

NORTHERN LIGHTHOUSE BOARD
BOARD MEETING

MINUTES – 11 October 2017

PRESENT:	Graham Crerar	Chairman
	Captain Michael Brew	Vice-Chairman
	Sheriff Principal Craig Turnbull	Commissioner
	Sheriff Principal Marysia Lewis	Commissioner
	Sheriff Principal Derek Pyle	Commissioner
	Sheriff Principal Duncan Murray WS	Commissioner
	Councillor Frank Ross	Commissioner
	Councillor Bill Lobban	Commissioner
	Captain Alastair Beveridge	Commissioner
	Rob Woodward	Commissioner
	Alison Di Rollo QC	Commissioner
	Elaine Wilkinson	Commissioner
In Attendance:	Mike Bullock MBE	Chief Executive
	Mairi Rae	Director of Finance & Administration
	Karen Charleson	Acting Secretary to the Board

1. APOLOGIES FOR ABSENCE & DECLARATION OF INTERESTS

Apologies for absence were noted from Commissioners Abercrombie, Wolffe, Stephen, Scoullar, Bolander, and Crockett. Apologies for absence were also noted from Phil Day the Director of Marine Operations.

The Chairman welcomed Commissioners Woodward, Wilkinson, Ross and Lobban to their first Board Meeting.

There were no potential conflicts of interest other than those already declared at previous meetings and in the Annual Report.

2. MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 27 April 2017 were agreed as a correct record and the Board agreed that the minutes could be published on the website.

Action: Acting Secretary to the Board

3. MATTERS ARISING

The Board noted the status report on matters arising from previous meetings. In particular the following were noted:

Estates

The Board noted that a paper highlighting estate issues and setting out clear guidance for management of the estate had been tabled and endorsed by the Managing Board at its meeting on

27 September 2017. This paper addressed the issues raised at the Board of Commissioners Meeting in April 2017 and set out revised guidance on property disposals, on-site welfare facilities, day-visit stations, accommodation and building conditioning. A copy of the paper was included with the meeting papers for Commissioners to note.

KPI Dashboard

The Board noted that as part of the Organisational Review a work-stream is underway to create a “Dashboard” of key information. The prototype will be rolled out at the Managing Board meeting in November 2017.

Action: Chief Executive

Expense Claims

The Board noted that the Triennial Review had identified that TH and NLB should disclose details of Commissioners, Chief Executive and Directors expenses, gifts and hospitality. Both TH and NLB’s systems did not provide easy solutions to collect and present this information so implementation was delayed. TH has now prepared their draft layout which they intend to publish providing data from 1 April 2017 onwards. NLB will provide the same information and the new Business Support Team will centralise the collation of this information. In addition the intention is that the Business Support Team will also provide support for Commissioners on GPC cards and manage travel and accommodation bookings. The intention being to make administration more effective and deliver savings with improved purchasing power.

SharePoint

The Chairman requested a demonstration be provided on the new data management system (SharePoint) to the next Managing Board in November 2017. In the meantime, if Commissioners require one-to-one help contact Karen Charleson who will assist.

Action: Acting Secretary to the Board

IndyRef 2

The Commissioners had discussed the risks and opportunities to NLB should there be a second referendum at their meeting in April 2017. Since then the likelihood of an early second referendum appears to have reduced. However, it was agreed Commissioners should continue to engage with people/organisations at every available opportunity to advise them of the effectiveness and benefit to the economy provided by the NLB.

Action: Commissioners

4. CHIEF EXECUTIVE’S REPORT

The Board noted the report from the Chief Executive, highlighting items from the Departmental reports that are backed up by the full reports. Discussion took place on the following matters:

Safety

There has been one reportable incident since the last meeting. The incident had originally been classified as minor injury however because it was later established that the person would not have been fit to return to work after 3 days it was upgraded and notified to the MAIB as an “over 3 days injury”. The previous work-related reportable injury occurred in November 2015.

HSE Report

HS&E Presentations

Annual Safety Leadership presentations have commenced with the HS&E Manager, Directors and the Chief Executive visiting staff across the estate to provide opportunities to engage and have direct discussion on Health and Safety issues.

Evacuation of Casualties from Lighthouse Towers

Following-on from joint exercises with HM Coastguard (HMCG) and Scottish Ambulance in May, further successful joint training took place in August at Eilean Glas. Additional training is planned for NLB Technicians and HMCG is keen to involve their Search and Rescue helicopter pilots and paramedics to give them practical experience of operating in and around a lighthouse.

Significant Incident

A recent incident involving asbestos is currently under investigation with more information being gathered in preparation for a final report.

Fire Detection at Lighthouse Stations

Fire detection on lighthouse stations is currently being reviewed. The review will examine the policy which sets out where automatic fire detection equipment is fitted, how it is maintained and operated and whether it should be remotely monitored. It has also been identified that carbon monoxide detectors should be fitted where diesel engines are installed particularly for stations where sleeping accommodation is in the near vicinity. Interim measures have been put in place pending the outcome of the review.

Operations Report

PHAROS

The Board noted that NLV PHAROS has conducted a number of commercial charters in addition to supporting Engineering projects and maintenance tasks, storing lights and undertaking buoy work.

POLE STAR

The Board noted that the engine room unmanned alarm system has been replaced and the condition of class has been removed allowing for normal crewing levels to be restored. The Global Maritime Distress and Safety System (GMDSS) is being replaced following the failure of the obsolete MF transmitter. A number of crane faults occurred which required time in port and some service visits. It was noted that a phased programme to refurbish the crane will be implemented over the next three years.

Personnel

It was noted that Chief Caterer Ned Kelly had received the Merchant Navy Medal for his work with the Merchant Navy Training Board. The Commissioners congratulated Mr Kelly and wished to record their appreciation of his valuable work.

Helicopter

In July a PDG helicopter damaged its sacrificial cowling, under the tail rotor, whilst landing on ILV GRANUAILE. The incident was correctly reported and following clarifications the GLAs are satisfied with the investigation and findings. It was noted that that NLB has procedures in place to prevent a similar incident occurring.

Oban Base

It was noted that Roseanna Cunningham MSP, Cabinet Secretary for Environment, Climate Change and Land Reform, was hosted for a brief visit and briefing by the Chairman and Director of Operations. Cruise vessel activity has continued as has fish farm vessel visits.

Oban Port Development

It was noted that the transit marina at North Pier has now opened. A meeting of the Oban Harbour Development Group was held, with Transport Scotland in attendance, to discuss the next move towards a statutory harbour.

2018 Commissioner Voyage Dates

The Board noted the proposed dates.

Navigation - Enforcement

Formal Direction has now been received from the Department for Transport to reinstate the beacon at Irvine Harbour at General Lighthouse Fund expense.

Engineering Report

Outages

It was noted that there have been two outages over 72 hours since the last meeting.

Projects

The project plan from 2017/18 is running to schedule. Temporary lights remain at Maughold Head, Stoer Head, Tarbat Ness, Douglas Head and Scurdie Ness where contractor work is complete but installation of the new LED lanterns is awaited. The plan for 2018/19 onwards is contained within the corporate plan and is based on obsolescence, removal of mercury and building condition. The plan will also start to address the areas of concern regarding the condition of on-site welfare facilities.

Maintenance

It was noted that overdue planned maintenance had risen from 17% to 20% in Orkney/Shetland and Edinburgh. This is due to staff absence and a concentration on defect rectification rather than planned activity.

Estate

Assistance has been given at Neist Point to make the neighbour's property secure. To improve welfare facilities for staff a mess-room at Noss Head, with access to toilet facilities, has been secured as a rental from the new owner and at Ardnamurchan the water supply is being reinstated to the bothy. The Board's offer to purchase the bothy at Stoer Head has been accepted and is now being finalised.

Monitoring

After a series of meetings and discussions, DfT have now determined that a Single Tender Action (STA) is not possible. This means that NLB will have to initiate a tendering process for a new system. In discussion with both the NLB and TH ICT Managers it was concluded that NLB proceeding alone is the best course of action but, if possible, to enable other GLAs to utilise the contract at a later date.

Apprentices

Two technician apprentices commenced work with the NLB in August and have started the initial college phase at Forth Valley College, Falkirk. It was noted that two deck apprentices had started on NLV PHAROS last year.

Nickel Metal Hydride batteries

It was noted that there has been no progress yet on installation of a control system. There had been one instance of boost charging batteries at Chicken Rock which caused over-heating but remedial action had been taken before any escalation could occur. Clear instructions have been issued to staff to avoid further incidents occurring.

HR Report

Medical Assessment for At Risk Workers

It was noted that the Policy had been approved by the Managing Board in May 2017 and Trade Unions have been consulted. Presentations have been carried out for employees who will be required to attend a medical assessment. The first assessments are scheduled for later in October 2017.

Staff Engagement Survey

The Board noted that an online survey had been carried out during the summer. The results of the survey were generally positive, particularly given that employees may feel a sense of uncertainty due to the organisational review. It is intended to run the survey again in 12 months' time with the aim of increasing participation levels.

Finance and Administration

Annual Accounts to 31 March 2017

The Board noted that the GLF accounts had been laid in Westminster on Monday 11 September 2017. The NLB accounts were also laid in the Scottish Parliament on 13 September 2017.

Results to 31 August 2017

The Board noted the summary financial position for August 2017 contained in the Finance Report. It was noted that the Projects Programme Board meet on a monthly basis which has helped to drive the programme throughout the year.

Helicopter Benefits Realisation

Government Internal Audit Agency (GIAA) conducted the first part of a tri-GLA Helicopter audit earlier this year to review the contractual rather than operational aspects to establish if the contract is delivering the planned savings. GIAA is returning in October 2017 to carry out the benefits realisation element of this audit. It was noted that NLB as the main user under the contract does not expect significant benefit from any savings.

Tri-GLA Framework Document

It was noted that the tri-GLA Framework Document was formally signed by the Chief Executives on 29 June 2017.

Pay Remit

The 2016 pay remit has now been fully implemented and discussions have taken place with Trade Unions relating to the 2017 remit. DfT Pay and Rewards Team are working with HM Treasury to address queries relating to the treatment of specific items within the pay remit 2017 which relate to the Organisational Review.

Cyber Threat

The Board noted the measures in place to attempt to counter cyber threats which had been included within the Finance Report. In addition, a Tri-GLA cyber security task group has been set up and is sharing knowledge and best practice. In May 2017 GIAA carried out an internal audit on NLB cyber security which identified risks and areas for improvements. These issues have been added to the ICT Operational Risk Register and mitigating action is either complete or in hand.

SWAN

It was noted that the final connection to access the Scottish Government Wide Area Network (SWAN) took place at the end of June 2017. This is bringing noticeable improvements to data transfer and bandwidth dependent services.

Estate Matters

The Board noted that more suitable premises had been secured for Shetland-based technicians in Lerwick to replace the previous facilities in Scalloway. The project work with the Registers of Scotland (ROS) to digitise our title deeds appears to be more complex than first appreciated. Further guidance is awaited from ROS on this project which should provide NLB with more accessible and accurate information.

Organisation

Basement Project

It has been identified that nine doors have been wrongly specified by the contractors. Full liability has been admitted and the remedial work will be carried out in early 2018. Confirmation has been received that the facilities can continue to be used in the meantime.

External Engagement

Scottish Maritime Cluster

The Board noted that the Chief Executive had attended the Scottish Maritime Cluster's reception at London International Shipping Week. Humza Yousaf MSP, Minister for Transport and Islands, attended and referenced the importance of NLB in his speech.

Meeting with Lucy Chadwick, DfT

It was noted that the Chairman and Chief Executive would call on Lucy Chadwick on 23 November for the annual discussion on governance and performance.

IALA

Work on the change of IALA's status to an International Governmental Organisation continues with a second diplomatic conference being held in Morocco in February 2018. International non-EU bodies like IALA will become increasingly important during Brexit and beyond as they will provide the UK access and influence with EU neighbours that otherwise will be denied.

Doors Open Day

84 George Street was opened to the public as part of Doors Open Day on 23/24 September with nearly 1,000 visitors over the two days. Very positive feedback has been received.

Stevenson Rooms

The Board noted that the opening by The Patron on 25 May 2017 had been a great success. A variety of organisations have since used the facility.

DfT Director of Maritime

It was noted that Roger Hargreaves, the recently appointed DfT Director of Maritime, will visit Oban Base on 8/9 November 2017. This will coincide with Commissioner Woodward's induction visit.

Corsewall 200

John Ross (former Commissioner), RLK Barry Millar and the Chief Executive hosted a successful visit to Corsewall for 48 local primary school children which included a presentation and climbing the tower. The visit received positive press coverage in the local press.

Association of Lighthouse Keepers (ALK)

The Chief Executive attended the ALK AGM at the Museum of Scottish Lighthouses in Fraserburgh on 30 September 2017 and provided the after-dinner speech to around 85 people.

Annual Prizes

The Chief Executive had attended ceremonies at the City of Glasgow Collage and North Atlantic Fisheries College, Shetland to present NLB prizes for best Deck and Engineer Cadets.

Lights Advisory Committee

Michael Everard and Gavin Simmonds from the Lights Advisory Committee will be visiting Edinburgh on 26 October 2017 for briefing on the Corporate Plan 2018-2023 and the Organisational Review.

Department for Transport

The Chief Executive and Director of Finance are due to meet with Chris Angell, Fi Pearson and Russell Clarke of the Department for Transport on 6 November 2017 to discuss the Corporate Plan 2018-2023.

Managing Board Minutes

The Board noted the Managing Board minutes from the meetings held on 25 May, 28 June and 27 September 2017.

5. ANY CLARIFICATION (BY EXCEPTION) ON OPERATING REPORTS

Incident – North Berwick Outfall buoy

Commissioner Mackenzie enquired as to whether, as a result of the incident with North Berwick outfall buoy where the buoy chain had fouled, there was a potential for a latent defect on lugs on other buoys and if this had been checked out. The Chief Executive advised that this was a lightweight buoy and the lugs are not designed to take that much strain.

Slips, Trips and Falls/Manual Handling

Commissioner Mackenzie highlighted that reports on slips, trips, fall and manual handling were on the increases and asked whether a reminder was required to be issued to staff. It was agreed that Commissioner Brew would reinforce this point at the next HS&E Meeting in November 2017.

Action: Commissioner Brew

Helicopter Contract

Commissioner Beveridge noted the outage at Muckle Flugga which was unable to be attended to as a result of pilot shortage and requested an update on the position as clearly pilot shortage is a serious issue for NLB in terms of maintaining our AtoNs. The Director of Finance advised that this was a result of one of the aircraft being in maintenance and PDG felt that they only required one pilot to fly the other one. Staff rostering was such that they did not have anyone available to meet NLB's request. This has been raised in terms of further training to make sure the contractor have

someone else available that can do it. The issue will also be raised at the Annual Contract Review meeting.

Action: Director of Finance

The Chairman requested details on what proportion of NLB's extended outages was due to only having one helicopter available. The Chief Executive advised that the original plan was only for one helicopter and it was quite fortunate that the contractor had offered a second aircraft, when available. The Chief Executive will raise the issue with the Director of Operations.

Action: Chief Executive

It was noted that the GIAA audit of the Tri-GLA Helicopter Contract Review Follow up would be submitted to the Managing Board meeting in November 2017.

Annual Report and Accounts to 31 March 2018

Commissioners Brew enquired as to whether the five year revaluation of our fixed assets was similar to what had been done previously. The Director of Finance advised that the revaluation was last done in 2013 and involves reviewing what the modern equivalent replacement would be if one of our assets was lost e.g. what it would cost to rebuild a modern Bell Rock.

Engagement Survey

Commissioner Di Rollo emphasised that all observations from the Engagement Survey should be taken into account. The Chief Executive advised that the lessons from the Survey were being taken to re-profile the Leadership and Management training package as some of the comments were directed toward communication and the management of staff. This survey is being used as the benchmark and there is a drive to make improvements between now and next year. It is intended to run through the report with the Staff Council and capture staff feedback through this formal mechanism.

The Commissioners felt that to re-survey fully in a year's time would be too soon. The Board recommended that updates of progress on implementation of change should be achieved through the News Briefings. It was agreed that the Executive would examine the survey and report back to the Managing Board with an action plan.

Action: Chief Executive, Director of Finance, Director of Operations

Healthy Working Lives

The Chairman enquired as to whether it was felt that the NLB were doing enough as an organisation to help staff be well, be healthy and perform to the best of their abilities. The Chief Executive advised that NLB provides, as part of Healthy Working Lives:

- talks about different subjects e.g. stress, dementia, etc,
- gym access for all staff
- healthy eating opportunities onboard the ships
- information campaigns e.g. mindfulness week

Recruitment

It was noted that the Asset Manager has been recruited and commences employment on 6 November 2017.

6. CORPORATE PLAN

The Board discussed the Corporate Plan for 2018/19 and noted the revised, streamlined, version of the Plan which was included with the meeting papers. After discussion it was agreed that the Director of Finance would circulate, by email, the calculations for the 10 Year Running Costs table in

Section 3 and also clarification of the differentiation between short-term and long-term sickness. Any further questions should be submitted to the Director of Finance by Monday, 16 October 2017.

Action: Director of Finance/Commissioners

The Board also agreed that the Corporate Plan could now be circulated to the other GLAs, DfT and LAC before discussion at the Multi-lateral meeting in November/December 2017.

Action: Director of Finance

7. NOMINATION COMMITTEE

The Board of Commissioners noted the minutes of the Nomination Committee meeting held on 3 October 2017. The Board approved the following recommendations made by the Nomination Committee:

- Audit & Risk Committee:
 - Commissioner Pyle to step down and be replaced by Elaine Wilkinson from November 2017.
- Heritage Trust:
 - Commissioner Wilkinson to replace Commissioner Ross from October 2017.

8. REMUNERATION COMMITTEE

It was noted that the Remuneration Committee had carried out their annual review of the Executive and their objectives.

9. BUSINESS GIFTS AND HOSPITALITY DECLARATION

The Board noted and approved the NLB business gifts and hospitality register for Commissioners, Directors and Senior Managers for the period 1 April 2016 to 31 March 2017. It will be published on the NLB website.

Action: Secretary to the Board

10. ORGANISATIONAL REVIEW

The Board noted the presentation by the Chief Executive on the Organisational Review. The presentation covered:

- The Revised Structure
- Chronology of Activity
- Planning Activity
- NLB Operations Structure
- NLB Business Support Team Structure
- NLB Supply Chain Structure

11. FLEET REVIEW

The Board noted the verbal update provided by the Chief Executive on the work of the Reference Group and the second phase of the Fleet Review. The report from BRAEMAR is still awaited. It was noted that the next Reference Group meeting was scheduled for 16 November 2017.

12. STRATEGIC RISK REGISTER

The Chief Executive provided an overview of the NLB's 14 Strategic Risk Cards and the Risk Framework mechanism used to escalate risk. It was noted that all Risk Cards were reviewed on a 6 month basis and reported to the Audit & Risk Committee or other relevant Committee e.g. HS&E Committee. It was also noted that the Risk Register was stress tested every 2 years by an outside organisation.

It was agreed that the Board would review the Strategic Risk Cards at every meeting. Changes would be highlighted through the Audit & Risk Committee.

Action: Chief Executive

13. REPORT FROM THE AUDIT AND RISK COMMITTEE

The Chairman of the Audit & Risk Committee gave an update on the Audit & Risk Committee since the last meeting. The Board noted that GIAA had provided a "Limited" overall assessment for the NLB based on the findings of the Tri-GLA Helicopter Contract and the Cyber Security audits which provided moderate and limited findings respectively. The Audit & Risk Committee had raised concern as they did not feel that the effort and transparency the NLB is showing in their approach to audit was properly reflected. GIAA were asked to review the report with a view to reflecting that NLB is an organisation that is learning and being open, honest and directing Internal Audit to issues of concern.

The Board noted that agreement of a tri-GLA protocol on Freedom of Information enquiries between the GLAs and the DfT was imminent. This protocol will be submitted to the Joint Strategic Board meeting in November for noting.

Action: Chief Executive

The Minutes of the meeting held on 18 July 2017 were noted.

14. BLACK BEQUEST

The Board noted the paper provided by the Director of Finance.

15. CNL2000 TRUST

The Board noted that the Trust accounts had been prepared to 30 March 2017 with the remaining funds distributed to the Merchant Navy Fund, a charity with similar objectives. This enabled the Trust to be wound up on 25 May 2017 as planned. Prize payments had already been transferred to North Atlantic Fisheries College, Shetland and City of Glasgow College which covers until November 2018 and June 2018 respectively. Thereafter NLB will continue to support Merchant Navy Officer Trainees using GLF resources.

16. INTER GLA MATTERS

The Board noted the JSB were due to meet on 22 November 2017. This meeting will primarily discuss the Corporate Plan process and the Fleet Review.

17. ANY OTHER BUSINESS

2018 – Year of Young People

Commissioner Woodward enquired as to whether NLB had any plans to participate. The Chief Executive advised that NLB were involved in outreach work with schools and colleges. Work so far has included talks to primary school pupils, a collaborative project with pupils from Inveralmond High School and supporting our engineering apprentices.

18. CORPORATE CALENDAR

The Board noted the Corporate Calendar for the remainder of 2017 and the proposed Calendar for 2018. The Chairman advised that going forward the Calendar will be produced on a rolling 12 month basis.