Assistant to the Chief Executive as soon as possible.

<b>For NLB Register purposes only</b>	
<b>Financial Year</b>	
<b>Registration No:</b>	
<b>Retention Period:</b>	<b>7 years from the date of inclusion within the Register</b>

## Supporting Document 6

### General Lighthouses Authorities (GLAs)

#### Guidance Note: Exploitation of Spare Capacity

The GLAs have the power to exploit **spare capacity** in their **assets** in s.197 of MSA 1995 (s.6 of the Merchant Shipping (Commissioners of Irish Lights) Act 1997 in the case of the Republic of Ireland, although this legislation conveys the power to exploit spare capacity in areas relating to maritime navigation only).

The principles set out below are intended to provide guidance to the GLAs in exercising that power. The guidance draws on Counsel's Opinion<sup>1</sup> as well as the explanatory notes issued in support of the legislation.<sup>2</sup>

1. Assets generally mean capital assets of the GLAs, but may extend to data media and other intellectual property. Human and financial resources may be used to support the exploitation of an asset but are not classed as assets in themselves e.g. pure consultancy work and the associated professional indemnity risks should be avoided.
2. Exploitation activities:
  - must not superimpose the core functions of the GLAs; the powers for the exploitation of spare capacity are there to augment the General Lighthouse Fund (GLF) rather than "burning it dry" and must be applied accordingly;
  - can be carried out outside the GLAs' normal geographical area of operations, and the work and nature of services offered can extend to non-maritime activities.
3. A robust business case is required with good potential for economic gain to the GLF; this may include some investment subject to minimal risk exposure and a careful analysis of the strengths, weaknesses, opportunities and threats.
4. The Secretary of State's approval should be sought and received on a case-by-case basis, subject to any special provisions contained in the Financial Memorandum with the DfT.
5. Even with the Secretary of State's approval, the GLAs are not empowered to "create" or establish assets and resources for non-core business.
6. The GLAs should evaluate the likely effects of the intended activities with particular regard to:
  - competition law
  - taxation
  - liability risks
  - insurance cover
  - public procurement
  - transfer of undertakings (TUPE)
  - health and safety
  - sustainable development
  - data protection
  - intellectual property
  - inter-GLA agreements
  - corporate reputation.
7. The consent of the Secretary of State does not in itself signify that any particular activity proposed by the GLAs is necessarily permitted in law; the benefit to key stakeholders and a careful analysis of the risks as well as the economic factors would be among the tests used in deciding whether the GLAs had exceeded their statutory authority.