

**NORTHERN LIGHTHOUSE BOARD
BOARD MEETING
MINUTES – 22 April 2020**

PRESENT:	Captain Michael Brew	Chair
	Captain Alastair Beveridge	Vice-Chair
	The Rt Hon James Wolffe QC	Commissioner
	Sheriff Principal Derek Pyle	Commissioner
	Sheriff Principal Marysia Lewis	Commissioner
	Sheriff Principal Craig Turnbull	Commissioner
	Elaine Wilkinson	Commissioner
	Brian Archibald	Commissioner
	Hugh Shaw OBE	Commissioner
	Rob Woodward	Commissioner
	Mike Bullock MBE	Chief Executive
In Attendance:	Mairi Rae	Director of Business Services
	Phil Day	Director of Operations
	Karen Charleson	Senior Executive Assistant (Minutes)

The Chair welcomed Commissioner Archibald to his first meeting of the Board. The meeting was held via Zoom Video Conferencing.

1. APOLOGIES FOR ABSENCE & DECLARATION OF INTERESTS

Apologies for absence were noted from Commissioners Stephen, Scoullar, Anwar, Di Rollo, Lobban, Murray and Braat.

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

In the minute of 16 October 2019 it states that the Board approved the recommendation from Nomination Committee that Commissioners Woodward and Wilkinson should be reappointed for a second term. As they are both Ministerial Appointments it was agreed it would be better for the minute to read that the Board agreed to recommend appointment for a second term to DfT and Transport Scotland. Subject to this change the minutes of the meeting held on 16 October 2019 were agreed as a correct record and the Board agreed that the minutes could be published on the website.

Action: Senior Executive Assistant

3. MATTERS ARISING

The Board noted the status report on matters arising from previous meetings. Any issues would be covered in the Agenda Items.

4. CHIEF EXECUTIVE'S REPORT

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

Safety

There have been two reportable incidents since the last Board of Commissioners, both were over 3 days therefore reportable to MAIB.

Incident onboard NLB vessel – Commissioner Wolffe asked whether there had been any lessons learned following the incident involving violence and aggression which had led to a long period of absence by a member of the crew. The Director of Operations advised that in terms of handling the incident, the lesson learned would be to call the Police straight away. NLB does not carry out vetting as it is considered that to do so would unreasonably shrink the pool of available staff. It was stressed that this was a very isolated incident.

HS&E Report

Medical Emergency - An agency crew member was airlifted from PHAROS with a suspected heart attack during sea trials in the Firth of Forth. The emergency actions undertaken to assist the crew member who fell ill were very well handled. As the incident was not work related there was no requirement to report it to MAIB.

Weather Vane Failures - Technicians have been checking weather vanes on the top of lighthouse domes and highlighted that some have corroded and parts of another weather vane were missing and could not be found. Collaborative working has taken place between HS&E, Asset Management and Planning and Delivery Departments to produce a list of lighthouse stations that have weather vanes. Technicians are now undertaking a programme of inspections to identify any other weather vanes where remedial action is needed to repair or replace them. A work specification for weather vane maintenance has now been devised by the Principal Mechanical Engineer and added to Q4 as part of the maintenance regime.

Hydrogen - The issues with hydrogen reported at the last meeting have been progressed. A tender exercise to obtain additional hydrogen meters has concluded and an updated communication has been issued to all staff on battery room safety. Specific battery room safety training is also now being provided.

Asbestos (Skerryvore) - There is some remedial asbestos encapsulation work to be undertaken in the battery room. A meeting between Technicians and the Asset Manager has been held and a way forward determined which will allow a safe system of work for Technicians and Contractors who are scheduled to carry out the remedial work in July. The long-term solution to resolve the problem is being considered by Asset Management as part of the major refurbishment work at the station due in financial year 2025/26.

Mercury Vapour – Commissioner Lewis enquired as to whether the mercury vapour issues at Sumburgh Head, Museum of Scottish Lighthouses, Scurdie Ness and Mull of Kintyre had been rectified. The Chief Executive advised that the Institute of Occupational Medicine has been back to undertake further work at the Museum of Scottish Lighthouses to set up the appropriate monitoring equipment. The mercury baths are large and a proposal is awaited as to how these should be dealt with. A contractor was due to visit the site in March 2020 to assess how work could be done however the COVID-19 outbreak resulted in this scheduled visit being postponed. Removing mercury from the lighthouse estate is an on-going issue.

Operations Report

Marine Operations

NLV PHAROS - In addition to routine work the vessel has supported ROYAL OAK commemorations in Scapa Flow, responded to the KAAMI SAR in the Minch and put in place COVID-19 preparations.

The vessel was in dry-dock for most of February 2020. This was a successful docking with a high standard of supervision and management from the contractor during the period. Weather significantly disrupted the time in dock and meant that a full hull antifouling coat was not achieved. Blasted areas were coated with anticorrosive paints and the issue can be resolved in the next docking in 2 years' time with possible in-water cleaning required in the meantime.

An issue with No. 1 bow-thruster has been highlighted. Divers will be on site on 22 April 2020 to identify the issue.

NLV POLE STAR - Routine buoy work has continued throughout the period and COVID-19 preparations have been put in place. Following a protracted period the vessel's anti-roll system was repaired in w/c 2nd March 2020 that has enabled a return to full operational capability.

VESSELS/COVID-19 - Both vessels are currently fully operational and engaged in buoy servicing and risk response with planned lighthouse refuelling scheduled for late April and early May. Vessel crews have been impacted to a small degree by COVID-19 shielding and suspected cases. Crew changes continue to occur as scheduled but have been impacted by travel disruption including international travel. COVID-19 precautions are in place following Government advice as is a contingency plan for suspected cases on board should they occur.

Engineering Officers – The previous shortage has been resolved and currently there are no issues with the number of available engineering officers. However, there is one officer shielding due to COVID-19.

Helicopter – Routine operations have continued. There are no concerns around safety of operations but there are some issues around pilot availability which can fluctuate. Currently, with COVID-19 we are down to 3 pilots out of 4. Normal transfer of technicians to lighthouses has been suspended during this period which has assisted with the occasional pilot shortage.

Helicopter EU Exit – The GLAs met with the CAA regarding EU exit and continued operations in Ireland which are potentially substantially impacted. The helicopter provider has now set out a contingency plan for continued operations in Ireland which involves the subcontract of operations and registering an aircraft with another EU operator. Heads of terms are being prepared.

Commissioner Beveridge asked with the possible slippage of the Brexit timetable beyond the end of this year whether the dates the CAA have put in place are fixed. The Director of Operations advised that the dates very much rely on negotiations between the UK and EU. There were separate discussions going on about an air transport agreement which was separate from the EU Exit negotiations but as yet the outcome is unclear. The only way to ensure operation in Ireland is to have a registered EU operator there.

Commissioner Beveridge asked about the potential impact of access to a helicopter and/or additional cost. The Director of Operations stated that TH and NLB do the majority of the flying so access to a second aircraft is essential. The contractor has not discussed additional costs.

Oban Base – The Base continues to operate normally but on limited staffing. On-call staff are available to support the ships.

Navigation Team

Annual off shore oil and gas inspection - The planned trip was unable to take place due to adverse weather. Rescheduling has not been possible due other planned tasks and Pharos' dry-docking. Currently Navigation team are working from home and continue to progress licence applications and other routine work.

2020 AtoN Review - The 2020 Aton Review has been completed following an area by area examination and has been endorsed by the Navigation Committee. The final document will be published in time for the 2020 JUCG meeting in May 2020.

Programme and Renewals

Financial Year 2019/20 - There has been considerable weather disruption of work and logistics support which prior to COVID-19 was challenging completion by the financial year-end. The COVID-19 restrictions have subsequently stopped work at all sites and contractor staff are furloughed. The Programme and Renewals team continue to work at home and have made considerable progress in developing future project preparation.

There has been positive feedback from SNH in regard to accessing sites during restrictions e.g. bird breeding. A list of sites that require to be visited once COVID-19 restrictions are lifted has been shared with SNH and they appear amenable to allowing some leeway.

The programme for 2020/21 has been re-profiled to deal with these delays.

Planning and Delivery

Currently all technicians are working from home on administrative tasks and responding to outages or defects, as required. Muckle Flugga had to be attended by helicopter over the Easter weekend with all involved taking the appropriate hygiene precautions. Other stations have been attended by road.

Asset Management

Currently the asset team are working from home and are making substantial progress in a number of areas of project and background work.

Asset Led organisation – A Design Engineer is being engaged to support the Principal Electrical Engineer due to the volume of work required particularly as we move to Pillar Rocks being refurbished in coming years and also improving the planned maintenance system.

Commissioner Wilkinson asked whether, with the additional resource, that the programme of work and plans will be aligned and when is it expected that the current tensions between departments will settle down. The Director of Operations advised that the Programme & Renewals and Asset Teams have been actively working together to review the capital plan. There is still some level of friction between one or two people but this is being dealt with.

Commissioner Wilkinson highlighted that the review of the capital plan also involves the Procurement Team and if there is tension in one area it can impact elsewhere. It was noted that the Procurement Manager is involved with the Programme & Renewals Team in terms of dates when projects are expected to go to the Procurement Team and associated timelines. COVID-19 has provided the opportunity to review future plans and how they will be supported. A senior member of staff for Procurement is also being recruited to help with any bottle-neck.

Monitoring - The existing monitoring system and servers continue to operate reliably. Configuration of the replacement top end was ongoing and ICT were preparing the servers and network that is required for the installation. There have been some delays in the emulation of the current monitoring system by the contractor. This work has been paused due to COVID-19. Currently monitoring is being conducted from Harwich out-of-hours and from home during the NLB working hours.

Oban Bay

A successful public meeting was held in February to set out the Stakeholders' intentions regarding a Trust Port. The Stakeholder group have held meetings with Transport Scotland and selected legal support to draft a harbour order.

Business Services

Pay Remit – Discussions started with DfT in late 2017 and the pay risk around the recruitment and retention issues was escalated in early 2018. Just prior to the last Board of Commissioners meeting confirmation had been received from DfT that NLB was only able to pay the Government Pay Policy Guidance for 2018. This was not well received by staff.

The Director of Business Services and Chief Executive continued to liaise with DfT regarding the alternative business case for 2019 and 2020 based on operational risk. This business case received final approval by Cabinet Office and HM Treasury on 21 January 2020.

The 2019 award was implemented in the February 2020 payroll. The 2020 award will be implemented on 1 August 2020.

As part of the pay award a change to the shore-based staff Flexible Working Hours Arrangements was introduced to limit the amount of flexi-time which can be accumulated and taken each period. The arrangements still allow flexibility and a maximum of 1 day per month to be accrued/taken.

NLB has advised DfT Sponsorship Team that they have removed the Pay risk previously assigned to them in February 2018. Discussions continue with DfT on the route for escalation for any future risks.

The Commissioners extended their gratitude to the Executive Team for their perseverance and thanked them for their hard work in getting this matter resolved successfully.

Rob Woodward joined the meeting.

Annual Report & Accounts to 31 March 2019 - The General Lighthouse Fund's Annual Report and Accounts were certified by the Comptroller & Auditor General on 22 October 2019 and were subsequently laid in both Houses of Parliament on 24 October 2019. The Annual Report and

Accounts of NLB were laid in the Scottish Parliament on 31 October 2019 and are now available on the website.

Financial Results to 31 March 2020 – The Commissioners noted the initial financial summary for the full financial year to 31 March provided in the Business Services report. The results are not yet finalised as the Finance Team continue to await further information regarding prepayments, accruals and provisions required to complete the true picture of the 2019/20 income and expenditure. This has been complicated slightly with the COVID-19 situation due to a number of suppliers who do not provide electronic invoicing.

Commissioner Wilkinson highlighted that pay underspend was compounded by significant gapping of posts and emphasised the importance of reflecting this in the reporting as it was one of NLB's risks in respect of the pay award.

It was noted that the pension underspend was due to the percentage forecast in the Corporate Plan being significantly less than the actual final figure. This had a knock-on effect to the percentages.

Currently it is planned to manage budgets within the current sanction for 2020/21. However, there will be further discussions about the Corporate Plan for future years. This will be a topic for discussion at the forthcoming Chief Executives' Meeting.

Commissioner Beveridge asked for further information on contractors and options for completing work should any contractor not survive this period. The Director of Operations advised that the Programme and Renewal Teams have been keeping close contact with contractors although most of their staff have been furloughed. Indications are that once restrictions are lifted they intend to get back on site and will be operational post furlough. The only exposure to NLB if a contractor did not survive would be financial due to having to find another supplier at a possible higher cost. NLB is continually looking at ways of attracting other suppliers, unfortunately a "Meet the Buyer" event in June 2020 had to be cancelled due to COVID-19.

RPI-X Based on current forecast full year running cost expenditure NLB anticipates a 2019/20 RPI-X of 2.5%. NLB's RPI-X for the cost reduction period of 2016-2021 is -2.36% (against target of -1.73%). The current X-Factor period ends in 2020/21 and Tri-GLA discussions are underway to consider the appropriateness of this measure in the future. The 'savings' NLB has delivered in recent years to deliver the X factor have been one-off and unsustainable due to vacancies and pay constraint.

Corporate Plan - Following the Multilateral meeting in December 2019 the 2020-2025 Corporate Plan received Ministerial sanction on 3 February 2020. The budget is based on the corporate plan sanction and work proposed to be undertaken in 2020/21. However, due to the current uncertainties regarding COVID-19, the timescale for the lockdown and subsequent 'return to work' period, it is highly challenging to forecast the true expenditure that will be incurred in 2020/21.

Finance Team - NLB's Finance Team are now working from home and have continued to deliver a full service to NLB, its suppliers, customers, staff and continued deliverability of reporting to internal and external parties. First priority was placed on ensuring that the full payroll function could be operated by Finance staff located at home. This was achieved and the March payroll successfully made. The second priority included the continued processing and payment of supplier invoices to ensure that cash flow for suppliers was not constrained. It is the aim of the finance team to pay all suppliers as promptly as possible. NLB is already considered a prompt payer.

End of Year 2019/20 DfT reporting - Communication received from DfT has indicated that although DfT has confirmed that the completion, audit and laying of their Annual Report & Accounts will now be deferred until after the parliamentary summer recess, no extension will be provided to the

organisations and arm's length bodies which report into the DfT, including NLB. The full annual reporting pack will be required to be submitted on or before 11 May 2020.

2019/20 Annual Report & Accounts - The final audit of the 2019/20 Annual Report & Accounts is currently scheduled to commence on 13 July 2020. A review call on 24 March 2020 held with NAO regarding the deliverability of the 2019/20 Audit concluded that NAO will strive to complete the full year audit on terms previously agreed. It is expected that the audit will mainly be achieved remotely.

ICT - The ICT team has worked exceptionally hard to ensure staff were able to carry out duties at home. A number of staff did not have portable IT devices so training laptops were repurposed for them. Additional monitors and other equipment were sourced and deployed to provide staff with the tools to work effectively. ICT is delivering their help desk support remotely along with their normal duties. NLB is using Zoom for meetings with a high level of security in place. Only approved people will be able to dial into calls.

Procurement - The Procurement team worked at home during early March to facilitate asbestos testing in their work area which allowed system accessibility checks to be completed. The procurement portal used by NLB allows work to continue processing tenders. Contractors are able to submit their bids and NLB staff are able to review, evaluate and award contracts within the system. NLB is aware that due to furloughed staff some suppliers may be prevented from responding to tenders. Consequently each contract is being considered before being published and extensions to deadlines made to ensure contractors are given the best opportunity to respond. There is significant work being achieved to get tenders prepared but there has been some slippage due to being unable to visit sites.

Business Support – Some of the Business Support team required additional equipment from ICT to allow them to work effectively from home. Reception and Facilities staff are not able to carry out their normal duties from home but instead have been allocated other duties such as assisting with engineering database drawings.

Business Development – NLB almost achieved the forecast commercial income for 2019/20. The Business Support Manager has left NLB and a recruitment process for a replacement will be started shortly.

Scotland's Year of Coast and Waters #YCW2020 - The Communications Officer attended the YCW2020 Working Group meeting on 9 April 2020 via video conference. Partners exchanged ideas about how they are continuing to promote Scotland as a destination. NLB will start to promote its public access sites on social media. This will be an opportunity to promote our Scotland's Outstanding Lighthouses (SOL) initiative and to give our public access sites some much needed publicity.

The Commissioners expressed their thanks and admiration at the way the COVID contingency plan has been implemented so that NLB's statutory responsibilities continue to be fulfilled and as far as possible work continues as normal. This is a great tribute to the Executive Team and staff who have done a remarkable job. Particular mention was made of the ICT team who have been instrumental in the successful change to the new ways of working.

HR Report

Performance Management System - A new Shore Based Performance Management System has been created and will be communicated to staff during May 2020. Implementation of the new system will take place from 1 August 2020 and will enable further embedding of NLB's Values. Each Value

has been converted into a behavioural competency which will be assessed throughout the year as part of the Performance Management process.

Engagement Survey - The NLB Employee Engagement Survey was completed in November 2019. Across the board there was improvement and overall the results were positive. There are a number of improvement actions identified by the Executive Group which will be implemented during 2020. Commissioner Wilkinson highlighted the positive results and the improved number of returns that demonstrate the ongoing improvements within the organisation.

Organisation

Inspection Voyages - 2020 Voyages have been cancelled because of COVID-19. Restrictions allowing, later in the year there may be opportunities for individual Commissioners to join NLV POLE STAR and NLV PHAROS.

Patron - The Patron's Private Secretary visited 84 George Street 9 March 2020 for general discussions and a tour of the building. Following this visit the Patron has agreed to sign Long Service and Special Recognition certificates which will be presented at the awards dinner.

Business Continuity - A new Incident Response Guide was successfully tested during a HQ Security Alarm exercise conducted in December 2019. This was followed up in early January 2020 by Exercise Dubart which was held in conjunction with the helicopter provider. The exercise was well received by all with useful lessons learnt.

External Engagement

Visit to PHAROS by UK Maritime Minister - Nusrat Ghani MP visited PHAROS on 5 February at the start of the vessel's refit in Rosyth. The Minister had a briefing on NLB's vessel replacement project and apprenticeship scheme before touring the vessel to see work in progress and meet staff. Representatives of Babcock also provided a series of briefings. The feedback from the visit was very positive.

New UK Maritime Minister - Nusrat Ghani MP was replaced by Kelly Tolhurst MP in the Ministerial reshuffle which took place in early February 2020. The new Minister has a wider portfolio which includes Aviation which is likely to take up much of her time. Contact has been made with DfT to lodge a request for a visit by the new Minister to NLB in either Oban or Edinburgh.

DfT Director General, Aviation, Maritime, International and Security Group - The Chief Executive had a phone call with Gareth Davies on 22 January 2020. The call was an opportunity for Mr Davies to hear directly about the challenges and concerns of NLB as an introduction to his new role.

Director Maritime – The Chief Executive and the Chair were due to meet with Roger Hargreaves in London on 25 March 2020 to conduct the annual Board Evaluation meeting. This was later changed to a teleconference and ultimately cancelled due to COVID-19.

Visit by LAC - Michael Everard, Gavin Simmonds and Neil Glendinning visited Edinburgh on 26 November 2019 for a briefing on the Corporate Plan and a tour of 84 George Street. This was partly in preparation for the Multilateral Meeting but also to brief Mr Glendinning as a new member.

Scottish Users Consultative Group (SUCG) – NLB hosted a very well attended meeting in November with 60+ participating. The diverse range of presentations was well received.

Lord Geidt - Following a chance meeting between Commissioner Beveridge and Lord Geidt, early in the New Year, Lord Geidt expressed an interest in the work of NLB. As such a contact would be useful the Chief Executive has written a letter offering Lord Geidt a visit to NLB or for the Chair/Chief Executive to meet him in London. To date no response has been received.

Annabelle Ewing MSP - As a follow up to the exhibition at the Parliament Building, Annabelle Ewing and two of her constituents visited 84 George Street on 5 December 2019. The Chief Executive provided an overview briefing and short tour of the building.

Scottish Maritime Cluster - At the Annual General Meeting held on 12 December 2019 the Chief Executive was elected as a director of Scottish Maritime Cluster Ltd.

COP26 - The event has been postponed until 2021. Agreement had been brokered by NLB for DfT, Chamber of Shipping, Scottish Maritime Cluster and NLB, supported by GRAD, to host an event at the City of Glasgow College. This plan will be resurrected in due course.

Museum of Scottish Lighthouses - As a Trustee of the Museum, the Chief Executive has been working with the Museum Manager and Museum Chairman to determine a plan to help it survive the financial shock of having to close at the start of the tourist season due to COVID-19. Following discussions with Northern Lighthouse Heritage Trust (NLHT) a support package was put in place which will keep the Museum Manager and Collections Manager at work (April-July) to care for the collection and prepare for reopening. This support will be kept under review by the NLHT to ensure NLB's history and heritage continues in the longer-term.

Transport Scotland - The Transport Scotland Ferries team held a workshop in the Stevenson Rooms on 23 January 2020. The Chief Executive provided an NLB Overview briefing.

British Tugowners Association (BTA) - BTA held their annual safety seminar in the Stevenson Rooms on 6 November 2019 with over 60 attendees. The feedback was universally positive. This is the second time BTA have chosen 84 George Street as the venue for this event. The opportunity was taken by the Chief Executive to give a short overview briefing about NLB's role.

Isle of Man Table Top Wreck Response Exercise - A table top exercise to be hosted at 84 George Street on 1 April 2020 to run through Wreck and New Danger response scenarios for an incident occurring in IoM waters has been postponed due to COVID-19.

Lighthouse Keys - The keys have been recovered from the auctioneers and transferred to the Museum of Scottish Lighthouses.

MOD Defence Equipment Sales Authority - The Head of MOD DESA visited 84 George Street on 19 December 2019. Based on the positive feedback gained during the annual training/experience voyage with NLB by Chilean Naval personnel the agency have had an approach from the Chilean Navy to note their interest in acquiring NLV POLE STAR when the vessel is replaced. DfT has been informed of this development.

Event Cancellations. Due to COVID-19 the following events which NLB had committed to support have been cancelled; Oban Festival of the Sea, 25th Anniversary Museum of Scottish Lighthouses, Edinburgh Tattoo.

Dashboard

The Board noted the Dashboard that provides an overview of KPIs. This is scrutinised by the Executive Group and Managing Board at every meeting. The Director of Operations reported that the Racon availability figure for Cat 1 is improving but Racons are a problem at the moment due to their age with many of them over 20 years old. This is a particular concern and action is being taken to resolve reliability issues.

5. ANY CLARIFICATION (BY EXCEPTION) ON OPERATING REPORTS

Shortage of Engineers

Commissioner Lewis asked if the recruitment process for engineers had been put on hold due to COVID-19. The Chief Executive advised that NLB continues to employ Agency engineers for the ships on a temporary basis and that internal and external recruitment continues. It is proposed to hold interviews by Zoom if feasible.

COP26

Commissioner Woodward advised the UK Government is looking at three alternative dates with the earliest being June 2021. It is the intention for it to still come to Glasgow. Negotiations are currently underway with the other Governments involved to try and confirm a date.

HSE training budget

Commissioner Beveridge enquired as to whether the training budget figure for 2019/20 (Page 37) was correct. The Chief Executive advised that this was a typo and would be corrected.

Whale Rock Buoy

Commissioner Beveridge advised that the continuing difficulties with the Whale Rock Buoy had been discussed at the Navigation Committee and it has been agreed to replace it in due course with a virtual AtoN. This was raised at the SUCG Meeting in November 2019 and support was given to the decision.

6. COVID-19

The COVID-19 Business Continuity Team meets at least weekly. Changes to the way NLB operates have been put in place in line with Government guidance. NLB has now reached a “new normality” of operations with staff successfully working from home, technicians are on standby to attend outages, the ships continue to carry out statutory work and a programme is in place to store lighthouses in due course to make sure they are ready for the winter season.

Maritime Mutual Support Group

NLB has co-ordinated the setting up a Maritime Mutual Support Group made up other Scottish Government ship operators which includes Councils, Calmac, Northlink, etc. The Group looks at opportunities to provide mutual assistance and meets weekly. It has proved particularly helpful for Transport Scotland to have an overview of what is going on within this sector of industry.

Commissioner Archibald praised the Chief Executive on his excellent leadership and for raising the profile of NLB and the maritime sector through he establishment of the Maritime Mutual Support

Group. It was felt that the Group could be built-on in the future to maintain long-term benefits and relationships beyond COVID-19.

Project Restart

NLB has instigated “Project Restart” which has been established to plan for the return to “new normal” working. This Group is looking at every aspect of NLB’s business and the cross-connections between them. When the current restrictions are lifted NLB will be in a position to respond positively.

The Commissioners congratulated the Executive Team for their first class communications and the way the organisation has responded. Commissioner Woodward encouraged the Executive to incorporate the lessons that have been learnt, through the reaction to COVID-19, into Project Restart, particularly regarding new ways of working. The Chief Executive advised that this is already in place.

Commissioner Wolffe asked whether NLB was working to any assumptions regarding timescale or a high level of social distancing, etc. The Chief Executive advised that in terms of the way NLB operates consideration is being given to the use of homeworking, the possibility of having a red team/blue team on a rota, changing the structure of offices, not having external visitors to the buildings and ships. When restrictions are lifted it is NLB’s intention proceed slowly and progressively once there is a clear understanding of requirements.

Commissioner Wolffe asked how social distancing was being carried out on the vessels. The Director of Operations advised that special advice has been issued by UK Government on working on board ships. The guidance is to be social distant as much as possible but recognises that this is not always possible. There is guidance on how people can work together to reduce the risk i.e. not face each other, work side by side. Messing has been increased by dividing the crews so that smaller numbers of people eating in the mess rooms at any one time and smaller numbers of people using the recreation room at any one time. The crews are very aware of social distancing. Clear regimes and guidance has also been issued for being a passenger in the helicopter.

Commissioner Wilkinson asked whether ships’ crew had sufficient supplies of hand sanitiser, etc. The Director of Business Services advised that to date NLB has been able to get any necessary supplies but alternative suppliers are being identified to provide resilience.

The Commissioners wished to record their appreciation of the excellent leadership shown by the Chief Executive and the Executive Team shown to date.

7. REVIEW OF NLB’s MISSION, VISION, VALUES AND STRATEGIC GOALS – CLIMATE EMERGENCY

As part of the development of the Corporate Plan which is submitted to DfT in October each year, the Board of Commissioners reviewed NLB’s Mission, Vision, Strategic Goals and Organisational Values (MVS&V). The proposed changes incorporate a new emphasis to reflect NLB’s commitment to respond to the Climate Emergency and become sustainable across all its activities.

Commissioner Wolffe asked if the Mission Statement could be simplified to just use the adjective sustainable i.e. “To deliver a reliable, efficient, cost-effective and sustainable Aid to Navigation Service for the benefit and safety of all mariners”. After discussion the Board agreed with Commissioner Wolffe’s suggestion and approved the revised Mission Statement.

Action: Chief Executive

8. ANNUAL REVIEW OF BOARD EFFECTIVENESS

The Chair took the Commissioners through the Annual Review of Board Effectiveness. The Chair found it a very useful and interesting process and thought it was a good process which enables those who wished to engage to do so. There was a good level of response and the contribution from those who did respond was comprehensive, relevant and useful. What the report highlighted was the long-standing issue presented by the division of responsibilities between the Board of Commissioners and the Managing Board. There have been a number of measures taken to assist Commissioners who are not members have the Managing Board e.g. ability of all Commissioners to access documents on SharePoint, the enhanced distribution of minutes and agenda but concerns remain. The Chair encouraged Commissioners to verify their access to SharePoint and seek assistance should there be any technical or training issues.

Training was also raised as an issue. Induction training is generally felt to be good but thereafter it is left to Commissioners to flag-up with the Chief Executive anything they feel is required. Following discussion it was agreed that the Chief Executive would put together a list of training options that are available to individual Commissioners. This list will be provided to the next Managing Board to review before being rolled-out to the Board of Commissioners in due course.

Action: Chief Executive

The Chair will also consider adding an aid memoire on the form to ask what training Commissioners think they need.

Action: Chair

Commissioner Wilkinson noted the suggestion that the Chair should not manage the annual evaluation process and that other options should be looked at e.g. a member of the Audit & Risk Committee. She suggested that those Commissioners that are involved in committees elsewhere should think about how Boards are evaluated there and provide suggestions. She did not understand the comment about appointing a Head of Governance as the Chief Executive in his role is responsible for developing the Government Statement each year. Commissioner Woodward and Commissioner Wilkinson will have a separate discussion on the role of the Head of Governance, how it could work and enhance how NLB sees governance.

Action: Commissioners Woodward/Wilkinson

The Chair will discuss the feedback from the review further with Commissioners Beveridge, Wilkinson and Woodward and also the Chief Executive out of Committee and provide any feedback to the next Board of Commissioners Meeting in October 2020.

Action: Chair

It was noted that GIAA had provided a substantial assurance on NLB's governance.

9. NOMINATION COMMITTEE

The Board of Commissioners noted the minutes of the Nomination Committee meeting held on 12 March 2020. The Board discussed and endorsed the following recommendations made by the Nomination Committee:

- **Graham Crerar** will be retiring 31 March 2020 and will be replaced on the Board of Commissioners and Managing Board by his successor, Brian Archibald.
- **Brian Archibald** will join the Navigation Committee as he is a Mariner.

- **Brian Archibald** will join the Audit & Risk Committee in place of Alastair Beveridge. Both will attend the September 2020 meeting.
- **Rob Woodward** will join the Nomination Committee to replace Graham Crerar.
- **Ian Abercrombie** will be retiring on 20 April 2020. His successor is still to be confirmed but will join the Nomination Committee.
- **Duncan Murray** will join the Audit & Risk Committee in place of Ian Abercrombie.

In accordance with the Nomination Committee Terms of Reference, the Committee discussed the performance of the Chair and agreed that it was entirely satisfactory.

Re-appointment of Co-Opted Commissioners

Commissioner Wilkinson suggested more appropriate wording for the re-appointment of herself and Commissioner Woodward. After discussion it was agreed that an amended version would be used.

Action: Chief Executive

The Chief Executive advised that with COVID-19 reappointments are taking longer than expected. There is a possibility that new measures may be put in place by the UK Government to give a blanket one year extension and then revert to the formal process next year. Feedback is awaited.

10. REMUNERATION COMMITTEE

The Board noted that the Remuneration Committee had discussed the pay business case, the appraisals of the Chief Executive and Directors and their objectives for the coming year. Following previous discussion with the Chair the Chief Executive is investigating the possibility of merging the Remuneration and Nomination Committees. The Chief Executive has approached DfT and will brief the Committee once he has received feedback.

Action: Chief Executive

11. GIFTS AND HOSPITALITY

The Board noted and approved the NLB business gifts and hospitality register for Commissioners, Directors and Senior Managers for the period 1 April 2019 to 31 March 2020. A copy will now be published on the NLB website.

Action: Senior Executive Assistant

Commissioner Woodward enquired as to when last the £25 threshold was reviewed. He was advised that it had been reviewed recently and it had been agreed that if the threshold was raised there was a risk that NLB would not be reporting anything as most entries were of low value. After discussion it was agreed to retain the current £25 threshold.

Following further discussion, it was agreed that a separate section would be added to the Register of Interest Form to ensure Commissioners gifts/hospitality were being captured fully.

Action: Senior Executive Assistant

12. COMMUNICATIONS STRATEGY

The Commissioners noted the update from Fiona Holmes, Communications Officer on the last six months of PR activity. NLB continues to raise the awareness of NLB within social media, TV and print.

13. VESSEL REPLACEMENT

The Commissioners noted the Spotlight Report which summarises the main aspects of the project. A GIAA audit of the project to date has returned a substantial assessment and contains complementary comments regarding the establishment of the project and how it is progressing. There have been a number of workshops to work through specific details as part of developing the Outline Strategic Business Case. There has been excellent engagement from all the Project Board members.

The Chief Executive, as Project Sponsor, reassured the Commissioners that he believed the project is on track and well founded.

The Director of Operations reported that in parallel with the Business Case work a tendering process is underway for technical support to help inform the design and build contract. A full EU tender has been conducted and an award is due shortly. It is hoped to be able to start some of the work remotely.

Commissioner Beveridge supported the Chief Executive's comments that the project is going well. There had been some concern around the significant amount of time and effort that the audit placed on the PMO, However, the benefit can now be seen as the audit report will sit well within the statement of requirements and the Outline Business Case as part of a clear audit trail.

14. RISK MANAGEMENT

The Board noted NLB's updated 13 Strategic Risk Cards. There is also a newly established fourteenth Strategic Risk Card - Climate Emergency - which in concert with the additional strategic focus supports NLB's commitment to continuously reducing its environmental impacts in line with externally verified ISO 14001 certification. The Risk Cards are reviewed by the Executive Group and also at each Audit & Risk Committee.

The Board also noted the Tri-GLA Brexit Risk Register. This is regularly reviewed via the Inter-GLA Committee for Legal and Risk (IGC 6) and is reported to both the Chief Executives Committee and the Audit and Risk Committee on a regular basis.

15. REPORT FROM THE AUDIT AND RISK COMMITTEE

The Minutes of the meetings held on 13 November 2019 and 20 February 2020 were noted.

Commissioner Wilkinson, as Chair of the Audit and Risk Committee, gave a verbal update. The main point to note was the indication from GIAA that it will provide a substantial rating for the annual opinion for 2019/20. There were no concerns that required to be brought to the attention of the Board. NAO and GIAA have the opportunity to meet with Audit Committee members in private, if required, and they have not chosen to do so recently. Between the audits carried out by GIAA and by the independent auditors in relation to the ISO standard there is sufficient assurance around the operations of the organisation and the management of risk. The Board was pleased to note that risk

management is embedded across the organisation and used to drive improvement. During the year there has been an audit of the organisational review which also received a substantial assurance.

There was a session at the November 2019 Audit and Risk Committee on cyber security, the potential threats to the organisation and the approach being taken. It is intended to re-run this session with the Managing Board on a suitable date.

16. BLACK BEQUEST

The Board noted that the closure of the James Coats Junior “Ferguslie” Paisley Memorial Fund (Black Bequest) charity has been completed, with closing assets being remitted to the Civil Servant Benevolent Fund (CSBF). The bank was instructed to close the bank account, and the winding-up confirmation was received from OSCR (Scottish Charity Regulator) on 24 December 2019.

The CSBF have confirmed that all current and ex-NLB employees are entitled to use their services. However the funds remitted from the closure of the Black Bequest have been ring-fenced for the sole use of Lightkeepers’ and their dependents (including RLK’s). The CSBF will be promoted to staff and former staff through the NLB journal.

It was noted that it had been 100 years since the Trust had been established and that it has provided assistance to many people over the years.

17. INTER GLA MATTERS

IALA Change of Status to Inter Governmental Organisation (IGO)

The change of status to an IGO is progressing satisfactorily and it is expected that the final documentation will be signed in Paris in November 2020.

RPI-X

The GLAs are coming to the end of the current 5 year period and there is need to advise the DfT as to what, if anything, should replace it. The GLAs contracted the University of East Anglia to review the existing arrangement and recommend appropriate measures for the future. UEA’s conclusion was that it an RPI-X measure was now inappropriate for the GLAs in view of the progress made since RPI-X was first introduced in 2010. There is now much more control, oversight, governance and a comprehensive Corporate Planning process which is scrutinised by the industry and by DfT. The Board endorsed UEA’s recommendation and agreed that this should be the starting point for discussion with DfT. This issue will be discussed at the Chief Executives’ Meeting on 29 April and a proposal will be submitted for discussion at the Joint Strategic Board meeting on 20 May 2020.

18. ANY OTHER BUSINESS

There were no items of any other business raised.

16. CORPORATE CALENDAR

The Board noted the Corporate Calendar for the remainder of 2020 and approved the Corporate Calendar for 2021.