

**NORTHERN LIGHTHOUSE BOARD
BOARD MEETING
MINUTES – 16 October 2019**

PRESENT:	Captain Michael Brew	Chair
	Captain Alastair Beveridge	Vice-Chair
	Sheriff Principal Duncan Murray WS	Commissioner
	Sheriff Principal Derek Pyle	Commissioner
	Sheriff Principal Ian R Abercrombie	Commissioner
	Sheriff Principal Marysia Lewis	Commissioner
	Councillor Bill Lobban	Commissioner
	Rob Woodward	Commissioner
	Alison Di Rollo QC	Commissioner
	Elaine Wilkinson	Commissioner
	Graham Crerar	Commissioner
	Hugh Shaw	Commissioner
In Attendance:	Mike Bullock MBE	Chief Executive
	Mairi Rae	Director of Business Services
	Phil Day	Director of Operations
	Jim McBrier	Risk and Improvement Manager
	Fiona Holmes	Communications Officer (Agenda Item 4f only)
	Karen Charleson	Senior Executive Assistant (Minutes)

1. APOLOGIES FOR ABSENCE & DECLARATION OF INTERESTS

Apologies for absence were noted from Commissioners Stephen, Wolffe, Turnbull, Scoullar, Bolander, Ross and Crockett.

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 24 April 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 no reportable incidents since the last Board of Commissioners. It was noted that there have been over 6 months worked without a reportable incident.

HSE Report

ISO 45001:2018

NLB has achieved certification to the latest ISO standard for Occupational Health and Safety Management which places a bigger emphasis on leadership and management commitment, risk opportunity management and workforce participation and consultation. This is a significant achievement which has been completed 18 months ahead of the deadline. It was noted that NLB is the first GLA to achieve this.

Asbestos – Skerryvore

Planned asbestos removal work took place at Skerryvore in May 2019 to remove loose paintwork from the walls in areas where it was flaking and to touch up and encapsulate affected areas. Additional painting was also done in and around the hatches to improve the paint seal. The station is now habitable. Proposals are awaited from specialist contractors to assist with determining the longer term plan.

Radon

Following detection of radon, testing at the Point of Ayre lighthouse has continued and the addition of ventilation holes within the door has resulted in a significant reduction in levels detected. Longer term solutions that give more certainty of reducing radon levels are to be explored. Testing was undertaken in the 'bothy' and battery room and the readings in these areas were below the threshold limits. Radon monitors have been obtained for the four Technician areas to enable further monitoring to take place, particularly at some of the more remote lighthouse stations.

Mercury

The Institute of Occupational Medicine visited Sumburgh Head, Kinnaird Head Museum, Scurdie Ness and Mull of Kintyre to undertake background checks for mercury vapour in atmosphere. A final report is awaited.

Mercury vapour was identified in a number of areas in the Museum of Scottish Lighthouses and measures have been put in place to mitigate the risk. NLB will support the museum to identify long-term solutions.

Environmental Workgroup

A productive inaugural Environmental Workgroup was held in May 2019. A number of areas where good environmental performance is already being considered were highlighted. An environmental tracker has been devised to give an indication of the savings made at meetings where they are paperless and/or used video conferencing.

Occupational Health

A general review of occupational health procedures is on-going which will encompass weight and mobility requirements more explicitly. In addition to this the use of an additional paper-based health questionnaire, as part of NLB due diligence checks, is being explored for those required to drive on behalf of NLB.

Operations Report

NLV PHAROS

In addition to routine buoy and project work NLV PHAROS has completed various contracts, supported asbestos work at Skerryvore and has undertaken Patron and Commissioners' Inspection Voyages. The Board noted that while on charter the port propeller became entangled in a drifting fishing net. A newly procured, as result of a Staff Suggestion, GoPro camera helped identify the problem and the vessel diverted to Scalloway for the net to be removed. There was no damage discovered and the vessel returned to complete the charter.

NLV POLE STAR

NLV POLE STAR has conducted contract buoy work at Moray windfarm, supported Technicians inspecting beacons in the Sound of Harris, and hosted visits by Commissioners Wilkinson and Woodward. During September the vessel was in self-refit in Leith.

The Board noted that NLV POLE STAR had briefly grounded in the approaches to Inverness on 9 July. The vessel was refloated without injury or damage to staff, vessel or the environment. The MCA and MAIB were satisfied with the investigation and have closed the case. Actions arising from the investigation are being tracked to completion.

Helicopter

Routine operations have continued. The Board noted that the contract had been operating with 3 rather than 4 pilots for a period. This has now been resolved but aircrew mobility and availability remains a concern. A gate review regarding the extension or retendering of the contract is set for December 2019.

Oban Base

In addition to routine operations the base has hosted visits by TH and IL buoyage teams and a visit by the Association of Lighthouse Keepers.

2020 AtoN Review

The Navigation Committee have reviewed all areas and considered stakeholder input along with traffic volumes. Recommendations are being finalised for the Navigation Committee in December 2019 with the intention of having a draft review document to be published for consultation by the end of this year. The final review document will be published in time for the JUCG meeting in May 2020.

Capital Works Programme

The 2018/19 programme of work is complete with the exception of Copinsay which remains with the light commissioning being delayed by a manufacturer's software fault. Work is progressing for 2019/20 projects with work completed at Ruvaal and close to completion at Eilean Glas. Following the Navigation Committee, in June 2019, the Irvine Beacon project has been cancelled and the proposed Firths Voe project replaced with one that would result in moving the light inshore in the 2020-25 period.

HQ rewire and upgrade is in the planning phase with initial work on server room fire suppression and fire stopping being planned to be conducted before financial year end. The Board discussed the requirement for the fire suppression system and noted that this was being undertaken to mitigate the risk to the building as the server room was identified as a "hot spot".

Planning and Delivery Team Staffing

The Delivery team are now "up to strength" but training of the new recruits is ongoing and experienced staff availability remains an issue.

DGPS

A final IGC5 recommendation was made to the Chief Executives' Committee and GLA Boards to close the DGPS service in March 2020. The Managing Board, at their meeting in September, approved this course of action. It was noted there would be no dividend i.e. people, capital, etc as a result of closing DGPS due to the need to divert them to emerging future technology e.g. SMART Racons, enhanced AIS.

Monitoring

The existing monitoring system and servers continue to operate reliably. The contract for the supply of a new top end and RTUs has been awarded and work is now underway to develop the protocol for the new HQ based top end to interface with NLB existing outstation network.

Hydrogen

A proactive asset-led initiative to monitor hydrogen levels in battery rooms has revealed some concerns with high levels particularly in Pillar Rocks during boost charges which are often carried out when technicians are on site. Staff have been reminded of the risks associated with boost charging and that it should be avoided. They have also been advised to use hydrogen monitors and to take other precautions. Pillar Rock battery rooms are to be reviewed for ventilation arrangements and gas tightness. Other sites with battery rooms are to be reviewed as a second priority.

Oban Bay

The delayed Oban Bay Management Group meeting was held in late August. A review of the incident information for the summer to date has seen a large reduction in groundings and proportionally fewer navigational infringements/near misses involving ferries. The Stakeholder Group continues its work with the objective of having made meaningful progress by March 2020 i.e. Harbour Order submitted and close to completion.

Business Services

Pay Remit

NLB was advised in March 2019 that the business case as submitted could not be supported and were asked to prepare an alternative business case. In the following months significant time was spent discussing pay with DfT Officials. NLB prepared revised proposals to cover a three year period but were later advised there was no scope to pay above 1.5% for 2018/19. Consideration would however be given to a multi-year business case for 2019/20 and 2020/21. After several iterations of the document a revised Business Case was submitted on 4 September 2019. The Business Case has been endorsed by the Secretary of State and is now in the hands of the Cabinet Office and HM Treasury for consideration.

Annual Report & Accounts to 31 March 2019

The submission of NLB's financial results to the Department for Transport took place in May 2019. DfT commented positively upon the speed and accuracy of reporting for the 2018/19 submission. No follow-up questions or concerns were received by NLB from DfT. DfT filed their annual report and accounts on time (pre-recess) with a clean audit opinion.

The NLB Annual Report and Accounts were audited by NAO on-site at NLB offices during July. NAO have confirmed their completion of the GLA/GLF audit, with the NLB Annual Report and Accounts receiving validation at the Audit & Risk Committee on 26 September 2019.

X-Factor

The Board noted the final X factor figure against target (if future year results remain on target). The Director of Business Services highlighted that NLB would have delivered an improved X factor figure if the pension increases from 1 April 2019 were not required. The majority of underspend in 2018/19 related to vacancies and are therefore are not real or sustainable savings. 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.

Financial Results to 30 September 2019

The Board noted the financial summary for the year to 30 September 2019 provided in the Business Services report. The total net expenditure for the organisation to the end of period five is currently behind budget. The main contributing factors of the underspend to date include the pay and pensions shortfall due to the continuing delay in agreeing a settlement. Capital expenditure is also behind budget due to capital projects running later in the year than initially anticipated. Similar to the 2018/19 financial year, significant capital expenditure is expected in quarters 3 & 4. However, NLB is currently forecasting a year-end spend in line with sanctioned budget.

HR & Payroll and Finance System Replacement

The Board noted that the Audit and Risk Committee had reviewed the risks presented by proceeding with the system(s) replacement and agreed that NLB should postpone the project and continue with the existing supplier within the terms available in the current system(s) contract. The system replacement project will resume prior to the end of the contract period, to allow sufficient time to undertake a tender and implementation process.

Brexit

The Board noted the update on the Tri-GLA Brexit risk approach and the limited assurances given the uncertainty of a deal or no-deal Brexit. The key contract NLB has highlighted to DfT is the Tri-GLA helicopter contract. The Board noted the main risks associated with the helicopter contract.

ICT Update

Following the penetration/vulnerability testing in February 2019 the ICT team have now closed out all actions raised. During September the ICT team carried out a Phishing Email test and there was a significant improvement in the number of staff who clicked on the test phishing link. The ICT team continues to roll out staff ICT security awareness testing.

Voluntary Registration of Titles

Registers of Scotland (ROS) has indicated that they are unlikely to achieve their deadline to complete registrations. ROS requested NLB resubmit a number of applications after they identified gaps in their previous guidance.

HR Report

Performance Management System

Workshops have been completed with managers and staff members however due to long-term absence within the HR team the implementation of the revised system has been delayed to August 2020.

Engagement Survey

The main action that came from the Engagement Survey was to provide bullying and harassment training for all employees. This training commenced in August 2019 and will run through until December 2019.

Following feedback from marine staff meetings were held on both ships and with both crews where the HR Manager and Marine Operations Manager discussed concerns. Following these meetings a pulse survey was issued to all marine staff. The Managing Board was briefed on the results and issues which highlighted a few concerns. The 2019 Engagement Survey was issued at the end of September 2019.

Sick Absence

The Board noted that long-term absence has seen a slight decrease and short-term absence has seen a minor increase.

Gender Pay Gap Report

The Gender Pay Gap Report as at 1 April 2018 has been reviewed by the Remuneration Committee. It was noted that there has been a decrease in the gender pay gap from the previous year's reporting.

Vessel Replacement Project

The first Project Board took place on 14 August with Commissioners Beveridge and Shaw attending. The Board approved the Project Governance and Communication Management policy documents as well as the Statement of Requirements. Work is progressing with the Outline Business Case which forms part of the Green Book process and the aim is to have this ready for submission at the end of February 2020. In parallel the specification for technical specialist is being developed for procurement of these services. A Benefits Workshop has been scheduled for January with a wide range of stakeholders invited. In addition to Project Boards the Chief Executive, as Project Sponsor, meets monthly with the PMO Manager and Project Manager to review progress.

Risk & Improvement

Risk Management

The Executive Group continues to place significant effort on the establishment and embedding of Risk Based Thinking. This has most recently been supported following the 2019 review of the Risk Management Framework. An internal audit is planned for early 2020 to ensure the ongoing compliance with, and effective application of, the Risk Management Framework.

Escalated Risk

Risks escalated from Departmental Risk Registers to the Executive Group are now also reported to the Managing Board at each meeting with details of the mitigating action.

Deep Dive Risk Reviews

The Executive Group carry out a rolling 'deep dive' into Departmental Risk registers. This facilitates an open approach to the management of identified risks within NLB. The process is reported in overview to the Audit and Risk Committee.

Tri GLA Brexit Risk Register

The GLAs maintain a joint Brexit Risk Register. The register is reviewed in detail by ICG 6 and presented to the Chief Executives' Committee. The register was also reviewed by the September 2019 Audit and Risk Committee. It continues to be monitored by IGC 6 and Brexit risks are also captured within NLB's Operational Risk Registers.

Business Continuity

Following last year's Business Continuity exercise an action was identified to refine and streamline the guidance relating to the first hour of managing NLB's emergency response. A significant amount of work has been undertaken to create a new Incident Response Guide and supporting pages on SharePoint. This work leads well into the next Business Continuity Exercise planned for December and an exercise involving the helicopter contractor in January 2020.

Organisation

Inspection Voyages

2019 Commissioners' and Patron's Inspection Voyages were completed successfully. Early planning is underway for 2020 with tentative dates scheduled.

Papa Stronsay

Following the visit during the Patron's Inspection Voyage a letter was received from the Monastery complaining that they had not been informed in advance of the visit. This particular visit was a last minute addition and the normal process to inform the Monastery was missed. Relations with the Monastery were subsequently repaired and the normal notification process will be used for future visits.

Co-Opted Commissioner Recruitment

The advert for the replacement for Commissioner Crerar was published on 27 August with a closing date of 30 October 2019. In addition, social media and "Women on Boards" are being used to encourage applications for the position.

Board of Commissioners Dinner 2020

The Board considered whether it would like to hold the 2020 Dinner onboard FINGAL. It was discussed and agreed that whilst FINGAL is a very high quality venue it would be inappropriate at this time.

External Engagement

CE MCA

The Chief Executive of MCA visited 84 George Street on 12 August and met with CE and Director of Operations. He remains keen to join Commissioners for an Inspection voyage in 2020 and has accepted an invitation to attend the SSBA dinner in November as a guest of NLB.

Lighthouse Keys

The collection of 18th and 19th Century keys for NLB lighthouses which came up for auction remain in the care of the auctioneers. A writ has been issued and is being contested.

Turnberry

Commissioners received a separate briefing note sent 31 May 19 which provided the background to the article published by the Scotsman newspaper on the same day.

Scapa 100

NLV PHAROS and NLV POLE STAR supported the commemoration of the 100th anniversary of the scuttling of the German Fleet at Scapa Flow on 21 June 2019 with good coverage in national media. In support of the Magnus Festival NLV PHAROS and NLV POLE STAR opened for visitors on Saturday, 22 June 2019 in Kirkwall and Stromness respectively.

HMS ROYAL OAK

NLV PHAROS supported commemorations in Scapa Flow on 14 October 2019 to mark the 80th anniversary of the vessel's loss.

Cabinet Secretary for Transport, Infrastructure and Connectivity

The Chief Executive and Commissioner Di Rollo briefed Michael Matheson MSP in the Parliament building on 16 May 2019. The Cabinet Secretary showed great interest in NLB's work and in particular the contribution made to the economy.

Minister for Rural Affairs and Natural Environment

Following an invitation extended during her visit to NLV PHAROS during London International Shipping Week (LISW), Mairi Gougeon MSP visited Oban Base for a briefing and tour on 20 September 2019.

Exhibition and Reception at Scottish Parliament

A manned exhibition about NLB was on display outside the Chamber during the week 18-20 June 2019. The feedback from parliamentary support staff was very positive. Unfortunately the NLB reception on 19 June 2019 had to be moved from the Garden Lobby to a committee room because of the late running of Parliamentary business and therefore only a handful of MSPs were able to attend.

SEAFISH Board

The Board of SEAFISH (a Non-Departmental Public Body set up to support the UK seafood industry) met in the Stevenson Rooms in early September 2019. The Board was given an overview presentation of NLB which highlighted areas of common interest and was followed by a Q&A session. Commissioner Beveridge participated.

David MacBrayne Ltd

The Chief Executive and Directors of Operations will meet the Chief Executive of David MacBrayne Ltd, Duncan Mackison, in Oban in December 2019 for a tour of Calmac Ferries Limited and Oban Base.

Met Office

The Board of the Met Office used the Boardroom for a meeting in late September 2019. In addition a team from NLB visited the Met Office, Exeter in early October 2019 and during useful discussions areas for potential further cooperation were identified.

Pollution Response Workshop

A two day pollution response workshop was held in the Stevenson Rooms in late September 2019 with participants from across UK, Scottish and Welsh Governments as well as industry partners. A brief was given on NLB's role.

Festival of the Sea

The Royal Society of Edinburgh are planning a *Festival of the Sea* in Oban during May 2020 as part of the Scottish Government's *Year of Coasts and Waters* initiative. If the event goes ahead NLB will provide support by opening the Base to visitors and a venue for activity.

Doors Open Day

For the third year running, 84 George Street participated in Doors Open Day in late September. Over the two day nearly 1100 people visited. Displays were set up in the Stevenson Room including AtoN Technology, Safety Equipment, Monitoring, Green technology. The feedback has been universally positive.

FINGAL

Following agreement by the Managing Board the outgoing Chair presented a NLB Blue Ensign to FINGAL. The Ensign is now flown from the stern of the vessel to mark its status as a historic vessel and its origins in NLB service.

Chair of DfT Audit & Risk Committee

The Chief Executive had an opportunity during LISW to brief the Chair of the DfT Group Audit and Risk Assurance Committee (GARAC) on the work of the NLB and particularly NLB's risk framework.

Renaming NLB

A letter has been received proposing that the Northern Lighthouse Board (NLB) should be renamed the Scottish Lighthouse Board. The Board reviewed the letter and the Chair's response and unanimously endorsed the position taken i.e. that the name of the organisation should not be changed.

LISW Presentation

The Chief Executive gave a presentation on NLB activity during London International Shipping Week.

Communications Update

The Communications Officer joined the meeting for this Agenda item and provided a presentation on the last 6 months PR activity.

Dashboard

The Board noted the Dashboard that provides an overview of KPIs and in particular the improved operational delivery.

5. ANY CLARIFICATION (BY EXCEPTION) ON OPERATING REPORTS

Managing Board

Commissioner Murray highlighted that the Board had not been given sight of the Managing Board Agendas and previous minutes prior to their meetings since January 2019. The Chief Executive undertook to make sure that Agenda and minutes were circulated in advance of all future meetings.

Action: Chief Executive

6. ANNUAL REPORT AND ACCOUNTS TO 31 MARCH 2019

Commissioners Wilkinson (Chair of the Audit and Risk Committee) reported that at their meeting on 26 September 2019 they had reviewed the Report and Accounts to 31 March 2019 and were satisfied that they had been duly audited and were a true and fair view of the NLB's financial standing. She highlighted that the Government Internal Audit Agency, on the basis of the evidence obtained during 2018/19, had provided an overall 'Substantial' assurance rating on the adequacy and effectiveness of NLB's arrangements for corporate governance, risk management, and control processes. This is an improvement on the "Moderate" rating provided last year, reflecting the further successful embedding of the transformation process that has been underway at NLB.

The Audit and Risk Committee recommended that the Board of Commissioners approve the Accounts. The Chair thanked the Finance Department for all their efforts in producing the accounts and meeting the requirements of the NAO.

The Board agreed to approve the 2018/19 Accounts for signature.

7. CORPORATE PLAN

The Board noted the Corporate Plan for 2019/20 and discussed vessel funding, HQ refurbishment and year 5 of the plan. Following discussion the Board approved the Corporate Plan for submission to DfT.

8. NLB GUIDE TO GOVERNANCE

The Board noted the revised Guide to Governance which had been circulated with the papers. The Guide to Governance can now be published on SharePoint and the Website.

Action: Chief Executive

9. NOMINATION COMMITTEE

The Board of Commissioners noted the minutes of the Nomination Committee meeting held on 2 October 2019. The Board discussed and approved the following recommendations made by the Nomination Committee:

- Membership of Committees
The Chief Executive should be appointed as a full voting member of the Board. The Committee Membership list, Terms of Reference and Guide to Governance will be amended to reflect the change.
- Re-appointment of Co-opted Commissioners
Commissioners Wilkinson and Woodward would be reappointed for a second term.
- Remuneration Committee
Commissioner Pyle would join the Remuneration Committee to reduce the risk of an inquorate meeting.

10. REMUNERATION COMMITTEE

The Board noted that the Remuneration Committee had discussed the Gender Pay Gap report for 2018, the Pay Remit for 2018/19, Chief Executive/Directors Objectives 2019/20 and the Committees Terms of Reference.

11. STRATEGIC RISK REGISTERS

The Board noted NLB's updated 13 Strategic Risk Cards which had been reviewed by the Executive Group. It was noted that the Risk Cards were also reviewed at each Audit & Risk Committee.

The Board also noted the Tri-GLA Brexit Risk Register which was presented at the meeting. 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.

Commissioner Wilkinson said that the Board should take confidence in how risk is managed within the NLB and that it was working effectively.

12. REPORT FROM THE AUDIT AND RISK COMMITTEE

The Minutes of the meeting held on 26 September 2019 were noted.

Commissioner Wilkinson, as Chair of the Audit and Risk Committee, gave a verbal update. The main point to note was that the Terms of Reference had been updated to reflect that the balance of focus for the Audit and Risk Committee now leaned more to risk than to audits.

13. BLACK BEQUEST

The Board noted that the process to close the charity has reached its final stage. The final accounts have been prepared, signed and lodged with OSCR. The accounts confirm the final balance to be paid over to Civil Service Benevolent Fund (CSBF) which the NLB identified as a charity with similar objectives to the Black Bequest. The CSBF have confirmed they would ring-fence any transferred funds specifically for the pool of beneficiaries who could normally call on the Black Bequest. CSBF have agreed to provide information relating to applications for inclusion in NLB's "Journal" to promote this funding.

14. INTER GLA MATTERS

New JSB Chair

Irish Lights' Commissioner Mark Barr has been appointed as the new JSB Chair, in place of Nigel Palmer, and will chair his first meeting in November 2019.

Joint User Consultative Group

The JUCG was held outside London for the first time and was hosted by NLB on 8 May 2019. The meeting was well attended and the revised format well received.

Chair of Chief Executives' Committee (CEC) and IGCs

The NLB takes on the leadership of the CEC and IGCs from 1 April 2020. The Executive Group will be used to coordinate and drive the agenda.

IALA Change of Status to Inter Governmental Organisation

The next stage is a Diplomatic Conference scheduled for 25 to 28 February 2020 in Kuala Lumpur. The Chief Executive will attend with TH, DfT and FCO to represent UK interests.

15. ANY OTHER BUSINESS

Annual Board Evaluation

The Board noted the Annual Board Evaluation Form which was circulated at the meeting. The main change from previous years is the addition of the section "Are you content with your current Committee

membership?”. This section provides the opportunity for individuals to review the contribution made by them to the work of NLB during the year and to highlight areas where they believe that they could contribute further. An electronic form will be circulated in December with submissions requested by close of business Friday, 7 February 2020. Commissioners who feel that they are unable to contribute to the evaluation will be requested to provide a ‘Nil Return’. A report by the Chair plus reports by the Chairs of each Committee will be submitted to the Nomination Committee on 12 March 2020 for discussion.

16. CORPORATE CALENDAR

The Board noted the Corporate Calendar for the remainder of 2019 and the Calendar for 2020.