

NORTHERN LIGHTHOUSE BOARD

MANAGING BOARD

MINUTES – 18 March 2020

PRESENT:	Mike Brew	Chair
	Alastair Beveridge	Vice-Chair
	Elaine Wilkinson	Commissioner
	Hugh Shaw	Commissioner
	Graham Crerar	Commissioner
	Rob Woodward	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)

This meeting was held by video/telephone conference due to COVID-19. However, the Executive Team was present in 84 George Street.

1. APOLOGIES FOR ABSENCE & DECLARATIONS OF INTERESTS

Apologies for absence were received from Commissioners Stephen and Di Rollo.

2. MINUTES OF THE PREVIOUS MEETING

The Minutes of the Managing Board meeting held on 22 January 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 noted the following items:

Environmental Workgroup - The HS&E Manager has been made aware that there have been significant safety issues encountered by other organisations using electric vehicles and will factor this into the training requirement for the introduction of the new vehicle.

Board Evaluation – The Chair advised that there had been a good level of return with 16 full responses or “nil” returns. There was a couple of themes around training (CPD) but overall everyone was broadly satisfied. The results of the evaluation will be discussed at the Board of Commissioners meeting on 22 April 2020.

IOM Wreck Response – A table-top review between the Isle of Man Department of Infrastructure, DfT and NLB had been arranged for 1 April 2020. However, due to the current circumstances this will require to be postponed and a teleconference will be arranged.

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 new reportable incidents since the last Managing Board.

HS&E Report

Medical Emergency - On 29 February 2020 an agency mariner suffered a suspected heart attack on board NLV PHAROS. They were helped to their cabin by colleagues and the alarm was raised. After discussion with Aberdeen Coastguard & Aberdeen Royal Infirmary it was decided to evacuate the casualty by SAR helicopter to Edinburgh Royal Infirmary for tests and treatment. The response by the crew was well handled. As the incident was not work related there is no requirement to report it to MAIB.

Weather Vane Failures - Technicians have been checking weather vanes on the top of lighthouse domes and highlighted that some have corroded and parts of another weather vane were missing and could not be found. Collaborative working has taken place between HS&E, Asset Management and Planning and Delivery Departments with a list of lighthouse stations that have weather vanes compiled and Technicians are now undertaking a programme of inspections to identify any other weather vanes where remedial action is needed to repair or replace them. A work specification for weather vane maintenance has now been devised by the Principal Mechanical Engineer and added to Q4 as part of the maintenance regime.

Operations Report

Outages - Since the last meeting there have been two outages over 72 hours. North Rona AIS was inoperative for 325 hours and Cairn Na Burgh Mòr Buoy was extinguished for 131 hours.

NLV PHAROS – The vessel was in dry dock for most of February 2020 during this period a new DP system, fire detection system, gyros, radar processors and hydrographic suite were installed. Weather significantly disrupted the time in dock and meant that a full hull antifouling coat was not achieved. Blasted areas were coated with anticorrosive paints and the issue can be resolved in the next docking in 2 years' time with possible in-water cleaning required in the meantime. The vessel is continuing to carry out planned operations during COVID-19.

NLV POLE STAR - In addition to routine buoy work, LLA inspections have been completed in Clyde, Ayrshire, Ullapool and Oban areas. Following a protracted period the vessel's anti-roll system was repaired w/c 2 March and enabled it to return to full operational capability. The vessel is continuing to carry out planned operations during COVID-19.

Marine Engineer staff - Due to long term illness, resignation and study leave the number of available engineering officers has been causing concern. The situation was subsequently eased by the return of the resigning Chief Engineer and the successful recruitment of a 2nd Engineer. It was noted that the recent pay deal had helped retain/recruit staff.

Helicopter - Routine operations have continued throughout. There was a significant helicopter breakdown in early January which had both aircraft offline for a period. This occurred with NLB technicians stranded on Muckle Flugga. This situation took some 5 days to resolve due to aircraft location. The standing charge when both aircraft were off line is being recovered. Subsequently a GLA audit of the operator was carried out. In addition the GLAs have been reviewing the

planning options to find a way of ensuring better ability to recover from weather and AtoN outages which disrupt planned activities.

EU Exit – The GLAs met with the CAA regarding EU exit and continued operations in Ireland. The GLAs have advised the helicopter provider that they expect them to make contingency plans and have instructed them to provide a document regarding their intent and contingency arrangements regarding EU exit. A response is yet to be received.

The issues of pilot sustainability and changes to the operational plan were also discussed and it has been made clear that (not withstanding EU exit) any contract extension is dependent on improvement in the former and that the GLAs will work with them on the latter.

Oban Base - Berth usage has remained high but due to the current COVID-19 situation there have been a lot of cancellations going forward. The new UHP auto-gun is operational and training has been completed and the Main Store lighting has been converted to LED.

Programme and Renewals

Capital Works Programme – There has been considerable weather disruption of work and logistics support at Barra Head, Stroma and Cape Wrath which is making completion doubtful by the end of the financial year. Efforts are being made to complete works at Butt of Lewis but weather delays have been experienced. In line with recent Government guidance regarding COVID-19 contractors are permitted to continue to work on site so work at Stroma and Cape Wrath might continue if no further restrictions are put in place.

Portain Beacon – Fabrication of the beacon is expected to be completed and the beacon delivered to Oban by year end.

Financial Year 2020/2021 projects are in planning. The Programme & Renewals Team along with the Assets Team are re-profiling the programme to take account of slippage due to COVID-19 and any direction from the DfT on budgets.

Commissioner Wilkinson enquired as to whether the GLF was going to come under pressure from reduced light dues income. The Director of Business Services advised that she had spoken with the GLF Accountant and there were no concerns at this time.

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. There have been some delays in the emulation of the current monitoring system by the contractor. In parallel, supply of the servers and network required has taken time and therefore the implementation by 2019/2020 year end will not occur.

Vessel Replacement Project

The Vessel Replacement Project Board met on 17 March 2020. A very thorough GIAA audit has recently been undertaken and the final report is awaited. However initial feedback has been very positive. The recruitment of a Technical Specialist is currently at the pre-award stage with the formal award letter due to go out shortly. The Project Board was happy with the process and outcome. The Strategic Outline Case is progressing well. The Chief Executive and Director of Operations have completed an initial review of the document. All Project Board members will

now have the opportunity to review the document and complete a self-assessment questionnaire. This follows the Green Book process.

Oban

A successful public meeting was held in February 2020 to set out the Stakeholders intentions regarding a Trust Port. The Stakeholder Group have held meetings with Transport Scotland and selected legal support for a Harbour Order. The next Oban Harbour Management Group is due to be held in April 2020.

HR Report

Sick Absence - Sick absence remains steady. There are a number of long-term absences that are being actively managed. It is likely that there will be an increase in absence due to the possibility of employees being sick with COVID-19. It has been agreed not to categorise individuals who have been advised to self-isolate and NLB is making arrangements for those employees to work from home.

Flexible Working Hours Arrangements Amendment - As part of the recent pay deal it was agreed with the Trade Unions that the number of days a full-time employee can take as flexi days would be reduced. The current policy is a maximum of two days and this is being reduced to one day. 'Core-Hours' have also been reintroduced to the arrangements to ensure employees are in work between certain times of the morning and afternoon. The new arrangements still allow flexibility for employees and Flexible Working Applications will still be considered to ensure individuals can balance personal responsibilities with work responsibilities. The policy comes into effect from the beginning of April 2020.

Performance Management System - A new Performance Management System has been developed. One of the main changes to the system is the assessment of competencies which are linked to NLB values and this will help embed the values into the behaviours of all employees. Most Senior Managers and Directors attended a workshop run by Forth Valley College which looked at how they can help embed the values. Roll-out of the system is being planned for April/May 2020 with implementation effective from 1 August 2020.

Business Services Report

Pay Remit - The 2019 and 2020 pay business case was approved by Cabinet Office and H M Treasury on 21 January 2020. The offer was accepted on 14 February and the 2019 award was implemented to all current employees in the February 2020 payroll. Leavers who are entitled to back-dated pay will receive this in March. The 2020 award will be implemented on 1 August 2020. We have advised DfT sponsorship team that we have removed the Pay risk we previously assigned to them in February 2018. The Chair thanked the Executive on behalf of the Commissioners for all their hard work in securing this deal.

Corporate Plan - The 2020-2025 Corporate Plan received ministerial sanction on 3 February 2020. Work progresses to provide an allocated and phased budget (based on prior year spend) to be agreed by Department Heads/Budget Holders and uploaded into the finance system prior to 1 April 2020. It is envisaged that changes will require to be made due to COVID-19 and once it has been confirmed by DfT whether or not any underspend from 2019/2020 will be released for next year.

2019/20 Annual Report & Accounts - NAO audit team arrived on site on 20 January 2020 in order to conduct field work for the interim audit. Work focused on substantive testing, review of

processes and procedures and establishing any material changes in the organisation's income and expenditure streams. NAO also spent time reviewing the work conducted by NLB on the calculation for the disclosure of IFRS16 (Leases) balances in the 2019/20 annual report and accounts. NAO were satisfied with the work they had conducted and evidence provided by NLB. Audit dates have been scheduled with NAO for the final audit of 2019/20 year substantive testing w/c 13 July 2020.

Financial Results to 29 February 2020 – The Managing Board noted the financial summary for the year to 29 February 2020 provided in the Business Services report. The total net expenditure for the organisation to the end of February is currently behind budget. The full year expenditure is forecast to be under budget due to an underutilisation of contingency.

Emergent issues associated with the worldwide spread of COVID-19 may impact the deliverability of the forecast year-end spend. Discussions continue regarding the mitigation of the operational/financial impact to NLB.

Commissioner Wilkinson asked what the financial impact would be with the particular pressure in non-pay e.g. PPE, etc and whether Procurement was looking for alternative sources. The Director of Business Services advised that NLB were well stocked in that area having made a number of recent changes.

Commercial Income – the year-to-date is trending behind budget. Full year forecast has been reduced with limited other activities scheduled this year.

Commissioner Wilkinson enquired to what the reduction in Commercial Income and underspend in budget meant for the RPI-X target. The Director of Business Services advised that based on the current figures the RPI-X figure would be 1.97%. However it was noted that this was due to issues beyond NLB's control e.g. weather/COVID-19.

BACS - The implementation of the PT-X BACs software to replace the incumbent e-Pay software has been completed and NLB is now 'live' with the new system. This is a web-based system which can be operated external to the HQ building. This has been fully tested and a payment was carried out off-site. This provides security in the knowledge that NLB can continue to make payments to suppliers remotely.

Office 365 (O365) - A planned supplier engagement day on 9 March 2020 was cancelled due to COVID-19 precautions. This may not delay the procurement process but may impact on the number of suppliers who tender for the project.

Procurement (Year-end spend) - Several suppliers have advised possible delays related to COVID-19 which may impact on the delivery of projects and failure to achieve expenditure this year.

Business Development – The Managing Board noted the update on business development.

Business Services Apprentices - Over the last 12-18 months Finance, Procurement and ICT Managers have been exploring the creation of Apprentices within their teams. Whilst the Managers are keen to bring Apprentices into their areas it is providing difficult to locate suitable training/education providers for the schemes. These business areas are also all about to embark on significant projects which will impact on the ability for the Manager to support and mentor apprentices in the short term, it has therefore been agreed that the recruitment of Apprentices into Business Services will be deferred and the headcount utilised elsewhere within NLB.

Risk & Improvement

UKAS Accredited External Audit Provider - Procurement action is underway to appoint a UKAS accredited auditor following the expiry of the existing contract. The contract award is imminent and the first audit of the new cycle will commence May 2020. This procurement process will facilitate the revalidation of the existing certification and poses no risk to the existing certification which forms a key part of NLB's assurance landscape.

Internal Auditor Refresher Training - Following NLB's successful certification to the new Occupational Health and Safety Management Standard, ISO 45001 in late 2019, internal auditor refresher training was concluded during February 2020.

Escalated Risk Overview - Since the last Managing Board there have been six risks closed in addition to two escalated risks i.e. Risk of lacking availability of helicopter within tight operational windows and COVID-19. Both escalated risks are receiving a high level of Executive Group focus.

Deep Dive Risk Reviews - Since the commencement of this initiative eleven deep dives have been concluded by the Executive Group.

Tri GLA Brexit Risk Register - The Brexit Risk Register was updated by IGC 6 in January 2020 and taken to the February 2020 Audit & Risk Committee. A copy of the Register was included within the meeting papers for information.

Business Continuity - The Exercise conducted with the helicopter provider in January will be mirrored by TH in early 2020. This will enable a joint session to be held looking at mutual lessons learned and communications protocols within the context of the existing contract. A number of small internal exercises are intended to be run through the year to deliver awareness training for staff who have not previously experienced involvement in such exercises, thus bolstering NLB's approach to continuity and succession planning. The Director of Business Services highlighted that due to COVID-19 NLB is fully testing the business continuity systems at this time with home working, etc.

Organisation

Patron - The Patron's Private Secretary visited 84 George Street on 9 March 2020 for general discussions and a tour of the building. He expressed an interest in joining the Inspection Voyage and this has been followed up by an invitation. The Patron has also agreed to sign all Long Service and Special Recognition certificates in the future.

Inspection Voyages - Roger Hargreaves, Maritime Director DfT has confirmed he will participate in Voyage 1. Brian Johnson, Chief Executive, MCA will join Voyage 2. The voyages will be kept under review until the situation with COVID-19 become clearer.

Co-opted Commissioner Recruitment - Commodore Brian Archibald, who is currently the Orkney Islands Council Harbour Master and Head of Marine Services, Engineering and Transportation, will join as a Commissioner with effect from 1 April 2020.

Lord Provost of Glasgow - Councillor Philip Braat has been appointed as the new Lord Provost of Glasgow. The Chair has sent a letter of welcome and arrangements will be made to brief him once contact has been established.

External Engagement

Visit to PHAROS UK Maritime Minister - Nusrat Ghani MP visited NLV PHAROS on 5 February 2020 at the start of the vessel's refit in Rosyth. The Minister had a briefing on NLB's vessel replacement project and Apprenticeship scheme before touring the vessel to see work in progress and meet staff. The feedback from the visit was very positive.

New UK Maritime Minister - Nusrat Ghani MP was replaced by Kelly Tolhurst MP in the Ministerial reshuffle which took place in early February 2020. The new Minister has a wider portfolio which includes Aviation which is likely to take up much of her time. The Chief Executive sent a letter of thanks to Ms Ghani for the support she has given to NLB during her time in office. Contact has been made with DfT to lodge a request for a visit by the new Minister to NLB in either Oban or Edinburgh.

Director General, Aviation, Maritime, International and Security Group DfT – The Chief Executive had a phone call with Gareth Davies on 22 January 2020. The call was intended as an opportunity for Mr Davies to hear directly about the challenges and concerns of NLB as an introduction to his new role. An offer was given to host Mr Davies on a visit to NLB or if he is seeing Transport Scotland Officials to provide a venue.

Director Maritime – The Chair and Chief Executive were due to call on Roger Hargreaves in London on 25 March 2020 to conduct the annual Board Evaluation meeting. However, due to COVID-19 restrictions this will now be held via videoconferencing.

Lord Geidt - Following a chance meeting between Commissioner Beveridge and Lord Geidt earlier in the year, Lord Geidt expressed an interest in the work of NLB. The Chief Executive has since written to Lord Geidt offering a visit to NLB or for the Chair and CE to meet him in London on 25 March 2020. To date no response has been received.

Japanese Coastguard (JCG) - A representative of the Japanese Coastguard met with the Chief Executive in late January 2020 to discuss the possibility of cooperation on Heritage issues. Richard Henry Brunton, who was trained by David and Thomas Stevenson, is considered to be the "Father" of Japanese Lighthouses and the JCG have an ambition to create 'twinning' between Scottish and Japanese lighthouses. Following this initial meeting action lies with JCG to formulate their ideas further.

Channel 5 - Channel 5 is producing a series of three documentaries on iconic lighthouses covering each of the GLAs. NLB's focus is on Bell Rock and filming of interviews with the Chief Executive and Graham Macdonald from the Renewals team took place in late February 2020.

Secret Scotland - A visit by Susan Calman to Pladda which featured Craig Pake was aired on Channel 5 in early February 2020.

COP26 - Due to berth availability and poor shore infrastructure, the likelihood of NLV PHAROS participating in COP26 appears to have diminished. During a meeting with the DfT Maritime Climate team interest was expressed about using GLA Solarisation of AtoN as an example of best practice of de-carbonisation to be showcased at COP26 as part of a wider DfT initiative. This will be followed up.

Commissioner Woodward highlighted the use of the Science Centre for an exhibition. As this is not an NLB organised event it was agreed that the Chief Executive would talk to the Climate Team to highlight the Science Centre.

Action: Chief Executive

Transport Scotland - The Transport Scotland Ferries team held a workshop in the Stevenson Rooms on 23 January 2020. Attendees included Frances Pacitti, Director of Aviation, Freight and Canals and Chris Wilcock the newly appointed Ferries team leader. The Chief Executive provided an NLB Overview brief.

Oban Festival of the Sea. NLV PHAROS has been programmed to support Oban's Festival of the Sea on 30 May 2020 by opening to visitors. However, in view of the current COVID-19 situation it is highly likely this will be cancelled.

Museum of Scottish Lighthouses 25th Anniversary – The Anniversary celebration due to be held on 29/30 May 2020 has now been cancelled due to COVID-19.

Dashboard

The Managing Board noted the updated Dashboard included with the meeting papers and agreed that it has become increasingly useful.

5. ANY CLARIFICATION (BY EXCEPTION) ON OPERATING REPORTS

There were no points of clarification raised.

6. CORONAVIRUS

NLB has initiated a full Business Continuity response in relation to dealing with the current and future impact of COVID-19 upon the delivery of core operations and statutory functions. A clear policy position has been established and issued to all NLB staff. Subsequent reviews and updates have been promulgated in line with unfolding events and UK Government/industry best practice. NLB's approach has been aligned to NLB's averse risk appetite, with particular focus on the vulnerabilities around vessel crewing and operations.

A range of meetings have been held to date with Business Continuity Team members and an operational risk assessment has been established and is being reviewed in real time, as events unfold. This is being used as the basis for operational decision making and policy development with regard to COVID-19.

As a provider of a vital maritime safety service, NLB remains committed to the continuation of key core services which contribute directly to the safety of the mariner and protection of the environment. This extends to casualty response, including wrecks and new dangers, in addition to dealing with critical AtoN defects.

Staff are now working from home where possible but HQ and Oban Base remain open if anyone wishes to come in. The berth at Oban also remains open and the appropriate safety measures are being followed. The vessels are continuing with buoy maintenance and storing. The crew changeover is scheduled for 19 March and there are currently 4 members of staff that will not be joining due to self-isolation. Measures introduced for the vessels include the banning of all visitors, careful health screening before crew changes, restricting shore-leave and the cancellation of all commercial work which necessitates the embarkation of 3rd parties.

Commissioner Woodward congratulated the Chief Executive and the Executive Team for their professionalism in their response to COVID-19 and the quality of communication.

7. CLIMATE EMERGENCY

To date the risks relating to Climate Change have been captured within the Organisational level Environment Risk Card. Following internal debate and consultation with officials leading DfT's

climate work the decision has been taken to create a new Risk Card which focuses on the Climate Emergency leaving the Environment Risk Card to address more local issues such as pollution.

The Chief Executive met with DfT Officials on 2 March 2020 to seek guidance on UK Government policy on the Climate Emergency within the context of ensuring NLB's approach to addressing the risk fits within the overall direction of DfT.

By its very nature NLB's response to the Climate Emergency will continue to evolve but this initial work aims to bring a consistency of approach and reporting that mirrors best practice.

Commissioner Woodward requested that flowing from the Risk Card NLB looked to craft a wider internal narrative in terms of aspirations and it would also be useful to include timeframes for likely implementation. The Chief Executive explained that there are differences between the UK and Scottish Government timeframes making it difficult at this time for NLB to add them to the Risk Card. Once NLB understands the situation better timelines will be inserted. Further consultation with experts is ongoing and NLB is also looking at getting professional help to set achievable, ambitious goals. NLB's Corporate Strategy approach is set out in the Mission, Vision, Values and Strategic Goals which will follow through to the Corporate Plan.

It was noted that the Risk Card will follow the normal review cycle and will be reported to the Audit & Risk Committee, Managing Board and Board of Commissioners in due course.

Action: Risk & Improvement Manager

8. MISSION, VISION, VALUES AND STRATEGIC GOALS

The Managing Board noted and discussed the proposed changes to the Mission, Vision and Strategic Goals and agreed to provide support at the Board of Commissioners meeting in April 2020 to gain approval of the revisions as part of the annual Corporate Plan development process. The definition of "Net Zero Carbon" will be included in the documentation for the Board of Commissioners.

Action: Chief Executive

9. VESSEL REPLACEMENT PROJECT

There were no items for noting that had not been covered earlier in the Agenda.

10. REPORT FROM THE HSE COMMITTEE

The Managing Board noted the minutes from the meeting held on 22 January 2020. The next meeting will be held on 13 May 2020.

11. REPORT FROM THE NAVIGATION COMMITTEE

There have been no meetings of the Navigation Committee since the last Managing Board. The next meeting is on 19 March 2020. The main topics for the meeting are:

- AtoN Review – final review before being submitted to JSB in May
- Corran Narrows Southern Approach – temporary buoy superstructure (on land) providing day-time conspicuity until the installation of a lattice beacon providing a day and night light.
- Whiting Rocks buoys - CMAL

- Portain Beacon – continuing to progress.

12. INTER-GLA MATTERS

IALA Change of Status to IGO - The Diplomatic Conference took place 25-28 February 2020 in Kuala Lumpur. The Chief Executive, DfT and TH represented UK. The conference concluded successfully with a Final Act noting the work of the Conference signed by the States which noted agreement of the final text of the Convention and associated resolutions. Thereafter the documents will be prepared by the French authorities for a Diplomatic Conference which will be convened in Paris in November. At this Conference the Convention will be formally signed by the States. Once signed individual nations will take the Convention back to their own administrations to ratify through their own national political process. There is a requirement for 30 nations to ratify the Convention at which time the new IALA will come into being.

IGC Forum - The annual IGC forum, which brings together Directors, Senior Managers and Chief Executives from the three GLAs, was held at TH on 6-7 February 2020. Sessions included Sustainability, Health and Safety, GRAD future technology and Cyber Security. There was a useful exchange of ideas both in the formal sessions and in the margins of the event.

RPI-X - At the last meeting the Managing Board endorsed the recommendation made in a report by East Anglia University that the current RPI-X had run its course and should be discontinued. This is likely to be a major topic for the JSB in May.

Chief Executive Committee (CEC) Meeting – the CEC meeting scheduled for 29/20 April will now be held by video conference.

13. ANY OTHER BUSINESS

Graham Crerar

As this was Commissioner Crerar's last meeting the Chair and other members of the Board expressed their thanks for his valuable contribution and insight over the last 9 years as a Commissioner including 7 years as a member of the JSB. The Chief Executive, on behalf of the Executive Team, also thanked him for his guidance and support as Vice-Chair and Chair during the organisational change programme.

14. CORPORATE CALENDAR

The Managing Board noted the Corporate Calendar for 2020.