

# NORTHERN LIGHTHOUSE BOARD

## MANAGING BOARD

### MINUTES – 19 June 2019

<b>PRESENT:</b>	Mike Brew	Chair
	Alastair Beveridge	Vice-Chair
	Elaine Wilkinson	Commissioner
	Hugh Shaw	Commissioner
	Alison Di Rollo	Commissioner
	Rob Woodward	Commissioner (by telephone)
	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)

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

Apologies for absence were received from Commissioners Crerar and Stephen.

#### 2. MINUTES OF THE PREVIOUS MEETING

The Minutes of the Managing Board meeting held on 15 May 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:

**Helicopter (Brexit)** – Legal advice has recently been received and initial review suggests that the onus is on the contractor with little opportunity for them to claim frustration. The Director of Business Services will review the advice in more depth and come back to the Managing Board if required. A copy of the advice will also be forwarded to Commissioner Di Rollo for her review.

*Action: Director of Business Services*

**Sick Absence** – An error was made when completing the calculations for sick absence for 2018/19 therefore the figures previously reported were incorrect. The correction brings the total average working days lost down from the previously reported figure. The issue of sick absence was discussed in detail at the Tender Operations Group (TOG) meeting although no single causal factor was identified for the relatively high figure. Commissioner Wilkinson requested that it would be beneficial to see a rolling 12 months data on the Dashboard. This would allow Commissioners to see any trend before the end of the year. The Chief Executive will discuss with the HR Team to see if this will be possible.

*Action: Chief Executive*

**Risk Framework** – DfT Pay escalation action has now been noted within the relevant Strategic Risks Registers.

**Staff Engagement Survey** - The final ship visit by the HR Manager was held on 14 June 2019. The survey targeted at the vessel crews will now be issued. In order to allow time for all crews to complete a target date of 15 August 2019 has been set. Feedback will be provided to the Managing Board once analysis has been completed.

*Action: Chief Executive*

#### **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**

**Asbestos – Skerryvore** - Planned asbestos removal work has now been completed at Skerryvore. A presentation to Commissioners on the situation at Skerryvore was given during Inspection Voyage 1 and will be repeated during Voyage 2.

**Radon** - The radon meter obtained to give more accurate readings for the Point of Ayre identified that the levels being detected within the lighthouse tower were still high. Ventilation has been increased via air transfer holes added to the lighthouse tower door with early indications that this has improved radon levels. As the tower was the only location where radon was tested for additional radon meters are to be obtained from Public Health England and will be placed in the 'bothy' and battery room to ascertain whether these give similar radon readings or whether the readings in the tower are an isolated occurrence. Contact will be made with the Isle of Man Authorities to advise of the findings and further discuss implications. In the meantime access to the tower has been restricted and an alert has been placed on Q4.

**Environmental Workgroup** - An inaugural Environmental Workgroup meeting was held on 28 May 2019. The meeting was productive and identified a number of areas where good environmental performance is already being considered. The Workgroup will report to the HSE Committee.

##### **Marine 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 storing operations and supporting Inspection Voyage 1 NLV PHAROS completed a 14 day contract. The contract was interrupted by a fishing net fouling the port propeller. A newly procured GoPro camera helped identify the problem and the vessel diverted to Scalloway for the net to be removed. There was no damage discovered and the vessel returned to complete the contract.

**NLV POLE STAR** – Routine operations have continued including supporting Technicians inspecting beacons in the Sound of Harris.

**Helicopter** - Routine operations have continued. There has been an administrative error by the operator that meant that one planned SAP did not have a pilot for NLB. This has meant some adjustment to the program. The contractor has amended their procedures to avoid this happening again and supplied the aircraft for a replacement date to store Chicken Rock at no cost to NLB for the transfer to Isle of Man.

**Oban Base** - Berth usage at the base has remained high. A MCA Document of Compliance audit was undertaken with only one non-conformance noted which related to version control and applied to the whole organisation.

## **Navigation**

In addition to routine Marine Licensing activity and LLA/Aquaculture Inspections the team have participated in a number of significant meetings and events including reviewing the latest sectoral plan for offshore wind energy with Marine Scotland, an Aquaculture Safety Event in Shetland and hosting a meeting with MCA and Marine Scotland Licensing.

## **Programme and Renewals**

**Capital Works Programme** – Copinsay and Duncansby Head remain outstanding from 2018/19 due to continuing commissioning. Financial Year 2019/20 projects continue satisfactorily with contractors mobilised to Eilean Glas and Ruvaal and with tenders for Barra Head and Cape Wrath being progressed. Stroma delayed work continues on-site.

**Irvine Beacon** - Tenders have been received with a substantial over-budget cost from all tenderers. The majority of the additional cost is due to the preliminaries, including mobilization, for the extensive piling which the ground conditions require. This brings into question whether there is a volume of traffic and degree of risk to justify this project. There is no commercial traffic and only a few leisure users on moorings using the harbour at their own risk. The Navigation Committee discussed the project at their meeting earlier in the day and agreed, subject to discussion with Irvine Council, that it would be inappropriate to proceed with the project at this time. The Chief Executive and Director of Operations will discuss this decision with the DfT. The Managing Board noted that the risk to NLB not proceeding is low but stressed the need to progress the agreed actions as quickly as possible. The Director of Operations will update the Managing Board on progress at the next meeting.

*Action: Director of Operations*

**Portain Beacon** - While still at the design phase, site investigations suggest this project will also exceed the budget. This beacon is planned to replace an existing buoy following the grounding of the Sound of Harris ferry. The Navigation Committee considered the implications of an increased cost in relation to the navigational requirement and agreed that as there has already been an incident in this area and the call to increase numbers of ferries on this route, to proceed with the project as planned.

**Firths Voe** – The Managing Board noted that the Navigation Committee had discussed the design received from the consultant engineers and consulted with Sullom Voe Pilots. Due to the extensive engineering works required to counter the erosion being suffered the Committee had agreed to look at alternatives to ensure provision of the AtoN in the longer-term. The project will now be fed into the AtoN Review and managed in due course.

**Butt of Lewis** - This refurbishment had been held back so that a review of expenditure could be carried out. As Irvine Beacon has now been cancelled and Firths Voe delayed this project will now go to procurement in July.

**NLV PHAROS Dry dock 2020** - This is forecast to be more than the budgeted figure as costs for the DP and hydrographic suite are in excess of those used at the Corporate planning phase a year ago. Despite these challenges it is expected that the capital expenditure budget will balance at the year-end.

**Programme and Renewals Team** – The Managing Board noted that the Electrical Design Technician team is currently running understaffed. This situation will worsen at the end of June due to a retirement. Recruitment is underway to resolve this issue but it will take time to regain the necessary corporate experience.

### **Planning and Delivery**

**Planning and Delivery Team** – The Planning Delivery Team is now nearly fully-staffed following the recruitment and start of six individuals. However, there is a technician due to leave at the end of the month. It was noted that due to the necessary training it will take another 18 months before there is a fully-functioning technician squad.

**DGPS** - A final IGC5 recommendation is to be made later in 2019 regarding the future of DGPS.

### **Asset Management**

**Monitoring** - The existing monitoring system and servers continue to operate reliably. Final assessment of the tenders is being carried out and a final report is awaited for the Executive to make a decision on the successful tenderer. Having the top-end operational by end of March 2020 remains achievable.

### **HR Report**

**Engagement Survey** - The tendering process for sourcing a supplier to deliver bullying and harassment training to all employees is now complete and dates for the training have been confirmed.

### **Business Services Report**

**Financial Results to 31 March 2019** - All reporting has been submitted on time to DfT. MyCSP had indicated a delay in providing information for the Remuneration Report within the Annual Accounts however this has now been delivered. The NAO audit will commence on 15 July 2019.

**Financial Results to 31 May 2019** - The Managing Board noted the financial summary for the period to 31 May 2019 provided in the Business Services Report.

**Replacement of ERP and Payroll Systems** – The majority of GPC holders are now utilising Visa's IntelliLink Spend Management system to provide the NLB with electronic GPC costing, VAT, receipt and approval management. Initial feedback from users is positive and the remaining GPC holders will go live in July.

The HR/Payroll system available on the Crown Commercial Services framework is now being reviewed to identify if it meets requirements. Should the HR/Payroll platform be identified as being available as a successful successor, work will continue with the procurement of a replacement ERP/Finance system as it is intended that the HR/Payroll system will be self-

service. It was noted that it is not expected that a finance system suited to the size of NLB will fully integrate with the HR/Payroll system.

**VAT Inspection** - An Inspector from HMRC's VAT Compliance Team has been onsite to carry out an audit based on NLB's most recent VAT return. No issues were identified whilst the Inspector was on-site. The formal signoff of the audit is awaited.

**Apprentices** – It was noted that ICT, Procurement and Finance are all progressing the creation of Modern Apprentice roles. In discussion with HR it is planned to recruit in December/January and have apprentices in place post-March 2020.

## **Risk & Improvement**

**Risk Framework** – NLB's Executive Group continues to place a great deal of importance on the establishment and embedding of Risk Based Thinking. This is designed to be an 'early warning' system. The Managing Board noted that since the last meeting there have been three escalated risks relating to preparation of cargo/dangerous goods, commissioning process post AtoN upgrade and RLK Risk Assessments.

NLB's Risk Management Framework has been reviewed in line with the ISO 9001 document management review cycle. The framework has been updated to reflect the new concept of 'Deep Dive' reviews, conducted via the Executive Group, in addition to reflecting the reporting of escalated risks to the Managing Board. The Risk & Improvement Manager gave a presentation to the Managing Board. The presentation covered the following topic areas:

- RM Governance and Process Overview
- Delegated Responsibilities
  - CE & Directors
  - Senior Managers
  - All Staff
- Departmental & Project Risk Registers – clarification of review, update and reporting arrangements

The presentation will also be given to staff as part of routine team meetings. It was agreed that a copy of the presentation would be provided to the Audit & Risk Committee and also be included in the Guide to Governance.

## **Organisation**

**Inspection Voyages** - Voyage 1 was completed successfully with all planned visits achieved including a very interesting visit to Hynish. As agreed, a donation has been sent to The Hebridean Trust as an acknowledgement for the tour and hospitality received.

## **External Engagement**

**STEM** – The Chief Executive attended the launch at the House of Lords of the Institutions of Primary Engineers and Secondary Engineers which aims to inspire children in STEM.

**ETV** - NLB will facilitate the MCA hosting presentations and workshops at 84 George Street as part of their ongoing review of the risks presented to and from shipping within the UK Exclusive Economic Zone and to assess the availability and adequacy of emergency towage arrangements. The Chief Executive and the Vice-Chair will attend.

**Turnberry** - Commissioners have received a separate briefing note on the recent press article on NLB's relationship with the Trump organisation.

**Lighthouse Keys** - The Collection of 18th and 19 Century keys due for sale at Bonhams were removed from the auction planned for late May. The keys will remain in Bonhams' possession until contact can be made with the gentleman who put the keys into the sale and a satisfactory conclusion agreed.

**LISW 2019** - Planning for London International Shipping Week 2019 continues. A meeting was held with the DfT team in May and it looks like they may be willing to contribute to NLB's costs.

**Scapa 100** – NLV PHAROS and NLV POLE STAR will support the commemoration of the 100th anniversary of the scuttling of the German Fleet at Scapa Flow on 21 June. Both ships will be open to visitors on 22 June in Kirkwall (PHAROS) and Stromness (POLE STAR).

**Cabinet Secretary for Transport, Infrastructure and Connectivity** – The Chief Executive and the Solicitor General met with Michael Matheson MSP in the Parliament building on 16 May to provide a briefing on NLB's role and operations.

**BBC Matt Allwright** - Matt Allwright the BBC presenter has played gigs at Mull of Galloway and Ardnamurchan lighthouses as well as a lunchtime gig at 84 George Street on 12 June. All were well received.

**U3A Mull** - Commissioner Wilkinson gave a presentation on NLB to Mull's University of the Third Age at the end of May. She has since received a request to provide a similar presentation on the Isle of Man. She will put them in touch with the NLB to arrange a suitable date.

*Action: Commissioner Wilkinson*

**Manx Radio** – It was noted that Commissioner Brew had recently featured on Manx Radio talking about his role as Chair of the NLB. A copy of the recording can be found at <https://www.manxradio.com/news/isle-of-man-news/manxman-named-new-chairman-of-northern-lighthouse-board/>.

## **Dashboard**

The Managing Board noted the updated Dashboard included with the meeting papers. The Managing Board noted there had been a rise in FOI requests.

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

### **POSMV**

The Chair enquired as what the abbreviation POSMV stood for. The Director of Operations advised that it is a user-friendly, turnkey system designed and built to provide accurate position, heading, attitude, heave, and velocity data for marine vessel and remote sensing equipment. The MV also includes the new Multi-Beam unit used for seabed survey.

## **6. VESSEL REPLACEMENT PROJECT**

The Director of Operations gave an update on the vessel replacement project. The following points were noted:

- A productive initial requirements workshop has been held. A draft high level requirements document is now in circulation which is being developed further.
- The MOU and secondment agreements are being finalised and will be signed shortly.
- Julie Humphreys, Project Administration Manager has joined the team and is in the process of getting the project governance, SharePoint, email, etc set up as well as starting the business case development.
- An Assistant Technical Superintendent has been appointed to allow the Technical Superintendent to work on the replacement vessel project.
- Discussion has taken place on how to manage associated risks and it has been agreed to use the Monte Carlo Simulation which involves determining the impact of the identified risks by running simulations to identify the range of possible outcomes for a number of scenarios. A random sampling is performed by using uncertain risk variable inputs to generate the range of outcomes with a confidence measure for each outcome.
- GIAA will provide opinions at relevant stages throughout the project and will provide a full audit at the end of the project. Commissioner Wilkinson suggested a Project Management expert be requested to carry out the final audit.
- The inaugural Project Board is been planned for 14 August at which time the draft requirements document, business case project plan etc will be tabled.

## **7. REPORT FROM THE HSE COMMITTEE**

There have been no meetings of the HSE Committee since the last Managing Board. The next meeting is scheduled for 29 August 2019.

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

Commissioner Beveridge, as Chair of the Navigation Committee, gave a verbal update from the meeting held earlier in the day. The main points of note were:

- Statistics – the figures remain encouraging with 7 out of the 10 worst performers reporting no further issues in the last year.
- AtoN Review – the review continues with the first stage, covering 8 areas, being completed. The next review stage will be completed at the September meeting.
- Annual Report 2018/19 - the draft Annual Report of Inspections of LLAs, Offshore Structures and Aquaculture was approved by the Committee. This will now be forwarded to the Department for Transport, as required by the Merchant Shipping Act 1995, and other interested parties. A copy will also be published on the NLB website and a link will be circulated to the Managing Board.
- GNSS Vulnerability - Further to discussion at JSB, the GLA's position on GNSS Vulnerability is referenced in the Strategy document 2030 - Navigating the Future and also within the Marine Navigation Plan 2016 -2030. It is intended that the 2020 AtoN Review will again emphasise the role of other aids to navigation in managing the risk of GNSS vulnerability.

## **9. INTER GLA MATTERS**

### Corporate Plan

The Managing Board noted the push-back from the other 2 GLAs to move to a 2 year process with a light-touch report in the interim year. The Director of Business Services will discuss this issue at the next IGC2 meeting however it was agreed that NLB should continue as agreed with the DfT/LAC.

## **10. ANY OTHER BUSINESS**

### Presentation to Visit Scotland

Commissioner Di Rollo advised that a recent presentation provided by the Business Support Manager on Scotland's Outstanding Lighthouses and the Year of Coast and Water 2020 had been very well received. Scottish Government officials had given positive feedback on the NLB's approach.

### SharePoint Issues

Commissioner Wilkinson raised the recent issues experienced by Commissioners accessing SharePoint. The Director of Business Services advised that she was aware of the problem and that a SharePoint expert had been requested to fix the issue.

### Inspection Voyage 1

Commissioner Di Rollo expressed her thanks, on behalf of those who attended, to all involved in what was an enjoyable and comprehensive voyage.

## **11. CORPORATE CALENDAR**

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

## **12. PRIVATE SESSION**

### Pay

A Private Session was held at the end of the meeting involving Commissioners, Chief Executive and Directors to provide an update on the Pay Remit.