

# NORTHERN LIGHTHOUSE BOARD

## MANAGING BOARD

### MINUTES – 14 May 2020

<b>PRESENT:</b>	Mike Brew	Chair
	Alastair Beveridge	Vice-Chair
	Elaine Wilkinson	Commissioner
	Hugh Shaw	Commissioner
	Brian Archibald	Commissioner
	Rob Woodward	Commissioner
	Mhairi Stephen	Commissioner
	Mike Bullock	Chief Executive
	Phil Day	Director of Operations
	Mairi Rae	Director of Business Services

<b>IN ATTENDANCE:</b>	Jim McBrier	Risk and Improvement Manager
	Karen Charleson	Senior Executive Assistant (minutes)

This meeting was held by Zoom due to COVID-19.

#### 1. APOLOGIES FOR ABSENCE & DECLARATIONS OF INTERESTS

Apologies for absence were received from Commissioner Di Rollo.

#### 2. MINUTES OF THE PREVIOUS MEETING

The Minutes of the Managing Board meeting held on 18 March 2020 were agreed as a correct record and could now be published on the website.

*Action: Senior Executive Assistant*

#### 3. MATTERS ARISING

The Managing Board noted that the majority of items would be covered in the Agenda and reviewed the following items:

**COP26** - COP26 has been postponed until 2021. DfT Officials are currently focused on COVID issues and not looking at COP26 planning. NLB will re-engage with DfT and the Scottish Maritime Cluster later in the year.

**Climate Emergency** – The Climate Emergency Risk Card was included within the meeting papers for noting by the Audit and Risk Committee on 13 May 2020.

**Isle of Man Wreck Response** – A table-top exercise to be hosted at 84 George Street on 1 April was cancelled due to COVID. Commissioner Shaw has developed scenarios for the exercise and the possibility of a video conference exercise with IoM Harbours will be explored. It was noted that Commissioner Shaw has also had preliminary discussions with the Harbour Master. The Chair will contact the Harbour Master to discuss timescales and will provide feedback to the next meeting.

*Action: Chair*

#### 4. CHIEF EXECUTIVE'S REPORT

The Managing Board noted the report from the Chief Executive, highlighting items from the Departmental reports and backed up by the full reports.

##### Safety

There has been one reportable incident since the last Managing Board.

##### HS&E Report

**Zero Waste Scotland** - A meeting was held on 4 May with officials from Zero Waste Scotland (ZWS). This scoping meeting was arranged to give ZWS an overview of NLB operations and provide information on current environmental challenges and successes to date. ZWS has agreed to provide information that will assist NLB develop a carbon reduction plan and conduct an employee commuting survey to help gauge environmental impact. When lockdown restrictions allow a visit to Oban Base will be arranged for ZWS. ZWS also expressed interest in the Vessel Replacement Project and wished to be kept updated as the project develops.

ZWS has also expressed interest in using NLB's work to develop a case study (most likely on solarisation) for use in their publicity material.

##### Operations Report

**Outages** - Since the last meeting there has been one outage over 72 hours. Whale Rock buoy AIS was non-operational and had not been able to be visited due to weather and sea conditions. On arrival the buoy was found to be significantly damaged with the light missing, superstructure damaged and the racon inoperative. A replacement buoy is being prepared and will be deployed but in the first instance the light and AIS were restored to operation. It was noted that as part of the AtoN Review it has been agreed to replace the buoy with a virtual AtoN.

**NLV PHAROS** – The vessel has experienced some recent operational faults.

- A bow thruster fault had been caused by new anodes that had been badly fitted in the thruster tunnels during the recent dry-docking. In addition, poorly adjusted trip settings compounded the fault. Both issues have now been resolved.

Commissioner Archibald noted that the antifouling had not been applied to Pharos during dry-docking and asked whether this had been a pressured refit and if there had been any lessons learned. The Director of Operations advised that the antifouling was not applied due to adverse weather, temperatures and dew points experienced at the time rather than time pressure. As the anti-corrosive coats had been applied vessel operations will be unaffected. Any undue fouling of the hull before the next dry-docking can be addressed by underwater cleaning.

- An electrical blackout was caused by a generator governor fault, A new component has been fitted and the issue has been resolved. The vessel now routinely operates in DP2 mode, i.e. with the switchboards and other electrical systems split, to provide redundancy should another similar fault occur
- Three cables from the starboard aft generator have rubbed against a bracket damaging the insulation causing it to be taken the alternator out of service. A service engineer will attend to carry out a temporary repair and a permanent repair, agreed by Class, will be undertaken as soon as practicable. In the interim a condition of class is in place. All other generators have been checked on both vessels and no similar issues have been found. Trinity House and CIL have been informed so checks can be made onboard their vessels.

**COVID-19** - Both vessels are operating in accordance with guidance on social distancing, cleaning, etc. Three member of staff are shielding at home due to health issues and two are at home self-isolating following COVID in the same household. Preparations are in place for any COVID detected/suspected onboard. Crew changes continue to be conducted successfully.

**Helicopter** - The Helicopter has been utilised to store lighthouses and has responded to a racon outage at Eilean Glas. Currently three pilots out of four are available but this has not caused any problems to date due mainly to reduced operations caused by COVID-19.

EU Exit – The GLAs met with the helicopter operator in w/b 4 May and they confirmed the EU operator they wish to use should the present arrangement cease to be operational. Heads of Terms have been verbally agreed and are to be signed soon. This ensures that the helicopter operator is in a position to continue to provide a service in Ireland .

**Oban Base** – The Base has returned to a reduced level of operations with a skeleton staff working on slightly reduced hours. Refurbishment of buoys has also recommenced.

**Navigation** – MAIB has contacted the Navigation Team in relation to an incident at Kylerhea where a vessel grounded on approach to the Mowi fish feed plant. A full report will be submitted to the Navigation Committee.

***Action: Director of Operations***

**Oban** – The Oban Bay Management Group was briefed by the Stakeholder Group that due to the delays imposed by Covid-19 and the difficulties in obtaining funding there has been a subsequent delay in drafting the proposed Harbour Revision Order for a Trust Port. The timescale that was approved foresees consultation on the draft HRO commencing in October 2020 and, subject to any approvals, the earliest implementation of the outcome in 2021.

## **HR Report**

**Sick Absence** - Sick Absence remains steady with long-term cases being relatively high. These cases are primarily on the vessels and are being managed in line with the Sick Absence Policy.

**Performance Management System** - The new Performance Management System is now ready for implementation in August 2020. The main change to the system is to allow 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.

The Board reviewed the proposal in detail and looked forward to the new System being implemented as proposed in August 2020.

## **Business Services Report**

**ICT Server Room Edinburgh** - On 30 April the fire alarm was activated in George Street and the Fire Service and Chief Executive attended the office to find a smoky haze in the server room. ICT servers were shut down and ICT staff attended to investigate the issue.

The problem appeared to be from a network storage area which was showing a fault. A support engineer arrived on site to support the checks and reestablishment of services. The majority of services were resumed overnight.

No obvious source of the smouldering was identified so ICT staff have remained on site since the incident to monitor the server room. The Chief Executive has also attended the building late each evening to carry out a further check. ICT have undertaken further action to mitigate the risk e.g. full electrical inspection of the server room, procuring a specialised cleaning company

to clean servers, etc. The area that appeared to be the source of the smouldering contains equipment which would have been replaced if a decision had not been made to move to Office 365.

A fire suppression system for the server room was scheduled to be installed in late March 2020. However the requirements of social distancing relating to COVID-19 have delayed this work being carried out as planned.

The Board sought clarification and reassurance on a number of issues and were pleased to note that there was only minimal disruption to normal operations. With respect to the time required to implement the disaster recovery plan using the server room at Oban, the Director of Business Services will provide more detailed information.

**Action: Director of Business Services**

The Board expressed its thanks to the staff that responded so well to the incident, particularly the Network Manager, and whose actions prevented major damage and disruption.

**ICT** - The ICT team continue to provide support remotely and due to the extended lockdown period have seen further requests for equipment to allow users to establish a home work space more in line with their normal office environment.

The ICT team has now launched the new upgraded ICT helpdesk system and is continuing to progress other projects and specifications.

**Procurement** - The procurement portal used by NLB has allowed normal work processing tenders to continue. Contractors are able to submit their bids and NLB staff are able to review, evaluate and award contracts within the system. Due to furloughed staff, some contractors may have been prevented from responding to tenders so each contract is being reviewed before being published and extensions to deadlines made to ensure contractors are given the best opportunity to respond. Despite this very satisfactory situation the Board noted that there has been some slippage due to the inability to undertake site visits to finalise requirements.

Weekly calls continue with DfT procurement surrounding Brexit and other legislative/best practice initiatives. Guidance has been issued on methods to support suppliers during this difficult period. To date two suppliers have contacted Procurement to discuss potential support.

**Finance** - The Finance Team continue to deliver services remotely, including payroll and payments. Any items arriving in the mail are scanned, forwarded and processed as normal.

**2019/20 Out-Turn** – The Commissioners noted the summary detailing the unaudited forecast out-turn for 2019/20.

**2019/20 RPI-X** – The Commissioners noted that incorporating the 2019/20 financial outturn into the RPI-X calculation increases the deliverable X factor to -2.33% compared with the target of -1.73%. The Board noted that many of 'savings' NLB have delivered in recent years, to deliver the X factor, have been one-off, unsustainable and out-with of NLB's ability to control, such as vacancies and pay constraint.

**2019/20 Annual Report & Accounts** - To date all reporting deadlines have been achieved with the final submission due to DfT on 11 May and GLF on 12 May 2020. It is planned to provide NAO with the draft accounts by 30 June in time for their audit commencing on 13 July 2020. Plans are in place for work to be carried out remotely should COVID-19 restrictions still be in place.

**Financial Year 2020/21** - The delegated authority process has been automated to delegate budgets from the Accounting Officer to budget holders and authorisers. The budget allocation

was made prior to the COVID-19 restrictions being implemented so it is anticipated that forecast expenditure will vary significantly.

**Light Dues 2020/21** - Light Dues collection in April 2020 was down 9.55%. Passenger vessels showed the greatest reduction, down 59.8% on 2019, caused by the complete closure of the cruise industry due to COVID-19.

The Board drew attention to the link between Light Dues income and the GLAs Corporate Plans and the need to review them once the impact of Covid-19 is fully known. The Director of Business Services advised that the GLF contains sufficient margin to absorb the current reduction and, in any case, DfT has the ultimate responsibility to finance the GLAs.

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Commissioner Stephen left the meeting.  
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**Corporate Plan 2021-2026** - The GLF accountant has advised that there should be no change to the current process and timing of GLAs corporate plans. He envisages that the COVID restrictions will result in an underspend for all GLAs in 2020/21 and this should be declared in the Corporate Plan submission. The underspend from 2019/20 may be allowed to be carried forward to future years. Also, it is likely that the GLAs will see a fall in both Light Dues and commercial income in the short-term. Further guidance will follow in due course.

The Commissioners discussed whether there should be an interim plan but agreed that, accepting variables and uncertainty, it is overall more beneficial to have a 5 year plan, particularly to provide early sight of capital expenditure. For 2020/21 there will be a need to revise the budget forecast but as it will take some time for the full impact of Covid-19 to be identified the contents of the Plan will be need to be heavily caveated.

## **Risk & Improvement**

**UKAS Accredited External Audit Provider** – A meeting was held with Lloyds Register and they have agreed to the transfer of the current certification. It is likely to take around 2-3 weeks for this to be processed. The DNV certification remains in place until the transfer is complete. The first virtual surveillance audit will take place in July 2020.

**Escalated Risk Overview** - Since the last Managing Board, all risks have been updated and risk 15, relating to AtoN flash character, has fallen below the escalation score level of 144. No risks have been closed and two new risks have been added, namely:

1. Vulnerabilities identified with the webmail server relating to a recently released patch which cannot be applied by ICT due to technical failings. The Team is undertaking increased vigilance using existing security products and has contacted the support provider for additional assistance.
2. Server Room Monitoring – this will appear as an escalated risk through the ICT departmental register.

**Executive Group - Deep Dive Risk Reviews** - Since the commencement of this initiative, thirteen deep dive risk reviews have been undertaken by the Executive Group, with additional reporting to the Audit and Risk Committee. This initiative continues to prove its worth in relation to encouraging effective inter-departmental collaboration and horizon scanning.

**Tri GLA Brexit Risk Register** - The Brexit Risk Register was updated prior to it being submitted to the JSB meeting on 20 May 2020. A revised Risk Register will be promulgated to the Managing Board out of committee.

**Action: Risk & Improvement Manager**

## **Organisation**

There is nothing new to report since the Board of Commissioners meeting on 22 April 2020.

## **External Engagement**

**Lord Geidt** – A response is still awaited from Lord Geidt. Given this delay the Board accepted the Lord Advocate's offer to approach another peer.

**Media Activity** – The Commissioners noted the list of media activity since the last meeting.

**Museum of Scottish Lighthouses** – The Northern Lighthouse Heritage Trust (NLHT) has provided a short-term package to help support the Museum. The Chief Executive and Director of Business Services are working with the Museum to look at various aspects for continuation of the operation and the NLHT will consider further support as required. The Board noted the support already given and agreed that it is in NLB's interest to do everything practicable to sustain the Museum in the longer term.

Discussions continue with Historic Environment Scotland (HES) regarding additional income from visitor membership and key holders.

The Chair of NLHT, Commissioner Beveridge, assured the Board that the Trust, whilst very willing to provide support, is aware of the risks in doing so and the limited resources available.

Commissioner Wilkinson advised that there may be opportunities for the Museum to get other grant funding. She also works alongside the Chair of HES and would be a happy discuss any issues with her if other possibilities are exhausted.

## **Dashboard**

The Managing Board noted the updated Dashboard included with the meeting papers.

Commissioner Beveridge highlighted that the colour coding between the top section "Monthly Monitoring" and the bottom section "Total Average" in the HR chart was confusing and difficult to read. This would be amended for future versions.

Commissioner Wilkinson asked what "Metric 08/05 – 08/08 Trend line" meant. The Director of Operations will clarify and feedback to Commissioner Wilkinson directly.

**Action: Director of Operations**

## **5. ANY CLARIFICATION (BY EXCEPTION) ON OPERATING REPORTS**

### **Performance Management System**

Commissioner Beveridge asked what the impact of the Performance Management System would have on the process that lies below it e.g. obligation to provide appropriate staff training. The Chief Executive advised that this is covered within the appraisal process.

Commissioner Woodward commented that the value achieved from these systems is down to how well they are applied and the training given. The Chief Executive advised that this has been a long-term objective and part of the organisational change. A management development package was carried out over a year for everyone in senior positions to help with managerial and leadership skills and this is reflected in the improving feedback in the annual staff engagement survey. This is the final stage of NLB's change programme. A training package will be undertaken on the form itself to ensure staff understanding it.

The Board was reassured to learn that the new Performance System will not be overly time consuming and will focus on outcomes and not the process.

### Oban – Divers/Social Media

The Chair requested clarification on the Health Safety Executive's (HSE) involvement with diving operations on Pharos in Oban Base by a contractor following the appearance of a photograph on social media. The Director of Operations reported that the photograph posted did not show the whole story. NLB requires prior approval of risk assessments and method statements before diving takes place. HSE were entirely satisfied with NLB's involvement.

### Press/Media Coverage

Commissioner Shaw asked what was NLB's policy regarding publishing photographs of operations. The Chief Executive advised that anything that is formally posted by NLB is checked internally beforehand. In regard to staff, guidance has been given, particularly with respect to incidents and there have been no issues to date.

## **6. COVID-19**

### COVID Crisis Management Team

The COVID-19 Business Continuity Team meets weekly, or more as necessary, and continue to update the policy as new information and guidance is issued from Scottish and UK Governments. NLB is now registered for testing and there has been incidence of suspected COVID on board one of the vessels with a crew member who had mild symptoms. Getting a test was more difficult than had been expected and the individual was eventually sent home and tested in Aberdeen. The test proved to be negative.

### Project Restart

NLB has commenced "Project Restart" and a plan is in development which deals with all aspects of what is required to recommence full operations whilst taking account of Covid-19. The first significant step has been achieved with Oban Base restarting buoy operations.

The Chair asked how much space will be required in Oban Office and HQ for social distancing. The Chief Executive reported that Oban Office was a good example where working practices have been changed and the number of people involved in certain operations has been reduced. In 84 George Street, consideration is being given to the maximum occupancy, who really needs to be in the office, at what stage does the building open fully and use of public transport. There is no intention to hurry the return to the office as staff are working relatively satisfactorily from home. However, the success to date of alternative working is very much based on already established strong relationships which over time will degrade unless a return to something like normal is achieved.

## Report for DfT ExCo (Executive Committee)

The Chief executive advised that the DfT made a very short-notice request for answers to three COVID related questions which were to be presented to their ExCo. The questions covered the current impact of COVID, next steps to recovery and opportunities to deliver or operate differently.

## Maritime Mutual Support Group

NLB co-ordinated the establishment of a Maritime Mutual Support Group which includes CalMac, Northlink Ferries, Marine Scotland, RNLI, MCA, Transport Scotland and local authorities. The Group has proved to be valuable by providing an effective information exchange, offering mutual support and providing a direct line into Transport Scotland and Scottish Government Resilience Room is really useful. This Group will probably have utility beyond the COVID situation and having a network of government operators will prove useful in future.

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Scott Willoughby, ICT Manager, joined the meeting for Agenda Item 7.  
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In advance of the cyber security presentation Commissioner Wilkinson commended the whole ICT team on the business continuity work that had been achieved. The Board endorsed this commendation and asked that their sincere thanks be passed on to the team.

## **7. CYBER SECURITY PRESENTATION**

The ICT Manager provided a presentation to the Committee on “What is Cyber Security” which covered the ICT Network Security (Risk Protection); Effectiveness Checks; ICT Supported Systems; ICT Summary of Responsibility; and How Secure is our Network.

Commissioner Woodward asked what level of attacks NLB was subjected to. The ICT Manager advised that there are around 1,000 - 2,000 email per day, half of those are spam and may contain a threat and 5% of web links are blocked. The NLB website is usually targeted about twice a week. NLB has not suffered a “denial of service” attack. Penetration testing is also carried out on an annual basis.

Commissioner Wilkinson asked if over time there were plans to reduce the variety of system and move them on to Cloud services. The ICT Manager advised that there are plans to reduce some of the infrastructure and risk. If it were not for COVID-19 Office 365 would have been in operation. Once installed it will move SharePoint, Word/Excel and Outlook into the Cloud which will remove 80% of the data storage requirement from HQ into a far more robust datacentre.

Commissioner Wilkinson asked if there are sufficient resources to manage cyber security within NLB. The ICT Manager confirmed that at present this is the case.

The ICT Manager will provide an update report to a future meeting.

***Action: Director of Business Services***

## Cyber Insurance

The Risk & Improvement Manager briefed the Managing Board on cyber insurance. The GLAs' Brokers have advised that from 1 January 2020 policies should state clearly whether cyber risks are excluded or, alternatively, affirm that there is coverage in respect of cyber risks. Marine Cyber Exclusion has not been included within the scope of the current renewals. The extent of cover will be further reviewed upon receipt of the associated policy documents. However Cyber



Insurance cover is being further explored directly via the Brokers. A meeting has been arranged to work up the proposal form and submit it to the Broker for their review. This will allow NLB to gain an understanding of the level and scope of cover as well as the level of premium that can be expected.

## **8. VESSEL REPLACEMENT PROJECT**

Work has continued remotely on the project. There have been a number of Zoom workshops to develop the Strategic Outline Business Case (SOC). The Chief Executive and Director of Operations have reviewed the final version of the SOC and it is ready to be closed-off.

The technical specialist has been appointed and an initial meeting has been held. A meeting with the Project Board is scheduled for 22 May 2020. The technical specialist is content to work virtually and is confident they can do much of what is needed by that means. They intend to visit the ships when it is safe but in the meantime the Director of Operations is going to send them video, photographs, walk throughs, etc so they can gain an appreciation of the vessels. Work on the Outline Business Case (OBC) starts on 15 May 2020.

As Senior Responsible Owner, the Chief Executive is satisfied that the project is viable and making satisfactory progress.

## **9. REPORT FROM THE HS&E COMMITTEE**

A meeting of the HS&E Committee was held on 13 May 2020. The Chief Executive advised that it was a positive meeting with good quality feedback from the workforce. No issues were raised in regard to COVID-19. Commissioner Beveridge added that the Committee, which includes the Environmental Working Group, has a wide-ranging agenda and works effectively. The Board was grateful for this assurance.

## **10. REPORT FROM THE NAVIGATION COMMITTEE**

There have been no meetings of the Navigation Committee since the last Managing Board. The AtoN statistics remain in line with expectation and exceed the statutory requirements. To date there has been no impact of COVID-19 on AtoN performance.

Commissioner Shaw asked is the timescale for the establishment of the new light at the South end of the Corran Narrows. The Director of Operations advised that an environmental assessment is being carried out but access to the site cannot be achieved until Covid-19 restrictions have been eased. Given the delay the intention to install a temporary light for this season has been cancelled and instead move directly to a permanent light by spring 2021.

## **11. INTER-GLA MATTERS**

### RPI-X

The CEC meeting took place on 29 April 2020 and the significant issue covered was RPI-X. A report on behalf of the GLAs was carried out by the University of East Anglia which recommended that RPI-X was not appropriate now and is, in any case, unnecessary given the level of oversight and the progress made by the GLAs since RPI-X was first introduced. Currently there is disagreement between the GLAs regarding UEA's recommendations. The Board's view is that the JSB process and credibility is at risk if agreement on a joint proposal cannot be reached. After discussion the Board confirmed its approval of the UEA's

recommendations as a starting point for discussions with the DfT.

## **12. ANY OTHER BUSINESS**

### Remuneration/Nomination Committee

The Chief Executive advised that following earlier discussion with the Chair the Executive is investigating the possibility of merging the Remuneration Committee and Nomination Committee. One joint committee could discharge all delegated responsibilities and reduce the administrative burden. The Chief Executive has approached DfT who had confirmed that they were comfortable with the change and the proposal will be tabled at the next Board of Commissioners.

## **13. CORPORATE CALENDAR**

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