

NORTHERN LIGHTHOUSE BOARD

MANAGING BOARD

MINUTES – 17 November 2021

PRESENT:	Alastair Beveridge	Chair
	Elaine Wilkinson	Vice-Chair
	Mike Brew	Commissioner
	Hugh Shaw	Commissioner
	Brian Archibald	Commissioner
	Craig Turnbull	Commissioner
	Rob Woodward	Commissioner
	Mike Bullock	Chief Executive
	Mairi Rae	Director of Business Services

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

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

It was noted that this would be the last meeting of the Managing Board following the decision by the Board of Commissioners to replace the Managing Board with a Governance Board of which all Commissioners, Chief Executive and Directors will be appointed members.

1. APOLOGIES FOR ABSENCE & DECLARATIONS OF INTERESTS

Apologies for absence were received from Phil Day, Director of Operations.

2. MINUTES OF THE PREVIOUS MEETING

The Minutes of the Managing Board meeting held on 23 September 2021 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 the Matters Arising paper and reviewed the following items:

Ship Emissions – A paper is being prepared by the Technical Superintendent and will be brought forward to the Navigation (Operations) Committee.

2015 Remedy Programme and Data Project – A pilot for the collection of data is currently being undertaken with MyCSP. NLB cannot commence any work until the pilot is complete and the result is made known by MyCSP. This will continue to be discussed at the Audit & Risk Committee.

Report on Pillar Rock power Blue Sky Thinking – A workshop to discuss the proposals has been held and a paper is being developed. Discussions will continue through the Navigation (Operations) Committee.

Capital Spend – A review of overall financial reporting is being undertaken and how to present total project cost will be included in the review. This item will carry forward to the Governance Board.

Cyber Training – The ICT Manager gave a presentation to the Board of Commissioners on 20 October 2021. Within the presentation there was list of useful links which will be shared with Commissioners. Commissioners can also find cyber updates within SharePoint.

The Senior Executive Assistant will ensure all outstanding actions are carried over to the appropriate Committees.

Action: Senior Executive Assistant

4. DASHBOARD

The Managing Board noted the Dashboard as at 10 November 2021. There were no areas that required further clarification.

5. 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 - It was previously reported that there had been no reportable incidents since May 2020. This has since found to be incorrect as an incident that occurred in May 2021 had been misreported.

HS&E Report

Reportable Incident – An incident which occurred in May 2021 had not been reviewed following a visit to hospital. The initial entry should have been amended and updated from “minor” to “major”. This information had also been missed by the HR Department and was not included within hours lost information, this has been subsequently updated. However, the incident had been correctly reported in line with the regulations to the Marine Accident Investigation Branch. This issue was discussed at the HS&E Committee on 16 November 2021 and lessons learned have been captured.

Greening Government Commitment (GGC) - NLB has been in dialogue with DfT to review greenhouse gas reduction targets. Overall DfT's target of 62% by 2024/25 was not achievable for NLB due to the necessity for the vessels to use diesel with no viable alternative possible. As such it has been agreed that NLB should aim for an overall 9% reduction of carbon emissions.

COVID19 – NLB Response update

NLB's crisis management response to COVID-19 continues with weekly meetings to review policy status and align all updates with government direction. The instigation of the full hybrid working arrangements have been placed on hold given the general situation and following a number of COVID infections. NLB staff continue to be kept aware of the situation via policy updates and the weekly email sent by CE. Staff morale overall is still assessed to be good.

Maritime Mutual Support Group (MMSG) - The NLB instigated and led MMSG continues to provide a very helpful forum to participating organisations. The direct exchange of experience and best practice related to COVID continues. The frequency of the MMSG remains at fortnightly, participants have reconfirmed they wish the group to continue for the moment.

Operations Report

Outages - Since the last meeting there has been two outages over 72 hours. Bell Rock is currently unlit due to generator failure. Technicians are due to attend on 19 November 2021 when the tidal window and day light permit access. The Director of Operations will be asked to provide more detail on the issue following the meeting.

Post Meeting note: The Director of Operations provided more information on the generators, batteries and light to Managing Board members by email on 18 November 2021.

PHAROS – Non routine activities were noted. Speed efficiency trials are being undertaken to maximise fuel usage. There is a plan in place to invest in the replacement of fuel meters which will provide a more granular assessment of the environmental opportunity being gained.

POLE STAR - Non routine activities were noted.

COVID 19 - Staff continue to follow the COVID safe working practices and largely have returned to full operational activity. Until October 2021 there had been no cases affecting operations however in October 2021 there were two occurrences when a small number of crew on NLV POLE STAR tested positive for COVID. NLB COVID protocols were followed with additional cleaning and other enhanced precautions taken.

Helicopter - Weather has severely impacted operations. There was also an issue with one helicopter, assigned to NLB taskings, which experienced an engine fault for several days and once back online suffered an unintentional float deployment prior to returning to NLB operations. The contractor has been asked for the background and reasons for the deployment.

Oban Base - Marine Operations have continued almost as normal with the first cruise ship visits restarting in September 2021. The berth has also been utilised by both NLB vessels, Calmac and aquaculture vessels throughout. The Base hosted the annual firework display for Oban on 5 November 2021.

Navigation Team - Aquaculture site inspection in the Oban area were conducted during September 2021. An in-person Audit of Faslane, Inverness and Isle of Man Harbours has been conducted.

Programme and Renewals - Work continues to complete the programme for 2021/22. It was noted that Sule Skerry has been deferred to next financial year due to failed mobilisation.

Delivery and Planning - Maintenance is continuing though the impacts of spending significant resources on Skerryvore and Dubh Artach is impacting the work of the Oban technicians. Work at Skerryvore has continued to progress with the previously landed batteries being installed and commissioned and the light being ready for the winter period. Dubh Artach remains incomplete and is reliant on the solar system and charging visits by technicians until the crane is fully commissioned and subsequently the generator fitted. The Director of Operations will be asked to provide an update on the latest position at Dubh Artach following the meeting.

Post Meeting note: The Director of Operations provided an update on Dubh Artach to Managing Board members by email on 18 November 2021.

Asset Management - The Asset team is progressing the analysis of pillar rock power sources, with a recent workshop identifying the hybrid solution as that most likely to be successful. Work also continues on scoping of future projects, estate issues, etc.

Oban Bay - The update on progress by the Oban Community Harbour Development Association in establishing a Trust Port was noted.

Business Services

Pay - Confirmation has been received from DfT that the Pay Remit has been approved by the Secretary of State. This means that the annual bonus can be paid in the November Payroll. It is hoped that the increase in pay, to the very small number of staff eligible, will be paid in December payroll.

2020/21 Annual Report and Accounts - Final accounts were signed on 6 October 2021 and sent to the GLF Accountant on 7 October 2021. Publication of the consolidated GLF accounts was laid on 28 October 2021 and has been published. NLB accounts were laid in Scottish Parliament on 1 November 2021 and have now be published on NLB's website.

Spending Review - Feedback on NLB's submission was received at the JSB meeting. Although Treasury had not specifically allocated funds for the GLA vessels, DfT still have the power to find the loans. Confirmation is awaited on DfT's position.

2021/22 Forecast - Budget holders have been requested to populate expected spend for the remainder of the year. Although there has been a change in the cost headings, no material change has been made to the overall net spend agreed for the 2021/22 sanction.

Corporate Plan 2022-2027 – The Corporate Plan has been submitted to DfT. Initial discussions have been held with the GLF Accountant and Transport Scotland. A meeting with LAC has been arranged for 19 November 2021.

Tri-GLA Procurement - The GLAs continue to engage with DfT (legal and policy teams) regarding the potential to continue to procure with IL post the UK exit from the EU. Joint procurements may deliver financial savings to the GLAs but also reduces the procurement burden. If IL can no longer procure with the GLAs additional procurement resources will be required.

Additional Procurement Burden - The procurement burden continues to increase with requirements to publish pipeline of procurement activity, modern slavery statement, social values, contract management, etc. as well as additional DfT assurance oversight processes.

Regulation Reform - Regulation Reform is estimated to go "live" in Spring of 2023. NLB staff will require training and it is expected that drop-in sessions to be available from Cabinet Office.

Microsoft Office 365 (M365) - The transition of departments to the new SharePoint platform continues. Digital Champions have been identified across NLB and training has started to tailor our use of M365 in the most effective manner.

MS Teams Meeting Room Compatibility - Solutions for hybrid Teams meeting room integration are currently being trialled. The Director of Business Services will provide feedback from the recent Audit & Risk Committee trial to ICT.

Action: Director of Business Services

Business Development – The Director of Business Services provided an update on current commercial activity.

Estates - NLB have now transferred an area of land and surplus buildings to the owner of the café at Cape Wrath. This provides the new owner with the potential to develop the offering including improved toilet facilities for visitors and removes the maintenance obligation from NLB.

George Street Development Plan - NLB continues to be involved in discussions around the George Street Development Plan. The next stage is further consultation with businesses regarding the operational implications of the suggested restrictions. NLB has expressed an interest in participating in this consultation.

HR Report

Hybrid Working - Hybrid Working requests from employees have been reviewed and approved. Health and Safety are in the process of reviewing workstations and DSE assessments to ensure hybrid workers have a compliant workstation. A date of implementation is still to be confirmed.

NLB Annual Engagement Survey - 155 inputs were received (137 last year). The results will be analysed in time for the December 2021 Annual Staff meeting and will be brought to the Nomination/Remuneration (People) Committee in due course.

Action: Chief Executive

NLB Values – Over the last few months visits to both ships and both crews have taken place to brief staff on the addition of NLB Values to appraisals. This follows the implementation of NLB Behavioural Competencies which align with the Values introduced into appraisals for Shore based staff for reporting year 2020-2021. This ensures NLB's Values are embedded across the whole of NLB.

Sick Absence - Sick Absence has slightly decreased and long-term cases have been reducing due to NHS reports being received. Shore based short term absence is still low, which is likely due to most employees working from home where they are less exposed to illnesses/infections.

Gender Pay Gap Report - The Gender Pay Gap Report for 2021 was noted. The Report was submitted to the Nomination/Remuneration Committee in October 2021 for review.

Risk and Improvement

Strategic Risk Spread - There has been minor movement in risk spread and scoring since last Managing Board with regard to the Information and Operational Technology Risk. The probability of this risk has been increased both pre and post mitigation to reflect the increasing threat environment associated with the prominence of cyber-attack, in particular ransomware. A further 5 Strategic Risk Cards have also been reviewed by the Executive Group.

ISO Business Management System - Since the last Managing Board NLB have completed a full ISO 9000,14000 and 45000 Recertification Audit. No significant issues were identified, with NLB continuing to demonstrate compliance with the respective ISO standards. Progress is underway with preparations ongoing for the next ISO 27001 Re-certification Audit, scheduled for February 2022.

Risk Management Maturity – NLB continues to underpin its Business Management System via the systematic early identification of risk, driving NLB's programme of continuous improvement. Operational deep dive reviews continue via NLB's Executive Group with 29 undertaken to date and reported in detail to the Audit and Risk Committee.

GIAA Cross Government Insight Documents - NLB continues to leverage best value from the review of the GIAA Cross Government Insight documents. Since the last Managing Board further Gap Analysis exercises have been completed in relation to both Risk Management and Data Governance Insight Reports, with both reported via the Audit and Risk Committee, and managed via NLB's Process Improvement System.

Environmental Risk Management – Reduction levels of 9% for total (Scope 1,2&3) emissions, and 10% for direct (Scope 1) emissions have been agreed by DfT. These targets represent a

reduction of 610T CO2e and 23T CO2e respectively by 2024/25 against the 2017/18 baseline, with all emissions reductions clearly identified within the associated GGC Project Plan.

Escalated Risk Overview - Since the last Managing Board, there have been 5 escalated risks relating to drydocking; main buoy chain winch; sewage system; ship & helicopter availability; and Tri-GLA procurement.

Tri GLA Brexit Risk Register – The Tri GLA Brexit Risk Register was updated via the September 2021 IGC 6 Meeting and approved by the October 2021 Chief Executives Committee.

Additional BCM Activity – An exercise is planned for 23 November 2021. The exercise will focus on Oban Base taking account of local emergency preparedness and response arrangements and involving key site risks including helicopter activity, fuel storage, firefighting, man overboard and oil spill arrangements.

Organisation

Stevenson Rooms Remedial Work - The long awaiting alteration to a number of doors within the Stevenson Rooms to meet requirements for door width has been completed.

Patron – The Chief Executive is to attend an event at St James' Palace on 26 November 2021.

External Engagement

Commissioner Woodward/Department for Transport – No update to report since the Board of Commissioners meeting on 20 October 2021.

Commissioner Wilkinson/Transport Scotland – No update to report since the Board of Commissioners meeting on 20 October 2021.

Commissioner Brew/IoM Government – Commissioner Brew advised that NLB's linkage into the Isle of Man Government will be through the IoM Cabinet Office. Commissioner Brew suggested that the NLB's Annual Report and Accounts should be laid before Tinwald on an annual basis in the same way as they go before the Scottish Parliament. The Chief Executive highlighted that in terms of Scotland it was legislative change that required the NLB Accounts to be laid before the Scottish Parliament and a legislative change may be required to enable to do the same for the Isle of Man. No extra work to segregate out costs will be undertaken.

National Ship Building Office (NSO) - The Vessel Replacement Project (VRP) team met with the newly established NSO. NLB provided an overview of lessons learned and challenges.

COP26 - NLB team members have participated in a number of virtual shipping related events. The Chief Executive attended a very successful dinner hosted by the Met Office at Glasgow Caledonian University which gave plenty of opportunity for explaining NLB's role and work to respond to the Climate Emergency.

SSBA Dinner - The SSBA dinner is planned for 23 November 2021. Laura Marquis DfT Deputy Head of Maritime Operations Division has accepted NLB's invitation.

Museum of Scottish Lighthouses - A campaign to recruit new Trustees and Chair has been completed, four new Trustees have been appointed including Brian Johnson, RLK Shetland and Stuart Macdonald who was a Trustee of the Northern Lighthouse Heritage Trust.

Media Coverage - Since the last Managing Board there continues to be further and very positive coverage of NLB activity across all media types.

6. ANY CLARIFICATION (BY EXCEPTION) ON OPERATING REPORTS

Ship Emissions – Commissioner Archibald asked if the carbon emissions associated with charter work were NLB's or the charterers. The Risk & Improvement Manager explained that charter emissions are shown separately from those of main statutory emission within the reporting line. Charter emissions are feedback in the Statement of Facts following the charter event and the expectation is that the charterer is reporting appropriately.

GGC - The Chair ask if the additional cost required to reduce emissions, etc was being tracked. The Chief Executive advised that within the Capital Investment Plan any environmental opportunity to be gained is noted. The Corporate Plan also details additional spend for green commitments. However, while reducing emissions is being considered within projects navigational safety will not be driven by it.

Programme and Renewals – The Chair noted the number of projects where the initial estimate was a long way out and asked if there were any learnings that could be taken to improve this. The Director of Business Services advised that discussions take place at the Programme and Project Board when any variations are made e.g. balcony cranes. At the end of a project any lesson learned are captured and contracts reviewed. The bid in the Corporate Plan is informed by these learnings and discussions.

It was noted that the Navigation Committee will deal with the detail of project work in the future.

Procurement – The Chair asked if any advantages for NLB have been identified from the additional burden/training. The Director of Business Services advised there could be benefit around project management and expanded knowledge in specific areas however discussions are taking place with the DfT Sponsorship Team around the Framework Agreement and what levels are appropriate to provide the necessary assurance.

It was noted that Commissioner Wilkinson had previously witnessed a Procurement Team undergo a complete transformation on the back of a similar programme and ultimately savings started to be driven out from the contract awards and contracts were being actively managed. It was noted that NLB have a number of small suppliers who do not have teams in the background preparing tender documents therefore might not feel it is worth the effort when there is no guarantee they will get the work. Therefore, there is a risk of losing smaller contractors which would impact NLB's Strategic goal to support the sustainable economic development of Scotland and the Isle of Man.

George Street Development Plan – Commissioner Woodward asked for clarification on what was being proposed. The Director of Business Services advised that the proposal is for no vehicles along George Street. There would be limited time for deliveries and allocation of a few spaces for disabled parking. The rear of 84 George Street building would still be able to be accessed from Rose Street North Lane but it is anticipated that these lanes will become more congested making deliveries and access for technicians difficult. A meeting with Essential Edinburgh is scheduled to discuss this issue further.

Escalated Risks – Commissioner Shaw asked for more clarification on the drydocking escalated risk. The Chief Executive advised that this risk has now been mitigated as a contract has been awarded. Early soft market engagement had also helped mitigate the risk. The Director of Business Services explained that the procurement of the dry dock required to go through the DfT procurement assurance process and included the move to BIMCO dry dock terms and conditions which had taken longer than expected through the DfT approval process.

Tri-GLA Brexit Risk Register – The Chair advised that the JSB decided that the risk around Scottish Independence should be widened to cover a wider ranging political risk. It was noted that reference to Brexit should now be changed to EU Exit.

HS&E Carbon Emissions Table –The forecast reduction in the carbon emissions table and assumptions being made was noted. Commissioner Archibald asked whether the electricity emissions were based on national grid decarbonising by 2025. The Risk & Improvement Manager advised that the forecast reduction is not based on the national grid but based on some AtoN projects. However, the table is still a work in progress and will be brought back to a subsequent meeting in a fuller state.

Action: Risk & Improvement Manager

HS&E Training – Commissioner Shaw asked if there was any additional risks or impact on staff development given that NLB have been unable to deliver as much training as in previous years due to the pandemic. The Chief Executive advised that training had been discussed at the recent HS&E Committee and no concerns were raised.

Travel & Subsistence – The Chair asked whether the underspend on travel and subsistence could be a positive saving going forward. The Director of Business Services advised that expectations have been revised in the Corporate Plan. However, it was noted that there may be less journeys travelled but they are becoming more expensive e.g. fuel, accommodation, etc.

Vacancies – Commissioner Wilkinson asked for more detail on vacancies to be shared with either the Governance Board or Nomination/Remuneration (People) Committee at a future meeting. The Director of Business Services will undertake some work on the report with a view to being able to commence reporting from 1 April 2022.

Action: Director of Business Services

Assurance Landscape – The Chair highlighted the level of auditing the NLB is subjected to and the potential to identify areas of duplication. Commissioner Wilkinson added that the Assurance landscape is a tool to negotiate with GIAA over what NLB requires to provide the necessary assurance. NLB has significant levels of assurance from other experts which requires to be taken into account.

7. VESSEL REPLACEMENT PROJECT BOARD

The Managing Board noted the report on the Vessel Replacement Project which was included in the meeting pack.

The very successful Bidders Conference took place on 12 November 2021 with positive feedback received. The next key milestone is the ITN submission date which has been extended to 20 January 2022. This will not affect the contract or delivery date.

8. REPORT FROM THE HS&E COMMITTEE

The Chief Executive gave a verbal update from the meeting on 16 November 2021. This was a very good meeting with no concerns from the workforce raised. The HS&E Committee are considering what assurance will require to be provided to the Governance Board.

9. REPORT FROM THE NAVIGATION COMMITTEE

The next meeting of the Navigation Committee will be held on 8 December 2021.

NLB Users Consultative Group (NLBUG) – The NLBUG (formerly known as Scottish Users Consultative Group (SUCG)) was held virtually on 4 November with over 50 participants.

Positive feedback was received.

10. BOARD OF COMMISSIONER WORKING GROUP

At its meeting on 20 October 2021 the Board of Commissioners approved the establishment of a Governance Board to replace the Managing Board and that the Working Group should now address the assurance structure reporting to it. The Working Group commenced Stage 2 by meeting on 9 November 2021. The Terms of Reference for the review of Committees was included in the meeting pack for information.

The Group agreed that it was important at the outset to seek early views on the broad areas of NLB's activities that would likely form the basis of a new Committee structure. The intention is to review each area separately in more detail and this may result in areas being combined, in whole or in part, in order to produce an efficient and effective structure.

The Working Group will next meeting on 14 December 2021 and intends to report progress to the Governance Board meeting scheduled for February 2022. It has been agreed that the Chief Executive will join the Working Group.

11. INTER-GLA MATTERS

The Managing Board noted the update provided within the meeting pack.

Effectiveness measure - A paper setting out an alternative measure developed by the three Finance Directors was reviewed and endorsed at the Board of Commissioners meeting on 20 October 2021. With the endorsement of JSB, work will continue to refine the measures and to reach a consensus across the GLAs. NLB remain committed to drive out inefficiencies and improvements.

Framework Agreement - DfT Sponsorship team have informed the GLAs that they have an internal KPI of end of March 2022 and have asked for a meeting to discuss. The previous indication was there was no particular hurry and given other workload the GLAs agreed to progress in Q1 of 2022.

JSB - The JSB meet virtually on 9 and 10 November 2021. In addition to the effectiveness measure the meeting covered the Corporate Plans in preparation for the Multilateral Corporate Planning meeting 23 November 2021.

12. ANY OTHER BUSINESS

The Chair thanked all the various members of the Managing Board over the years. This is an end of era but he looked forward to continuing business under the Governance Board and its various Committees.

The minutes of this meeting will be signed off at the first Governance Board in February 2022. Any actions arising from this meeting will also be taken to that meeting or the appropriate Committee.

13. CORPORATE CALENDAR

The scheduling of meeting for 2022 is currently being revised and will be issued in due course.