

# NORTHERN LIGHTHOUSE BOARD

## BOARD MEETING

### MINUTES – 7 December 2009

<b>PRESENT:</b>	Sir Andrew Cubie CBE	Chairman
	Sheriff Principal Alastair Dunlop QC	Vice-Chairman
	Sheriff Principal Edward Bowen TD QC	Commissioner
	Captain Mike Close	Commissioner
	Sheriff Principal Bruce Kerr QC	Commissioner
	Alistair Mackenzie	Commissioner
	Frank Mulholland QC	Commissioner
	Robert Quayle	Commissioner
	John Ross CBE FRAgS	Commissioner
	Alistair Whyte	Commissioner
	Sheriff Principal Sir Stephen Young QC	Commissioner
<b>In Attendance:</b>	Roger Lockwood CB	Chief Executive
	Douglas Gorman	Director of Finance & Administration
	Moray Waddell	Director of Engineering
	Jill Bennett	Secretary to the Board

#### 1. APOLOGIES FOR ABSENCE

Apologies for absence were noted from Commissioners Angiolini, Grubb, Lockhart, Park, Stephen and Taylor. It was also noted the Director of Marine Operations was attending a meeting at the Commissioners of Irish Lights on GLA business.

#### 2. MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 29 September 2009 were agreed as a correct record and the Board agreed that the minutes could be published on the website.

*Action: Secretary to the Board*

#### 3. MATTERS ARISING

##### Bell Rock Bicentenary

The Chairman reported that the events to mark the Bi-Centenary of the Bell Rock Lighthouse continued to take a more detailed shape. It was also noted that sponsorship was still being sought.

*Action: Chief Executive*

Commissioner Dunlop joined the meeting at this point.

#### **4. CHIEF EXECUTIVE'S OVERVIEW**

The Board noted the Chief Executive's summary of the work of the Executive since the last meeting. In particular, the Board noted the following:

- The DfT had approved the pay award for shore staff and that all three Trades Unions had now accepted the proposals following ballots of their members. The settlement would be effective from 1 August 2009.
- The Chief Executive had met with Lord Berkeley, (sponsor of a Marine Navigation Aids Bill which he introduced in the UK House of Lords in May and reintroduced in November 2009), in early November 2009.
- The Scottish Users' Consultative Group had met on 5 November 2009 with the main agenda item being the 2010 Aids to Navigation Review.

Commissioner Bowen joined the meeting at this point.

- The annual Bilateral meeting between NLB, the DfT and the Lights Advisory Committee took place on 10 November 2009 and NLB agreed to contribute a further £150,000 of savings from support areas. Work to identify areas for savings was being identified by Senior Managers and was to be reviewed by the Directors later in the week.
  - The Board noted that the President of the Chamber of Shipping had been the principal speaker at the Scottish Shipping Benevolent Association Dinner on 10 November 2009. It was noted that the Chairman and Chief Executive would visit the incoming President of the Chamber of Shipping when he takes up office in early 2010 to ensure he has an up-to-date understanding of the GLAs' business.
- Action: Chief Executive**
- The Chief Executive had joined THV Galatea off the Tyne on 1 December 2009 to witness GPS jamming trials complementing those held onboard NLV Pole Star last year. The trials showed the immediate detrimental and inaccurate effect on the ship's navigational systems when GPS reception was lost whilst e-Loran was totally unaffected and continued to produce accurate positional information.
  - It was agreed that the final draft of the case for NLB's independence to be discussed at the next Managing Board would be circulated electronically to the Board of Commissioners.

**Action: Chief Executive**

#### **5. STRATEGIC ISSUES**

##### **5a GLA Assessment**

The Board noted the paper on the background and progress of the GLA Assessment.

The Chief Executive advised the Board that the next meeting of the Steering Group was to be held on 16 December 2009 and that he would advise the Board electronically if there were any developments.

## **5b 84 George Street**

The Board noted that at the meeting of the Lights Finance Committee on 26 November 2009 it had been agreed that the GLAs would submit a ten year draft capital plan (currently only 3 year plans are submitted) in order to ease out any peaks in expenditure. The costs for the refurbishment of 84 George Street would be incorporated into this document.

## **5c Heritage Trust and Trading Company**

### Heritage Trust

The Board noted and approved the terms of a draft Asset Transfer Agreement (ATA) between the Commissioners and Northern Lighthouse Heritage Trust, a company incorporated under the Companies Acts (Company No SC365775) and having its registered office at 16 Hill Street, Edinburgh EH2 3LD ("the Transferee") in terms of which the Commissioners would transfer certain assets to the Transferee for nil consideration. It was noted that only the transfer of non-lighthouse related books to books was currently being considered.

The Board noted that the Trustees were due to meet on 21 December 2009 and had not yet seen the ATA. The Board agreed to authorise the Chairman, and the Vice Chairman, to agree such minor alterations to the ATA that might prove necessary and thereafter to execute on behalf of the Commissioners all such documents, including the ATA, as might be required in connection with the above transfer of assets. It was agreed that the Chairman and Vice Chairman would use their discretion in judging what might be regarded as "minor" and would return any significant change to the full Board of Commissioners for approval.

### Trading Company

It was noted that the DfT was still working on potential State Aid issues arising from the Trading Company proposition.

## **5d Financial Prospects for Financial Year 2010/11**

The Board of Commissioners noted the paper circulated with the agenda and noted that a Net Expenditure Budget of £23,294,000 for 2010/11 had been provisionally agreed with the Department for Transport. This represents a reduction of £20,000 (0.09%) from the 2009/10 Budget and an increase of £159,000 (0.69%) compared with the latest forecast for 2009/10. It was also noted that the Managing Board was content that the total Net Expenditure Budget, despite the reductions made, is adequate for the Board to fulfil its plans and projects for 2010/11.

The Board noted the generally stable and slowly recovering economic conditions for the General Lighthouse Fund.

## **6. OPERATIONAL ISSUES**

### **6a Marine Operations Report**

The Board noted the report from the Director of Marine Operations. It was noted that NLV Pharos was currently undertaking rig inspections and that the damaged teeth on the windlass drive on NLV Pole Star had been repaired and that the condition of class would be removed on the next inspection.

#### Alternative Energy

The Board requested that a report outlining the work NLB was undertaking on alternative energy be prepared for the next meeting.

*Action: Director of Marine Operations*

#### GLA Fleet Review

The Board noted the paper circulated with the agenda and gave approval in principle to the work on co-ordinated management of the GLA fleet, and delegated final approval to the Managing Board.

### **6b Engineering Report**

The Board noted the report submitted by the Director of Engineering.

#### Calf of Man

The Board noted that the decommissioning works at the Calf of Man were complete and that the site was available for immediate disposal. It was noted that further legal advice was being sought to establish the entitlements and liabilities of the NLB.

### **6c Finance and Administration Report**

The Board noted the paper summarising the financial performance in the current Financial Year to 31 October 2009 and the latest full year forecast for the year ending 31 March 2010. The Board also noted the paper tabled at the meeting and that there were no significant changes from the October statistics.

#### Sick Absence

The Board noted, and expressed concern, at the high level of sick absence, particularly on the ships. It was noted that due to the complement requirements, sick absences on the ships had inevitable cost implications. The Board noted that short term absences compared well with other organisations and that it was long term sick absences that were the less favourable comparator. It was agreed that further detail would be provided to the Managing Board in order to clarify issues further.

## **6d HR Report**

The Board noted the report from the Human Resources Manager.

It was noted that the Chairman would be chairing an appeal against dismissal on incapacity grounds and would be calling on Commissioners on the Managing Board to make up the appeal panel.

## **6e Health and Safety**

The Board noted the report to 27 November 2009 and the new format. It was agreed that the accident report would benefit from detail such as: action taken, lessons learned, follow up actions and whether the matter was closed. It was agreed that a flag system would be useful addition to the new format – red, amber and green flags to alert the Board as to the importance of each item.

The Board expressed concern that accidents and major occurrences were increasing. It was noted that a new initiative – Golden Rules – was currently being developed, in order to imbed further a health and safety ethos into NLB culture. The Board noted that a breakdown of low budget spend, eg courses offered, take-up of training and attendance at courses on health and safety within NLB, would be submitted to the Managing Board and following that discussion would be brought to the Board of Commissioners.

*Action: Chief Executive*

### Commissioners Inspections

The Board noted the action plan report on identified action points from all Commissioners' inspections detailing action taken to date. It was agreed that any detail comment on the report would be submitted to the Director of Engineering.

*Action: All*

## **7. COMMITTEE REPORTS**

### **7a Managing Board**

The minutes of the Managing Board meeting held on 16 November 2009 were noted.

### Aids to Navigation Review

It was noted that the review was almost complete subject to the completion of risk assessments and the final document would be submitted for approval to the next meeting of the Board of Commissioners.

### **7b Audit and Risk Committee**

The Board noted the minutes of the Audit and Risk Committee held on 11 November 2009. The Board noted that the Committee was discussing the latest guidance on going concern and liquidity risk.

## **8. COMMISSIONERS' BUSINESS**

### **8a Corporate Calendar**

The Board noted and approved the draft Corporate Calendar for 2010 subject to changes discussed and it was agreed that a final clean version with accompanying text explaining changes, would be circulated electronically with the minutes.

*Action: Secretary to the Board*

### **8b Commissioners' Inspection Voyage**

The draft programme for the Commissioners' Inspection Voyage was approved and it was agreed that an indication of Commissioner' preferences would be sought as soon as possible.

*Action: Secretary to the Board*

### **8c Contact Book**

The updated contact book was noted.

### **8d Commissioners' Interests**

The Commissioners were asked to complete and return the form for Declaration of Interests, circulated with the agenda as a matter of priority.

*Action: All*

### **8e Commissioners' Reception**

The Commissioners noted the arrangements for the Reception to follow the meeting.

### **8f Co-opted Commissioners' Remuneration**

The Board noted the paper prepared by the Director of Finance and approved the changes to remuneration with effect from 1 April 2009:

- Increase standard remuneration from £9,708 to £9,804 pa.
- Increase the additional remuneration for each day over 20 days from £485 to £490 per day.
- Increase the Chairman's remuneration to £19,608. The additional day remuneration will not apply to the Chairman.
- Increase the Vice Chairman's remuneration to £13,068. The additional day remuneration will not apply to the Vice Chairman.

## **9. ANY OTHER BUSINESS**

### **Committee Frequency and Structure**

The Board noted the discussion note from the Chairman and agreed that he should investigate further his proposals for alterations to the Joint Consultative Group format.

It was agreed that the Chairman would seek individual views of Commissioners on the suggested changes to the Board of Commissioners and Heritage and Estate Committee. It was agreed that critical approval points required by the Board of Commissioners should be identified to aid further discussion.

*Action: Secretary to the Board*

## **10. PRIVATE BUSINESS**

The Commissioners then held a short private session.