

NORTHERN LIGHTHOUSE BOARD

MANAGING BOARD

MINUTES – 15 November 2019

PRESENT:	Mike Brew	Chair
	Elaine Wilkinson	Commissioner
	Hugh Shaw	Commissioner
	Graham Crerar	Commissioner
	Mhairi Stephen	Commissioner
	Rob Woodward	Commissioner
	Alison Di Rollo	Commissioner
	Mike Bullock	Chief Executive
	Phil Day	Director of Operations
	Mairi Rae	Director of Business Services

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

1. APOLOGIES FOR ABSENCE & DECLARATIONS OF INTERESTS

Apologies for absence were received from Commissioner Beveridge.

2. MINUTES OF THE PREVIOUS MEETING

The Minutes of the Managing Board meeting held on 19 September 2019 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 noted the following items:

Sick Absence (Dashboard) – Commissioner Wilkinson, the Director of Business Services and HR Manager have met and discussed the presentation of the Sick Absence data in the Dashboard. The Dashboard will be amended to show the rolling average from April 2019 which through time will provide the requested trend.

SBBA Dinner - The 2019 dinner was held in Glasgow on 12 November. NLB invited 5 guests and the event provided an opportunity to do very beneficial networking. It was noted that the dinner was better attended than in previous years.

RPI-X - The Chief Executives' Committee (CEC) met on 17/18 October and discussed the way ahead. East Anglia University has now revised the paper to better reflect the key recommendation and eliminate any inconsistency. The paper will now be reviewed by the CEC and presented to individual GLA Board's prior to sharing with the Joint Strategic Board in May 2020.

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 have been no reportable incidents since the last Managing Board.

HS&E Report

Leadership Tour – In October 2019, the Chief Executive and HSE Manager accompanied the Principal Mechanical Engineer and technicians to Corsewall Lighthouse. During the visit they witnessed weather vane replacement work on the top of the dome.

Non-Slip Paint – Following a peer review the non-slip paint used in lighthouses has been investigated and a meeting held with suppliers. An alternative paint has now been specified.

Ship Related Incidents – There have been two incidents involving the ships:

- **PHAROS Manual Handling Incident** - It is likely that this will be reportable to the MAIB but has been recorded as a minor incident at this stage.
- **Barra Head Incident** - It is likely that this incident will be reported to the MAIB as an 'over 3 day injury'. Initial discussions have taken place with the Master and further details will be obtained when NLV PHAROS is in Leith.

Radon - Levels have returned to below the required standard at Maughold Head. Radon testing at the Point of Ayre lighthouse resulted in additional ventilation being installed which has reduced radon levels. However a longer term solution is still required and being considered.

Operations Report

Outages - The Managing Board noted that since the last meeting there have been no outages over 72 hours.

NLV PHAROS – In addition to routine operations the vessel also supported project and storing work, buoy work on the East Coast and carried out AtoN inspections. LISW was supported mid-September with related cargo being discharged at Invergordon on completion. NLV PHAROS also provided support to the 80th Anniversary Commemorations of the loss of HMS ROYAL OAK in Scapa Flow.

The Managing Board noted that an incident had occurred onboard the vessel during a sanctioned event. An investigation was undertaken and lesson learnt have been recorded. Comments from the Commissioners on disclosure, social media checks and the use of restraint was noted.

NLV POLE STAR – In addition to routine buoy work and LLA inspections the vessel successfully completed a self-refit in Leith in September. The vessel is currently operating without a working anti-roll system. This is to be repaired in early December 2019. In the meantime this means the vessel is more constrained than usual by sea conditions for making passage.

Helicopter - Routine operations have continued though adverse weather has delayed some operations which could not then be extended. It was noted that both aircraft had suffered mechanical faults in the previous week. Another aircraft had been offered by the contractor but

as it was not compliant with CAA requirements a decision was made to wait for one aircraft to be repaired. The second aircraft is still non-operational.

Oban Base - Berth usage has remained high. In addition to routine work the base team provided support to preparations for LISW. Oban Base provided the venue for Oban's 5 November Fireworks display and is actively supporting the winter festival. It was noted that there are increasing issues being raised about the environmental impact and the demands placed on the emergency services in regard to fireworks. There is currently a consultation in the Scottish Parliament regarding this matter and the NLB will consider the results of the consultation for future years.

Navigation

In addition to routine Marine Licensing activity and LLA Inspections the team has engaged with numerous users and stakeholders. The Team has also participated in the Fixed Flashing light trial at St Abbs Head from NLV PHAROS in mid-September.

Programme and Renewals

Capital Works Programme – Financial year 2018/19 work is complete however Copinsay has a software issue that needs a final site visit. Financial Year 2019/20 work is complete at Ruvaal and Eilean Glas. Cape Wrath has been affected by weather and range activity which has restricted the access to site for contractors however progress is being made. Pentland Skerries is nearing completion. Work continues at Stroma whilst at Barra Head the site work has commenced after several mobilisation delays due to weather. It was noted that weather is a risk recognised by NLB and is part of the discussions carried out before any visit to site.

Portain Beacon – Designs have been received and procurement of the materials is being progressed. The installation will now be in financial year 2020/21.

Butt of Lewis - This refurbishment had been held back to ensure a view on overall expenditure was conducted. It is now being progressed and is currently out to tender.

NLV Pharos - will drydock in Feb 2020. A new survey suite and DP system have been procured for this docking. It was noted that the drydock tender procedure has been changed following lessons learnt from the drydocking of NLV POLE STAR in 2018.

Asset Management

Monitoring - The existing monitoring system and servers continue to operate reliably. Configuration of the replacement top end is ongoing and ICT are preparing the servers and network that is required for the installation. RTU selection and testing is ready to commence.

DGPS - Following the Board's decision regarding the future of DGPS, a Tri-GLA letter from the Chief Executives' Committee has been sent to DfT, DTTAS and Transport Scotland advising of this joint decision. Staff and the Scottish Users Consultative Group have been informed of the decision but wider Stakeholder communication will take place later.

Oban

The Stakeholder Group advised the Oban Bay Management Group meeting held on 29 October that work on the Harbour Order preparation was progressing. The Stakeholder Group continues its work with the objective of having made meaningful progress towards a Harbour Revision Order by March 2020.

HR Report

Engagement Survey - The 2019 Engagement Survey has been issued. Analysis of the results will be carried out in November 2019 and issued to Directors. The results will be presented at the following Executive Group Meeting with a view to identify specific actions required for 2019/2020. A paper will be submitted to the Managing Board in January 2020.

Sick Absence - The Managing Board noted that there has been a slight decrease in long-term absence but short-term absence has seen a minor increase. NLB is actively managing sick leave and is taking a robust line with sick absence. The Managing Board was pleased to note that this issue was receiving close attention.

2018/19 Pay - The 2018/19 pay award is now complete. All employees received a backdated pay award and the non-consolidated payment in October 2019 salaries.

Business Services Report

Pay Remit - The Director of Business Services and Chief Executive continue to liaise with DfT regarding the business case. The pre-election period (Purdah) began on 6 November 2019 which means that the Cabinet Office is no longer able to seek Ministerial approval on a number of decisions. However they can continue working on the case at Official level.

2018/19 Annual Report & Accounts - The General Lighthouse Fund's Annual Report and Accounts were certified by the Comptroller & Auditor General on 22 October 2019 and were subsequently laid in both houses of Parliament on 24 October 2019. The Annual Report and Accounts of NLB were laid in the Scottish Parliament on 31 October 2019 and are now available on NLB's website.

Financial Results to 31 October 2019 – The Managing Board noted the financial summary for the year to 31 October 2019. The total net expenditure for the organisation to the end of period seven is currently behind budget. The main contributing factors of the under-spend to date include the pay and pensions shortfall due to the continuing delay in agreeing a settlement for 2019. 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 quarter 4. However, NLB is currently forecasting year-end expenditure in line with the sanctioned budget.

Corporate Plan - The 2020-2025 Corporate Plan was drafted and issued to the DfT and Lights Advisory Committee (LAC). It was noted that the first 4 years of the Plan were in line with the previous Plan but year 5 had been adjusted to meet with the requirements for the refurbishment of the Pillar Rock lighthouses. The Chief Executive and Director of Business Services met with DfT on 18 October 2019 to discuss the plan and are scheduled to meet the LAC on 26 November 2019.

2019/20 Annual Report & Accounts - Audit dates have been scheduled with NAO for the 2019/20 year substantive testing. The main focus area will be on the 2019/20 disclosure for IFRS16 (Leases). On the whole most leases are straight forward in their calculation for the

new disclosure, however the helicopter contract with its variable flying hours and Tri-GLA calculations requires further work on building and aligning the disclosure within the GLA's.

Insurance - In October, the Director of Business Services and Marine Operations Manager attended the Global Marine Insurance Academy held by NLB's current insurance broker in London. It was a useful 3 day training event covering a wide range of topics.

Black Bequest - The closure of the James Coats Junior "Ferguslie" Paisley Memorial Fund (Black Bequest) charity has been completed with the balance paid over to the Civil Service Benevolent Fund (CSBF) which the NLB identified as a charity with similar objectives to the Black Bequest. The CSBF have confirmed they will ring-fence any transferred funds specifically for the pool of beneficiaries who could normally call on the Black Bequest.

Changes to TAX & NI rules for Chairs and Board members - From 6 April 2019 HMRC guidance states that expenses for travel and subsistence must be paid through payroll to account for the tax and NI contributions due. NLB propose to continue reimbursing Chairs and Board members their travel and subsistence through the expenses system (Integra). By "grossing up" payments for expenses this will mean that the principle of no Chair or Member being out of pocket as a result of reasonable expenses arising from their appointment can still be applied.

Those statutory Commissioners who wish to claim expenses, will need to complete HMRC new-starter paperwork so that NLB can process the relevant Tax and NI liability on their behalf. Although Commissioners will not experience any shortfall in the expenses they are reimbursed, the consequence of declaring these expenses as earnings may mean that some Commissioners will move income brackets and may pay a higher rate of tax.

Risk & Improvement

ISO Certification - Following an audit carried out by DNV-GL, NLB was the first GLA to be successfully certificated to ISO 45001 2018 which is the first internationally recognised occupational health and safety standard.

Risk Management Maturity - The review of Risk Cards is conducted monthly via the Executive Group and provides for the review of all strategic risks on (at least) a biannual cycle. Reviews are reported to the Audit and Risk Committee along with all relevant updates and changes.

NLB's Risk Management Framework is reviewed annually and a training/awareness pack was re-briefed to all Departments during August 2019.

Escalated Risk Overview - The Managing Board noted the escalated 'open risks', including accepted risks where no further actions have been identified, that are included within the Risk and Improvement Report.

Executive Group - Deep Dive Risk Reviews - Deep Dive Reviews of Departmental Risk Registers (DRR) are also conducted via the Executive Group with reporting to the Audit and Risk Committee. To date, 7 deep dive reviews have been completed across a range of NLB departments. Work to further embed environmental risks at the DRR level continues to mature, with enhanced input via NLB's Environmental Working Group.

Tri-GLA Brexit Risk Register - There have been no alterations made to the register since the last meeting, however NLB-specific Brexit risks continue to be highlighted and managed via both Departmental and Organisational Registers.

Business Continuity - A new Incident Response Guide had been created with supporting

pages on SharePoint. The work replaces the Red Pack in the Business Continuity Plan. Work is ongoing to refine and migrate the Yellow and Green Packs. This work will lead into the next Business Continuity Exercise involving NLB's helicopter provider and being developed in partnership with TH. A small focused exercise is also scheduled for December 2019 in order to facilitate the use of the revised Incident Response Guide.

Vessel Replacement Project

After the initial setup period the project is now settling into the routine of meetings. The tender documents to procure Specialist Technical Support have been issued. The next Project Board is on 11 December 2019 and will examine the list of Options. A Benefits Workshop is scheduled for 14 January 2020 which is a key milestone for gaining/maintaining the confidence of external stakeholders. As Project Sponsor the Chief Executive is satisfied that the project remains viable and is on track. A briefing will be provided to the next Managing Board in January 2020.

Organisation

Inspection Voyages - Roger Hargreaves (Maritime Director DfT) has expressed an interest in joining a voyage in 2020. Interest has also been shown by Brian Johnson (Chief Executive MCA) and Frances Pacitti (Director of Aviation, Maritime, Freight and Canals, Transport Scotland).

Co-Opted Commissioner Recruitment - An initial sift will be conducted and the remaining candidates will be reviewed in late November to determine a short list of approximately 8 candidates to be called forward for interview. Dates for the interviews have yet to be determined but will likely be held in January 2020.

External Engagement

Scottish Users Consultative Group (SUCG) - A very well attended meeting with the diverse range of presentations was well received. There was good dialogue during the event and positive feedback received.

Lighthouse Keys - A court date has been set for the hearing on the collection of 18th and 19th Century lighthouse keys.

Annabelle Ewing MSP - As a follow up to the exhibition at the Parliament Building in June, Annabelle Ewing will be paying an informal visit to 84 George Street on 5 December 2019.

Lord Provost of Glasgow - The Managing Board noted that Eva Bolander has resigned. No successor has yet been announced.

British Tugowners Association (BTA) – The BTA held their annual safety seminar in the Stevenson Rooms on 6 November 2019. The opportunity was taken by Chief Executive to give a short overview brief about NLB's role.

David MacBrayne Limited. - Duncan Mackison, the new Chief Executive of David MacBrayne, visited 84 George Street for a familiarisation brief with Chief Executive. On 10 December 2019 the Chief Executive, Director of Operations and Marine Operations Manager will visit their facilities in Oban to meet senior staff followed by a reciprocal visit to Oban Base.

Annual Shipping Parliamentary Reception – The Chief Executive and Director of Operations attended the annual Chamber of Shipping reception at the Scottish Parliament in November 2019. The Cabinet Secretary for Transport, Infrastructure and Connectivity, Michael Matheson MSP, gave the key note address. He made particular mention of NLB’s support to the Scottish Shipping industry through the participation of PHAROS in London International Shipping Week. NLB also received a vote of thanks from Bob Sanguinetti, the Chief Executive of the Chamber of Shipping.

Stevenson Family Artefact - A silver cup presented to Robert Stevenson in 1810 has been loaned to NLB by descendants of David Stevenson and is on display in the Stevenson Rooms.

Heritage Association - The Chief Executive gave a “More than Lighthouses” presentation to the Morningside Heritage Association on 5 November 2019 to an audience of approximately 60.

Royal Institute of Navigation (RIN) - The Chief Executive will give a presentation to the RIN Annual General Conference on 19 November 2019.

Board Room Chairs – The Managing Board noted the first of the newly refurbished Board Rooms chairs. The chairs are being refurbished in stages with the aim to have all chairs fully completed before the Board of Commissioners meeting in April 2020.

Dashboard

The Managing Board noted the updated Dashboard included with the meeting papers and discussed the small increase in FOI requests and the recent Racon failures.

5. ANY CLARIFICATION (BY EXCEPTION) ON OPERATING REPORTS

There were no points of clarification raised.

6. REPORT FROM THE HSE COMMITTEE

The Managing Board noted the minutes from the meeting held on 29 August 2019. The Chief Executive gave a verbal update from the HSE Committee meeting held on 14 November 2019. The main topics discussed were removal of mercury, single-use plastics and a review of the Risk Card.

It was noted that there had been a recent incident involving a non-zoned boat. Staff are to be reminded to prompt the coxswain to ensure they get a thorough briefing before travelling.

Information on Winter Driving has been circulated to staff and Commissioners. This may be useful as a reminder to ensure the continued safety of family, other passengers and themselves if adverse conditions are encountered when on the road.

7. REPORT FROM THE NAVIGATION COMMITTEE

The Managing Board noted the minutes of the meeting held on 18 September 2019. Commissioner Shaw provided a verbal update at the meeting. The main points of note were:

AtoN Review

The proposals were presented to the stakeholders at the SUCG on 5 November 2019. Two

proposed changes generated discussion. These were

- The proposal to replace the Whale Rock buoy with virtual AIS; and
- The proposal to establish a sector light for southbound traffic in the Corran Narrows.

The next meeting of the Navigation Committee is on 11 December 2019 where it will review the AtoN Draft Output document. Thereafter the document will be presented to the Chief Executives' Committee and then the GLA Boards for approval. The final document will be published at JUCG meeting in May 2020.

Isle of Man Wreck Response

The Chair advised that he had not received any feedback from the Isle of Man Department of Infrastructure on the proposal to run a table-top review together with DfT and NLB but will try again. Commissioner Shaw volunteered to assist with drafting the exercise brief, if required.

Action: Chair

8. INTER GLA MATTERS

New JSB Chair - Irish Lights' Commissioner Mark Barr has been appointed as the new JSB Chair and will chair his first meeting in November 2019.

JSB 20/21 November Agenda - The JSB agenda will focus on the GLA and GRAD Corporate Plans for 2020-25 and the approach to the Multilateral Meeting Scheduled for 6 December 2019. The JSB Strategic Agenda and the Brexit Risk register will also be reviewed.

Chair of CEC and IGCs - The NLB takes on the leadership of the Chief Executives' Committee and Inter-GLA Committee's from 1 April 2020. The Executive Group will be used to coordinate and drive the agenda.

IALA Change of Status to IGO - 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.

TH Non-Executive Chair – Sir Alan Massey has been appointed the Non-Executive Chair of Trinity House.

9. ANY OTHER BUSINESS

IndyRef 2

The Chief Executive suggested that the Managing Board should start to think again about the potential opportunities and risks for NLB given the potential for a second Scottish Independence Referendum. It was agreed to revisit the work undertaken prior to the referendum in 2014 and bring it back to the Managing Board for discussion.

Action: Chief Executive

Scottish Maritime Cluster

It was noted that it has been suggested that the Chief Executive join the Board of Directors. The Chief Executive has consulted with Transport Scotland and the DfT who have confirmed that they have no concerns with this proposal. The Managing Board had no objections and therefore the Chief Executive will confirm that he wishes to be proposed for election as a Director of the Scottish Maritime Cluster Limited at its forthcoming annual general meeting to be held on 12 December 2019.

Helicopter

The Managing Board noted that a Gate Review regarding the extension or retendering of the contract is set for December 2019. This is two years before the contract expires but if it is

agreed not to extend the contract then the process for tendering will require to be started.

GIAA Audit of the Organisational Review

The Managing Board noted that the audit of the Organisational Review by GIAA had provided a “Substantial” opinion.

Carbon Zero Targets

Commissioner Woodward asked if it would be worth the Managing Board exploring the topic of becoming carbon neutral. The Chief Executive advised that there has been some initial thinking carried out at a strategic level to look at the environmental impact and it is proposed to make it one of NLB’s key objectives for the next time the Strategy is revised. The JSB also recognises this issue and has added it to their standing Agenda. This will be an Agenda item for a future Managing Board meeting.

Action: Chief Executive

10. CORPORATE CALENDAR

The Managing Board noted the Corporate Calendar for the remainder of 2019 and for 2020. It was agreed that all future Managing Board meetings scheduled for 10.30am will now start at 10am.