

**NORTHERN LIGHTHOUSE BOARD
BOARD MEETING
MINUTES – 14 October 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 Duncan Murray	Commissioner
	Sheriff Principal Aisha Anwar	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)

Due to COVID-19 the meeting was held via Zoom Video Conferencing.

The Chair welcome Sheriff Principal Anwar to her first meeting of the Board of Commissioners.

1. APOLOGIES FOR ABSENCE & DECLARATION OF INTERESTS

Apologies for absence were noted from Commissioners Stephen, Scoullar, Di Rollo, Turnbull, Lobban 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

The minutes of 22 April 2020 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.

Annual Review of Board Effectiveness – Commissioners Woodward and Wilkinson held a discussion on the role of the Head of Governance to help Commissioner Wilkinson better understand the points raised in the Board Annual Appraisal. It was agreed to give consideration to the points and revisit the organisational review when the Guide to Governance is next due for review.

Annual Review of Board Effectiveness – A Training Matrix has been produced and was reviewed by Managing Board. The matrix is available to all Commissioners via SharePoint within the BoC Information area.

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 has been one reportable incident since the last Board of Commissioners. A mariner onboard NLV POLE STAR slipped and fell breaking a rib/s when carrying out deck wash-down after buoy operations on the working deck. A comprehensive investigative report was prepared by the Chief Engineer and lessons learned have been implemented.

HS&E Report

Leadership Tour - The easing of lockdown restrictions enabled the Chief Executive and HS&E Manager to undertake a leadership tour with the Inverness Technicians in the Kyle of Lochalsh area. This was a good opportunity to observe how the Technicians were dealing with the impact of COVID-19 in the work place. Commissioner Archibald has also recently been out with Technicians to visit lighthouses in Orkney.

Environment - Following on from two scoping meetings with Zero Waste Scotland work has been undertaken by members of the Environmental Working Group to draft a Carbon Reduction Plan for NLB. This will enable NLB to have baseline measurements with respect to carbon use and enable a targeted approach to be taken to reducing carbon emissions across the estate.

Skerryvore - The essential work undertaken at Skerryvore in June for topping-up battery levels and storing the station went well. The painting work that had been completed last year to encapsulate traces of asbestos on the walls in the station was generally in good order and this gave reassurance to Technicians.

Operations Report

Marine Operations

COVID-19 – Both vessels are carrying on normal operations with the appropriate COVID restrictions and enhanced hygiene measures in place. There are no passengers being carried on NLV POLE STAR however NLV PHAROS has conducted a number of contracts with passengers onboard as they could be kept separate from ship’s staff. NLV PHAROS also visited the Naval Architects in Esbjerg, Denmark as part of the Vessel Replacement Project. This was due to international air travel restrictions preventing the Naval Architects making the trip to the UK.

NLV PHAROS – The main engine cabling has been replaced but the vessel remains with a Starboard windlass clutch issue which will require manufacturer attendance in February 2021. In the meantime the windlass is operational but if it failed it would cause a Condition of Class.

NLV POLE STAR – The vessel recently completed a successful 20 year dry-dock and has come out well serviced and prepared for the next 5 year period.

Commissioner Beveridge asked whether anything transpired from the dry-dock that indicated whether there may be any issues keeping the vessel running before the entry of the new vessel. The Director of Operations advised that it was unlikely that any significant hull work would be required but that does not negate the ongoing obsolescence issues on the vessel. There is no requirement to revisit the Statement of Requirements or review the risk associated with the new vessel.

There has been one Master retire in September 2020 and another Master has advised that they intend to retire in April 2021. Following interview a Chief Officer has been promoted to Master and NLB is currently in the process of recruiting a new external Chief Officer as there were no internal applicants.

Rating Apprentices - Unfortunately the pandemic has prevented recruitment of the next round of rating apprentices. NLB relies on a critical mass of apprentices to run the induction and essential pre-sea training at Glasgow College. NLB continues to monitor the situation with a hope that a delayed class may be run early next year.

Helicopter - During the worst of lockdown the helicopter was only dealing with emergency casualty work but has now resumed full operations.

EU Exit – The EU Exit remains a significant risk. A no-deal exit would result in the current helicopter provider being unable to offer the current contracted service to all three GLAs. Discussions continue between the contractor and the GLAs to try and find a resolution.

Commissioner Archibald asked whether there should be reference to a financial risk within the Strategic Riskcards. It was agreed that the Director of Business Services will review the Riskcards and revise as necessary.

Action: Director of Business Services

Oban Base - Oban Marine Operations have completely resumed with stores, office and buoy refurbishment ongoing within the necessary social distancing constraints. Technicians are using the ESTF as necessary to support operations. Problems with the paint system meant that buoy preparation has been protracted but the problem has now been resolved. Despite there not being any cruise vessels this year many aquaculture vessels have been using the facility.

Navigation Team

Working virtually from home, the Navigation team is largely meeting all work requirements including audits. Aquaculture inspections have been halted and are likely to be difficult to resume on site for some time yet due to bio hazard concerns. Review from seaward on board NLV POLE STAR has been trialed with mixed results and a further review of how aquaculture inspections are carried out in the future is being carried out.

A Recommendations meeting held by the MAIB, regarding the tanker grounding at Kyleakin, was attended virtually and has resulted in the Black Eye buoy being relocated. An onsite meeting was held with MOWI and their DP on 14 September 2020 to discuss the marking of approaches to the pier. In addition and as a result of this incident a review of harbour and pier licence applications has been carried out with regard to ensuring close-out of marking recommendations and sanctions in future.

DGPS - A Notice to Mariners (NTM) notifying the discontinuation of the GLA DGPS at the end of April 2022 has been issued. The Communication Plan is progressing. There has been no feedback from Stakeholders.

Programme and Renewals

Work is now back on track with all sites active and continuing to operate. There has been some disruption getting equipment to and from Barra Head and Cape Wrath due to weather and visibility issues but they are normal operational constraints, the actual construction work is ongoing. Butt of Lewis is again operating on its main light, Sound of Harris is complete and the new light has been established at Cape Wrath.

The contract for the new sector light at Corran Narrows has been awarded and has received appropriate permissions to proceed from SNH. The aim is to get the concrete pad cast in place before Christmas to allow it to go off over the Christmas period. However due to other issues the initial window in November might need to be rescheduled. The land purchase process has begun.

Planning and Delivery

To some extent the Technicians are still impacted by COVID restrictions e.g. when they go and stay on site they have to ensure that they are not communally eating, are cooking separately and there is only one person to a bedroom, etc. The latest changes to restaurant closing times, etc may impact on technicians but not to the extent yet that it has disrupted any work.

Technicians were stranded on Bell Rock for 5 additional days at the end of August but were finally removed by NLB aircraft in an early morning tidal window once weather conditions improved. Lessons have been learnt from this around planning and simultaneous operations.

Asset Management

The Asset Team have been busy with restructuring the Corporate Plan and looking at future capital works. Significant preparatory work has been undertaken looking forward to future years and setting the requirements for Project and Renewals.

Oban Bay

The Stakeholder Group has made little progress in the last few months due to severe commercial and personal impacts of COVID-19 on key members who are small business operators. The 2021 summer season is anticipated to be extremely busy and all parties are keen to have the new harbour operational by then.

Business Services

Pay Remit - The second year of the 2 year pay award was implemented on 1 August 2020. The process of finalising appraisals is being carried out and a performance related payment to eligible staff will be made in November 2020.

2019/20 Annual Report & Accounts - NAO have identified no material errors to date which would lead to an adjustment in NLB's individual accounts or the group accounts. Due to COVID a number of Agencies were granted the opportunity to lay their accounts after the summer recess instead of before which changed the resource allocation from NAO. The GLF audit has taken lower priority than

much of the other agency work but should be completed in November. Once the audit has been successfully completed the Accounts will be laid before the Scottish Parliament.

SR20 – Spending Review - DfT formally invited Arm's Length Bodies (including NLB) to submit their spending review to the Department in August 2020. This is the first time the GLAs have been asked to contribute as their funding comes from the GLF. In this instance, NLB was asked participate because of the requirement for funding for the vessel replacement. There was been no feedback yet on when confirmation of the outcome of the Review can be expected.

2020/21 Management Results – The Commissioners noted the Management Reporting Pack for Period 6 (September). The new report format provides both figures and analysis alongside narrative in one document and has received positive feedback from other user groups. Gapped posts will be included in future reports.

Procurement - Weekly calls continue with DfT procurement surrounding EU Transition and other legislative/best practice initiatives. However COVID-19 continues to dominate with other new initiatives such as the introduction of Social Values delayed.

Due to the GLA's Vessel Replacement Projects, DfT Procurement are becoming more aware of the GLAs procurement activity and is requesting increased reporting and approvals to identify opportunities for best value and cooperation. This increasing procurement involvement has been raised with the DfT Sponsorship team but it was acknowledge that it might bring some potential savings and an opportunity to use some of the DfT service e.g. legal. The Framework Agreement is due to be reviewed and procurement limits, etc will be examined as part of that review.

Cyber Security for the Board Report – The Commissioners noted the document that had been prepared to inform them of their expected considerations with regard to cyber security as recommended by the UK Government's National Cyber Security Centre (NCSC). The document highlighted the key questions and some of the steps NLB has taken to answer them. NLB acknowledges the fluid nature of cyber threats which is why risk logs and risk identification are constantly under review not just within the ICT team but also by the Executive Group. It was agreed that this matter should be an annual agenda Item.

Action: Director of Business Services

It was noted that it is still planned to arrange for a member of NCSC to engage with the ICT Team and provide a presentation.

Commissioner Archibald raised the issue of security of shipping, shipping control systems, etc and the linkage of AtoNs. The Director of Business Services advised that the NLB ICT Team leads the GLAs in terms of discussing with the ships crews what operational systems are on board the ships, how they are accessed, updated, etc and a risk register was created for each vessel. There are also new International Maritime Organisation regulations for the vessels that come into effect in January 2021 covering cyber. It was noted that the new vessel will have cyber security notation and will be classed to comply with the latest international requirements.

A risk register has also been created with the engineers for buoys that can be programmed, DGPS, monitoring system, etc to get an understanding of where there could be risks. Cyber considerations are also part of the procurement process.

New Business Services Managers - During September Rachel Smith joined NLB as Business Support Manager and during October Jamie Fitzpatrick joined as Interim Finance Manager. Despite having to work from home both new managers are now developing their knowledge of NLB and their team's activities.

Business Development - The Commissioners noted the update on business development.

HR Report

Performance Management System - The new Shore Based Performance Management System has been implemented and employees are being set their objectives using the new system. It was noted that there is an intention to improve and update the ships staff system in the future.

Engagement Survey - The NLB Engagement Survey for 2020 has now closed. HR is currently doing the analysis which will be shared with the Directors and Executive Group for review and a brief will be provided to the Managing Board in due course.

Action: Chief Executive

Healthy Working Lives - Events continue to be organised to support staff, albeit in a virtual setting. Excellent feedback was received from the Menopause event in which separate events were held for men and women.

Organisation

Patron - An update brief on NLB activity was sent to The Patron which provided an overview of the response to the pandemic as well as major initiatives including Vessel Replacement and Organisational change. A Birthday card featuring Skerryvore was sent on behalf of Commissioners and Staff to mark HRH's 70th birthday in August. HRH attended September's Managing Board virtually.

Co-Opted Commissioner Re-Appointment – Commissioner Wilkinson (Scottish Government appointed) and Commissioner Woodward (DfT appointed) have both been reappointed for a further 3 year term.

84 George Street Refurbishment - The Server Room fire suppression system has been installed and is operational. The Fire Stop survey has been completed and work is underway to draw-up the requirement for the tender process to complete the work. A Space Audit has been completed which included staff surveys and interviews. The initial proposed layout has been received and is being reviewed by the Project Board and Stakeholder Group. It includes the creation of a Corporate suite, including the Board Room, on the Second floor at the front of the building within the original Georgian part of the building. A briefing will be given in the near future to the Managing Board.

Action: Chief Executive

External Engagement

Director Maritime - The rescheduling of the cancelled meeting of the Chief Executive and the Chair with Director Maritime for the annual Board Evaluation remains outstanding. Roger Hargreaves has stepped down from the post to take up a role in the Cabinet Office and Petra Wilkinson will step up until a permanent appointment is made. To provide continuity during the Brexit period recruitment will not take place until the new year.

Maritime Minister - Kelly Tolhurst MP has been replaced by Robert Courts MP. The Chief Executive has been invited to meet with the Minister on 9 November for an introductory discussion. It is likely this will be conducted virtually.

Lord Mackenzie – The Chief Executive has been in contact with Hector Mackenzie (former Lightkeeper) and provided an update on the Vessel Replacement Project.

Isle of Man (IoM) Table-Top Wreck Response Exercise - Work is underway led by Commissioner Shaw to arrange a virtual table-top exercise/discussion with IoM Government representatives to review Wreck and New Danger response scenarios for an incident occurring in IoM waters.

Scottish Maritime Cluster (SMC) - As a Non-Executive Director of SMC, the Chief Executive has been engaged in a series of meetings including the development of Value Propositions, recruitment of new organisations and the development of a programme of virtual events.

Museum of Scottish Lighthouses - As a Trustee of both the Museum and Northern Lighthouse Heritage Trust (NLHT), the Chief Executive has supported the Museum team through furlough to reopening on 12 August 2020. NLHT has provided much needed financial support which will continue, subject to checks and balances, until 31 March 2021.

Scottish Users Consultative Group (SUCG) - The annual meeting planned for 4 November 2020 will be held virtually.

Outreach

Doors Open Day - NLB took part digitally in Doors Open Day in September and a video about NLB's work and the role of 84 George Street was hosted on the Doors Open Day website.

Communications - NLB is involved in various projects and has had some really positive TV, online and media coverage. NLB continues to grow its social media following.

Conference of the Parties - NLB had planned to be involved in COP26 before it was postponed due to COVID-19. This remains on NLB's radar primarily through the Scottish Maritime Cluster. Commissioner Woodward will keep NLB informed of any overlap with the Met Office.

Action: Commissioner Woodward

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.

Local Lighthouse Inspections

Commissioner Wilkinson asked whether there was a recovery plan to remove the backlog in inspections. The Director of Operations advised that most inspections of individual aids to navigation are carried out from seaward and it should be possible to deliver over the 70% target. The other inspections have fallen behind due to COVID. Virtual audits have commenced but it may be that those for aquaculture will not be achieved this year largely down to food hygiene requirements and the risk to stock.

Mean Time Between Failure (MTBF)

It was noted that the increase in MTBFs is due largely to AIS, particularly Whale Rock. However, the overall availability for all categories is well above the IALA targets.

Managing Board Minutes

The Commissioners noted the minutes from the Managing Board meetings held on 14 May 2020, 24 June 2020 and 10 September 2020.

5. ANY CLARIFICATION (BY EXCEPTION) ON OPERATING REPORTS

HSE Training

Commissioner Wilkinson enquired as to whether consideration had been given to online training to help with the backlog and asked for confirmation that there is still compliance with statutory and mandatory training. The Director of Operations confirmed that the NLB is compliant with statutory obligations. Extensions were given to certification or temporary certificates were issued by the Maritime and Coastguard Agency. There is still a window for extensions to be valid whilst training is caught-up. Training establishments are now open again and courses are being held in a COVID safe way. Some courses such as firefighting, HUET, etc are not available online but where it is possible online courses are being undertaken. There is no operational risk envisaged.

AtoN maintenance

Commissioners Wilkinson asked if NLB was confident that the backlog in maintenance can be retrieved relatively quickly. The Director of Operations advised that much of the backlog is repeat maintenance e.g checking batteries levels, etc. Priority is being given to more difficult to access stations during the better weather to minimise the risk if access is not possible over the winter. The Assets Team is considering whether some of the backlog can be written-off and at the frequency of some of the maintenance. The Director of Operations assured the Commissioners that there should not be a reliability problem.

Commissioner Beveridge asked if the figure for total out of hours' services for all AtoNs from 1 April to date was correct as it is very high. The Director of Operations explained that was due to AIS failures as a result of faults in units. As these are Category 3 failures they have been given a lower priority and therefore the failures have persisted longer than normal before they have been restored to service which has driven-up the total out-of-hours figure.

6. ANNUAL REPORT AND ACCOUNTS TO 31 MARCH 2020

The Director of Business Services presented the Accounts drawing out areas of significance. This covered financial performance, changes to the financial statements as a result of IFRS16, the new note for leases, interest payable, right of use assets, enhanced disclosure for right of use assets and commitments under leases. It was noted that the premise of IFRS16 is to bring off-sheet financing on to the balance sheet to make organisations aware of how much commitment there is for future cash flow.

Commissioners Wilkinson, as Chair of the Audit & Risk Committee, highlighted to the Commissioners that the Government Internal Audit Agency (GIAA) gave a "substantial" assurance rating on the adequacy and effectiveness of NLB arrangements for corporate governance, risk management and the internal control processes. GIAA also passed on that NLB is now considered by GIAA as a low risk Arms' Length Government Body and that status recognises the significant improvements that have taken place over recent years. Commissioner Wilkinson recommended that the Executive Team should be commended for this achievement and the Board agreed.

The Finance Team also did excellent work in getting a clean audit in these circumstances. The Director of NAO advised that only errors below the triviality limit were found

The Audit & Risk Committee therefore recommended that the Annual Report and Accounts be presented to the Board of Commissioners for signature subject to receiving confirmation from the

NAO that they have successfully finished the NLB audit. It is hoped the Accounts can be signed off in November 2020.

7. CORPORATE PLAN 2021-2026

The challenges in this particular period have been set out in opening statements. There is a number of complications e.g. COVID-19, Brexit, etc that have been included within the Plan so that stakeholders are fully informed. The Commissioners noted the change to the Strategic Focus, Mission, Vision and Values to reflect NLB's response to climate emergency.

The Director of Business Services provided an update on any changes from the Plan that was submitted to the Managing Board in September 2020. No feedback on NLB's Plan will be received from the GLF Accountant until all three GLAs' Plans are received and the overall budget is reviewed. Discussion ensued on RPI-X, the MacLeod Judgement and Light Dues.

The Corporate Plan will now be submitted to the DfT on 31 October 2020 and will be discussed at the Multilateral meeting on 24 November 2020. The Plan will then be recommended to the Minister for sanction.

8. NOMINATION COMMITTEE

The Commissioners noted the minutes of the Nomination Committee meeting held on 6 October 2020. The Commissioners discussed and endorsed the following recommendations made by the Nomination Committee:

- Chair of NLB – Commissioner Beveridge to become Chair with effect from 1 April 2021.
- Vice Chair of NLB – Commissioner Wilkinson to become Vice Chair with effect from 1 April 2021. Commissioner Wilkinson will also continue as Chair of the Audit & Risk Committee and will join the HS&E Committee by default.
- Chair of Navigation Committee – Commissioner Brew to become Chair of the Navigation Committee with effect from 1 April 2021 until his retirement in May 2022. This will allow for other Non-Executive members of the Navigation Committee to gain/broaden their experience.
- Nomination Committee – As NLB's Chair, Commissioner Beveridge will replace Commissioner Brew on the Nomination Committee (or its successor) with effect from 1 April 2021.
- Managing Board – Commissioner Stephen will leave the Managing Board after the meeting on 12 November 2020. Commissioner Turnbull will join the Managing Board to replace Commissioner Stephen.
- Audit & Risk Committee – Commissioner Anwar will replace Commissioner Turnbull on the Audit & Risk Committee following the meeting on 11 November 2020.
- Membership of Vessel Replacement Project Board – Commissioner Archibald will replace Commissioner Beveridge as a member of the Vessel Replacement Project Board on a date to be agreed.
- Chair and Membership of Northern Lighthouse Heritage Trust (NLHT) – Commissioner Beveridge will step down as a Trustee and Chair of NLHT prior to taking up the role of Chair of

NLB. There are already sufficient Commissioners on the Trust so no further appointment is required at this time. The appointment of a successor Chair is a matter for NLHT to determine.

The Commissioners noted that the Nomination Committee had discussed the 4 year commitment required by Commissioners (Vice-Chair then Chair) and how to make the role of Chair more accessible to Statutory Commissioners. This could be achieved if a candidate was deemed by the Board of Commissioners to have sufficient experience to enable them to step directly up to be Chair. The Nomination Committee also discussed whether in the longer term it might be more appropriate for a Co-Opted Commissioner to leave the Board directly after their period as Chair as compared to now when they normally continue until the end of their 3 year term. The length of time individual Commissioners served on a Committee was also discussed and whether fixed terms should be implemented, however the need to take account of the relatively small pool of people and any resulting consequences was highlighted. A specific question on this subject will be included in the Annual Review to provide an opportunity for Commissioners to provide comment and discuss offline.

This will be an Agenda item for discussion at the April 2021 Board of Commissioners meeting following further discussion at the March 2021 Nomination Committee.

Action: Senior Executive Assistant

9. REMUNERATION COMMITTEE

The Commissioners considered the proposal to amalgamate the Remuneration Committee with the Nomination Committee and were content to approve the amalgamation. A meeting to consider the membership of the new Committee will be arranged.

Action: Chief Executive

10. COVID-19

NLB Business Continuity Team continues to meet at least weekly or as circumstances dictate. Policy and Risk Assessments have been updated to respond to new information and changing policy.

NLB staff continue to be kept aware of the situation via policy updates, by a weekly email sent by the Chief Executive and there is also a Friday coffee break via Zoom at which all staff can attend to keep in touch with other NLB staff. Staff morale is assessed to be good with positive feedback.

Maritime Mutual Support Group

NLB has coordinated the setting up a Maritime Mutual Support Group made up other Scottish Government ship operators which includes Council ferry operators, Calmac, Northlink, etc. to promote sharing best practice, resources and ideas. This Group has proved to be useful on a number of levels for all stakeholders. The Group's meetings were initially held weekly but have now reduced to fortnightly. NLB has drawn up Terms of Reference for the group to allow it to be readily resurrected for future contingencies.

Project Restart

The Project Board continue to meet every 2 weeks with a focus on returning to some kind of normality as soon as practicable. The Board recognized that from an operational point of view this has been achieved but more is still needed as the situation continues to evolve and change. NLB staff have been remarkable in what they have achieved and how they have responded. The Board noted in

particular that the ICT Team are due particular praise for enabling homeworking for all relevant staff, technicians have adopted new working practices, the ships have adapted to new ways of working and have now started taking contractors on board NLV PHAROS again and Oban Base returned quickly to normal business.

There is no indication from an initial review of the Staff Engagement Survey that there are any significant issues. The Executive is extremely proud of their colleagues and could not have asked any more from them. The Board recognised the progress that has been made but Commissioner Woodward highlighted the need to regain peer to peer learning and the current lack of normal opportunities for on-the-job learning for those working from home. The Chief Executive advised that this is one of the considerations being considered in terms of the longer term and how this can be facilitated by the new HQ layout. The intention is to enable more teams to get together and mix so there is more learning. The Executive would welcome feedback on any issues or best practice.

11. STRATEGIC RISK REGISTER

NLB's Strategic Risk Register is subject to consistent and ongoing review by NLB's Executive Group on a rolling cycle. The status of all escalated risks is also reported to the Managing Board along with all relevant mitigating measures. The Chief Executive, as Accounting Officer, is satisfied that the NLB is in a good position with respect to risk.

Commissioner Wolffe noted the risk estimation on the HSE Riskcard of medium probability/high impact and asked whether anything could be done to drive the post mitigation risk estimation down further. The Chief Executive advised that the scoring was a reflection on the nature of operations NLB undertakes. Safety is NLB's number one priority and everything practicable is done to mitigate risks but as NLB operates in a sometimes difficult environment, at sea, uses a helicopter and small boats, etc some risks remain.

The Climate Emergency risk which has a high probability/very high impact requires major initiatives, such as ship replacement, which will take time to improve the post-mitigation picture significantly.

Brexit Risk Register

The Brexit Risk Register is a Tri-GLA Document managed by the Inter GLA Committee 6 (Legal and Risk). This is also reported to the Managing Board, Audit and Risk Committee in addition to the Chief Executives Committee and JSB on a routine basis. The major risk currently is the helicopter contract and how it is impacted by Brexit.

12. AUDIT & RISK COMMITTEE

Commissioners Wilkinson, Chair of the Audit & Risk Committee, informed the Board of the successful transfer of NLB's ISO Certification. The first full surveillance visit with the new 3rd Party Audit Provider was conducted remotely during July 2020. The process was extremely detailed, utilising site specific video surveys, in addition to involving representatives from almost every NLB department. The Auditor highlighted two key organisational strengths including the effective implementation and management by all departments of NLB's Risk Management System, in addition to NLB's Business Continuity approach where 3rd party emergency planning partners are used to assist with the process. There were two areas of non-conformance raised and both issues were immediately rectified. The major non-conformance was formally closed-out during a special surveillance audit on 24 August 2020. The

minor non-conformance will be formally closed-out at the next surveillance audit scheduled for February 2021.

The Board confirmed that it was reassured by the report from Commissioner Wilkinson.

13. VESSEL REPLACEMENT PROJECT

The Commissioners noted the report provided.

Commissioner Beveridge gave an overview of the work of the Technical Working Group. Commissioners noted the progress made with the design and the current General Arrangement.

Commissioner Shaw gave an update on the Procurement Working Group. NLB issued a Prior Information Notice (PIN) in the Official Journal of the European Union (OJEU) and Contracts Finder on 9 October 2020. This allows NLB to complete early market consultation whilst observing the principles of Public Procurement Regulations 2015. An Industry Day is planned for February 2021.

A proposal for the name of the new ship will be submitted to the next Board of Commissioners meeting in April 2021.

Action: Chief Executive

14. INTER-GLA MATTERS

RPI-X

Following consideration of the application of the RPI-X regime to the GLAs in the current difficult circumstances the DfT has agreed to a one year break.

Joint Strategic Board (JSB)

The November JSB will focus on a review of Corporate Plans, the General Lighthouse Fund, preparation for the Annual Multilateral Meeting with DfT, the implications of Brexit and most particularly the Tri-GLA Helicopter Contract.

15. ANY OTHER BUSINESS

Commissioner Brew

It was noted that this would be Commissioner Brew's last meeting of the Board of Commissioners as Chair. On behalf of the Board, Commissioner Beveridge thanked him for leading the Board through these testing times.

16. CORPORATE CALENDAR

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