

NORTHERN LIGHTHOUSE BOARD

MANAGING BOARD

MINUTES – 22 January 2020

PRESENT:	Mike Brew	Chair
	Alastair Beveridge	Vice-Chair
	Elaine Wilkinson	Commissioner
	Hugh Shaw	Commissioner
	Graham Crerar	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
	Julie-Anne Humphreys	Project Management Office Manager (Agenda Item 8)
	Karen Charleson	Senior Executive Assistant (minutes)

1. APOLOGIES FOR ABSENCE & DECLARATIONS OF INTERESTS

Apologies for absence were received from Commissioner Stephen.

2. MINUTES OF THE PREVIOUS MEETING

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

Isle of Man Wreck Response – Date being arranged to run a table-top review with the Isle of Man Department of Infrastructure, DfT and NLB.

Carbon Zero Targets – Contact has been made with the DfT specialist team and a meeting will be arranged to get a frame around, and overall direction, on what can and cannot be done. In addition to NLB's 5 strategic focus a proposal on how climate will expanded across is being developed and will be submitted to a future Managing Board and Board of Commissioners meeting. The emphasis should make it clear about NLB's underlying objective and contribution to climate change. Sustainability is also on the agenda for the IGCs and a new workgroup has been developed, it is also on the Agenda for the JSB.

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, however as anticipated the incident at Barra Head (hip injury when pulling a strop) and PHAROS (manual handling injury when removing a sounding cap) have been reclassified to over 3 day incidents therefore have been reported to MAIB.

HS&E Report

Days Lost to Accidents - This year to date 190 days have been lost as a result of 4 accidents. Of the 190 days lost, 182 of them have been incurred from just 2 incidents which has increased the lost time injury rate. The calculation of lost days also takes into account periods of off duty leave where the sick line has not finished and as such the mariners involved would not be available for work. It should be noted that one of the incidents resulted during the period where they were off duty but additional days were being worked.

To ensure consistency across the GLAs on how incidents and time lost are being recorded and reported, this will be raised at the next IGC 8 meeting to establish whether the figures being reported can be relied upon to give an accurate like for like comparison.

Environmental Workgroup - The group met on 8 January 2020 with a wide ranging agenda including procurement of an electric forklift and delivery van for Oban Base. Experience gained through the operation of electric vehicles will be a helpful proof of concept for further measures to adhere to UK Government's Road to Zero Strategy. Commissioner Wilkinson enquired as whether there would be specialist training for staff using electric vehicles as there has been significant safety issues encountered by other organisations. The Chief Executive will ensure this is picked up in driver training.

Action: Chief Executive

Operations Report

Outages - Since the last meeting there has been five outages over 72 hours. Three of these related to Cat 3 AIS units on buoys failing and taking time to renew due to spares and vessel availability.

NLV PHAROS – Due to go into drydock in February 2020. It was noted that the programme has been severely disrupted due to weather and helicopter availability.

POLE STAR - In addition to routine buoy work and LLA inspections the vessel was open to visitors during the Oban Winter Festival, completed a training week in Oban and a defective Engine Room fan was repaired. The vessel is currently operating without a working anti roll system and is awaiting the supply of a second part. In the meantime this means the vessel is more constrained than usual by sea conditions for making passage.

Marine Engineer staff - Due to various factors the number of available engineering officers is causing concern. This has led to NLV POLE STAR being staffed for a month by an Agency Chief Engineer and an Agency 2nd Engineer. This has been mitigated for by having a 2 week handover with the Chief Engineer and ensuring the vessel program is as straight forward as possible. Recruitment for a 2nd Engineer is ongoing and recruitment of an additional Chief Engineer has been authorised. The Director of Operations is currently investigating the option of training our own engineers e.g. ex Royal Navy personnel, which would be completed in half the time of a cadetship.

Helicopter. The Director of Operations reported that both aircraft have been out of operation for about a week. Three technicians are currently on Muckle Flugga with enough food rations to last them until Friday, 24 January 2020. At this time if the contract helicopter is unable to airlift them to safety it will have become an emergency and the Coastguard will be mobilised.

Post meeting note: *Contractor helicopter became serviceable 22 January (pm) and uplifted technicians 23 January (am) from Muckle Flugga.*

The aviation consultant has been asked to undertake an enhanced audit on maintenance, pilot availability, etc. The Director of Operations will report back any findings to the Managing Board.

Action: *Director of Operations*

Programme and Renewals

Capital Works Programme – Work continues with the 2019/2020 programme however a number of projects have been affected by weather which may cause work at Barra Head to slip into financial year 2020/21. There has also been a number of failures of the lights being installed due to a quality control issue in manufacture. A series of meetings/conversations have been held with the supplier and actions are in place to rectify the issues.

NLV Pharos will drydock in February 2020. The vessel will enter the basin early February but not be drydocked until approximately 17 February 2020.

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. Procurement of RTUs is also underway.

Asset Led Organisation - Whilst significant progress has been made in the transition to an asset led organisation there has been a number of aspects that have created some tension across the operations team. Two aspects which have been identified i.e. inaccurate and outdated maintenance work scopes and design resource, are now being addressed.

The Director of Operation will provide a presentation during the Inspection Voyages on new technology and will cover a whole project process from planning, Navigation Committee input, procurement, legal, neighbours, etc to work commencing on site. If possible this will include a site visit.

Oban

The stakeholder group are progressing plans, with Council backing, to create a trust port including a lease of the Council pier and transit marina. A public meeting is being organised for early February 2020.

HR Report

Engagement Survey - The Executive Group reviewed the summary of questions at their meeting on 16 January 2020. It was noted that in general the survey showed an increase in participation and in positive responses. The main feature was around pay, reliance on ships agency staff, concern over loss of engineering skills and cross departmental team working. The results will now be published to staff detailing the actions being taken.

Performance Management System - A new Performance Management System has been developed. The next stage is to engage with Executive Group to gather any feedback/proposed changes. One of the main changes to the system is the assessment of competencies which are linked to NLB's values, this will help embed our values into the behaviours of all employees. Senior Managers have also been invited to a workshop in February 2020 which will help further embed the NLB values.

Family Friendly Policy Amendment - In April 2020 there will be new legislation coming into effect which requires employers to allow 2 weeks statutory parental bereavement leave to parents who lose a child under 18 or suffer a stillbirth from 24 weeks of pregnancy. The Managing Board endorsed the recommendation to enhance pay for employees during this time from statutory to full time pay in line with statutory family leave e.g. maternity leave, shared parental leave, etc.

Business Services Report

2019/20 Annual Report & Accounts - NAO will be onsite week commencing 20 January 2020 to carry out interim audit work.

Insurance – The Tri-GLA contract for insurance brokers expires on 31 March 2020. TH led this procurement including both the brokerage and insurance policies. The procurement process was launched later than planned and only one tender has been received which makes it difficult to demonstrate best value has been achieved. The evaluation of this tender is now underway.

Helicopter Contract - On 5 December 2019 representatives from the three GLAs met to discuss the helicopter contract with a view to agreeing whether to extend the contract beyond the initial 7 year period which ends on 30 November 2022. Due to the complexity of this contract the procurement and implementation time for a new contract would take in the region of 2 years so this early review was agreed. A full and frank discussion took place and it was agreed to consider changes to the tri-GLA planning and raising points with the contractor to establish if it would be possible to operate more effectively to alleviate concerns. A further discussion will take place on 5 February 2020.

Helicopter Contract Brexit - On 13 December 2019 a teleconference was held with DfT Aviation Officials, Director of Business Services and Director of Operations to explain the current concerns regarding the impact of Brexit on the GLAs. Legal advice is currently being sought for all GLAs on the contractual position should the contractor be unable to provide the current service. From the discussions with officials it appears that the Brexit preparations surrounding aviation to date have focused on passenger transport rather than more specialist areas such as GLAs, off-shore industry, etc. The Director of Operations has provided a briefing paper to the DfT and NLB are now awaiting a meeting between DfT Aviation, DfT Maritime, IL, NLB and the contractor to progress this further.

Cyber Security - Further to the introduction by Commissioner Woodward contact was made with National Cyber Security Centre (NCSC) in November 2019. They are currently recruiting into the Maritime and Aviation team and the lead and new person would visit NLB once in post.

Office 365 (O365) - Following an independent report of NLB systems a proposal to move to O365 was presented to Directors and several Senior Managers in December 2019. The proposal was approved and the ICT team are now developing a tender specification for this implementation. This move will provide greater resilience to services such as email, deliver greater cross working opportunities, and reduce hardware replacement and running costs.

Black Bequest - The closure of the James Coats Junior "Ferguslie" Paisley Memorial Fund (Black Bequest) charity was confirmed by OSCR (Scottish Charity Regulator) on 24 December 2019.

Financial Results to 31 December 2019 – The Managing Board noted the financial summary for the year to 31 December 2019 provided in the Business Services report. The total net expenditure for the organisation to the end of period seven is behind budget. The main contributing factors of the underspend to date include the pay and pensions shortfall relating to the pay remit which is still being progressed. Also capital expenditure is 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 now expected in quarter 4. Capital expenditure for the full year is forecast to be on budget.

NLB is currently forecasting a year end spend less than sanctioned budget. This is informed on the basis that ICT are unlikely to spend their full allocation of funds this financial year due to the timing of the Office 365 review project, as such the revenue contingency has been identified as not being required at this stage. None of the capital contingency is currently forecast to be utilised however any emergent/one-off issues will impact this.

Business Development - The Managing Board noted that commercial work is currently on target however there is a number of opportunities that have not been achieved.

Scotland's Outstanding Lighthouses (SOL) & 2020 Year of Coasts & Waters - 2020 Year of Coasts and Waters is on schedule for a busy year. Visit Scotland are very supportive of SOL with NLB an invited member of the 2020YCW Working Group. The SOL pages are up and running in basic form on the NLB Website. All NLB public access lighthouses are keen to participate in the initiative. RSPB have agreed to link to and support SOL communications.

Finance System Enhancements - Following on from the decision to continue to run the Integra (Finance) system, the Finance Team have been working to fine tune the system to better utilise some of its capabilities, including Retentions, Foreign Currency and BACS Payment processing.

Risk & Improvement

ISO Business Management System - The contract relating to the provision of the externally certificated ISO standards has recently expired and NLB are currently in the process of tendering this opportunity with returns due on 23 January 2020. This procurement process will facilitate the revalidation of the existing certification, via the successfully appointed partner organisation. Such an approach therefore poses no threat to the existing certification which forms a key part of NLB's assurance landscape.

Risk Management Maturity - A Risk Management update was provided at the Annual Staff meeting on 18 December 2019. This highlighted the effective application of risk management within all aspects of day to day service delivery and was specifically aimed at further encouraging and empowering all employees to participate in driving continuous improvement via the effective application of 'risk based thinking'.

Operational Deep Dive Risk Reviews - Deep Dive Reviews of Departmental Risk Registers (DRR) are conducted via the Executive Group as a standing Agenda Item with reporting to the Audit and Risk Committee. To date, 9 deep dive reviews have been completed across a range of Departments.

Environmental Risk Management - In line with NLB's Environmental Management System (BS EN ISO 14001 2015), work to further embed environmental risks at the DRR level continues to mature, with enhanced input via NLB's Environmental Working Group. Such risks include

emissions and pollution risks etc. which are now being considered in real time with mitigation and treatment identified at the departmental level.

Vessel Replacement Project - The Risk and Improvement Manager provided a Risk Management Overview to the Vessel Replacement Project Board on 11 December 2019. NLB's Risk Management Framework is being fully leveraged to support the Vessel Replacement Project by ensuring procedural alignment with HM Government's (Orange Book) best practice guide for the management of risk in support of NLB's business case development.

Escalated Risk Overview - Since the last Managing Board, there have been two escalated risks:

- Risk of reduced availability of yards given timescales following the late Invite to Tender (ITT) of Pharos Drydocking – Feb 2020.
- Risk of limited capability (specific skills and knowledge) of agency staff (Chief and Second Engineer) on Pole Star identified as potentially insufficient to support routine operations during a cover period of 2 weeks in Feb 2020.

Both risks have received Executive Group focus and mitigating measures have already been implemented.

Business Continuity - A new Incident Response Guide has been established to support NLB's initial emergency response. Following review by the Executive Group, this document was tested during a HQ Security Alarm exercise conducted on 3 December 2019. The guide was found to be highly effective by all concerned and the exercise revealed a range of lessons learned which are currently being raised as Process Improvements.

A further Business Continuity Exercise was held on 9 January 2020 with the involvement of Oban Base and the helicopter contractor. The exercise was extremely well received by all concerned and revealed a range of lessons learned ranging from enhanced communication protocols to specific search and rescue detail. A full report is in preparation and once received, all lessons learned will be raised and tracked as Process Improvements.

Organisation

Annual Staff Address – The Chief Executive held the annual staff meeting at Oban on 4 December and at 84 George Street on 18 December 2019. The main focus was the Engagement Survey and the feedback has been positive. The 18 December event was part of a whole day of briefings including fraud awareness (RBS fraud team), ship replacement, project delivery, risks and safety - the briefings were shared with Oban via video conferencing.

Inspection Voyages - Roger Hargreaves, Maritime Director DfT has once again expressed an interest in joining a voyage in 2020. The dates have been supplied and a response is awaited.

Co-Opted Commissioner Recruitment - Interviews will take place on 23 and 24 January 2020 with 5 candidates being interviewed.

Macmillan Coffee Morning - An event was held in the Stevenson Rooms to mark members of the NLB family lost to cancer over the last few years with members of the retired community attending too. In total £350 was raised and donated to Macmillan Cancer.

Annual Staff Raffle - Over £1,100 was raised for the Children's Cancer Charity Clic Sargent.

External Engagement

Nusrat Ghani MP, Maritime Minister – The Maritime Minister will visit NLV PHAROS in drydock on 5 February 2020. Focus will be around the ship replacement project and apprentice scheme.

DfT Commissioner – Commissioner Woodward attended a DfT NED event in London on 16 January 2020. He also met with DfT's Roger Hargreaves on 17 November 2019.

Lights Finance Committee (LFC) – Commissioner Woodward attended the LFC meeting on 21 January 2020. It was noted that Rod Paterson, Deputy Director, Maritime Infrastructure, People, Services & Safety is being reassigned and has been replaced with Petra Wilkinson who is currently Deputy Director Maritime Strategy and Programme.

COP26 - DfT and Marine Scotland have noted an interest in the possibility of using NLV PHAROS as a venue during COP26 (9-20 November 20). The Scottish Maritime Cluster (of which NLB is a member) also have an ambition to support/contribute to COP26.

Scottish Maritime Cluster - The Chief Executive was elected to be a Director of Scottish Maritime Cluster Ltd at their AGM held on 12 December 2019.

Royal Institute of Navigation (RIN) - The RIN's annual conference was held at the Edinburgh Exhibition Centre 19-21 November 2019. The Navigation Team provided administrative support and the Chief Executive spoke as a Key Note speaker on "Stevenson to Spoofing: Scotland's Contribution to Safe Navigation."

Visit by LAC - Michael Everard, Gavin Simmonds and Neil Glendinning visited Edinburgh on 26 November 2019 for an overview and Corporate Plan briefings and a tour of 84 George Street.

Transport Scotland - As part of the preparations for the Multilateral Meeting on 2 December 2019 the Chief Executive and Director Business Services briefed Transport Scotland officials, including Martin Ritchie, on the Corporate Plan. A written brief summarising the meeting for the Cabinet Secretary was prepared by officials.

Lighthouse Keys - The keys have been recovered from the auctioneers and will be transferred to the Museum in due course.

Annabelle Ewing MSP - As a follow up to the exhibition at the Parliament Building, Annabelle Ewing and two of her neighbours visited 84 George Street on 5 December 2019. The Chief Executive provided an overview brief and short tour of the building.

Lord Provost of Glasgow - It is expected that a new Lord Provost will be elected this month, once appointed the Chief Executive will arrange to brief the new incumbent.

David MacBrayne Limited - On 10 December 2019, the Chief Executive, Director Operations and Marine Operations Manager visited the ferry terminal at Oban meeting with Duncan Mackinson, CEO of David MacBrayne Ltd. This was followed by a tour of Oban Base and a discussion session to identify areas of potential cooperation. This has been followed up by an introduction to EY, the offer to share experience of the introduction of Office 365 and a further meeting on examining opportunities for shared services (eg oil waste collection). There remains an ambition for the David MacBrayne Board to meet at 84 George Street.

Message from the Skies - The facade of 84 George Street is being used as part of The Message From the Skies project 1-25 January 2020. The animated and audio presentation called "Lightkeepers," references lighthouses, real and symbolic, and their connection to literature and hope.

Stornoway Festival of the Sea – NLV POLE STAR has been programmed to support Stornoway's Festival of the Sea 27-29 August 2020 with the ship being open to visitors.

Museum of Scottish Lighthouses 25th Anniversary - NLV POLE STAR has been programmed to support the weekend celebrations 29-30 May 2020 by berthing in Fraserburgh and opening to visitors.

Gareth Davies, Director General for Brexit, Security, Aviation and Maritime - The Chief Executive is due to have a "meet and greet" telephone call on 22 January 2020. There is no Agenda for this discussion.

Edinburgh Military Tattoo – The Chief Executive met with the Director of the Edinburgh Tattoo on Friday, 17 January 2020. As this is the Year of Coast and Waters they would like NLB to feature at the tattoo e.g. projected lighthouses and buoys on the parade ground. Further details will be circulated once they become available.

Dashboard

The Managing Board noted the updated Dashboard included with the meeting papers and discussed the small increase in FOI requests, complaints and the reduction in sick absence.

5. ANY CLARIFICATION (BY EXCEPTION) ON OPERATING REPORTS

There were no points of clarification raised.

6. INTER GLA MATTERS

IALA Change of Status to IGO - The Diplomatic Conference is scheduled for 25 to 28 February 2020 in Kuala Lumpur. DfT is liaising with FCO to ensure the protocol is understood and necessary authority to sign on behalf of UK is in place. The Chief Executive will attend with TH and DfT. It is not certain whether FCO will attend too.

JSB 20-21 November 2019 - This was Mark Barr's first meeting as JSB Chair. Significant topics discussed were the Tri-GLA Helicopter Contract and the GLF Accountant's Report (in particular the creation of a "pipeline").

Multi-Lateral Corporate Planning meeting – The Chief Executive and the Chair attended the annual Corporate Planning meeting at DfT. The LAC congratulated the GLAs and GRAD for good plans. The relationship has "never been better" and LAC appreciates the openness and transparency. It was noted that Michael Everard is very keen to be involved in the ship procurement.

Response to DfT formal letter on Corporate Plans - The JSB Chair formally responded on 9 January 2020 to a letter from the DfT dated 20 November 2019 on the Corporate Plans. The Managing Board noted NLB's response to the points raised about the achievement of RPI-X target and inclusion of capital risk budgets for each individual project.

RPI-X - East Anglia University have conducted a review of RPI-X in order to identify its suitability as a cost control/savings mechanism when the current 5 year regime ends at the end of FY 2020/21. The resultant report sets out a number of possible options for the next period (FY 2021/22 onwards). The Chief Executives and Directors of Business Services/Finance met at TH on 7 January 2020 to review the latest version on the document and to determine a way ahead. The Managing Board discussed the finding of the report and in particular whether there required to be some form of benchmarking between the GLAs. Following discussion the Managing Board were content to endorse the Report (noting that there may be further minor

changes to the report) and its recommendation to discontinue the RPI-X measure. The Chief Executive will now feedback to the other GLAs and the JSB.

Action: Chief Executive

7. SCOTTISH INDEPENDENCE

In acknowledgement of the possibility of a second Scottish Independence Referendum the Managing Board revisited the work undertaken prior to the referendum in 2014. In addition, the Managing Board noted the high level SWOT analysis which examines the issues through a contemporary lens which has been completed by the Chief Executive and Directors.

8. VESSEL REPLACEMENT

Julie-Anne Humphreys, Project Management Office Manager for the Vessel Replacement Project, gave a presentation the Managing Board covering:

- Project Activity to date
- The Project Board
- Project Management and Assurance
- HM Treasury Green Book Business Case
- Key Activities – Business Case Development
- Development of Tender Stage
- Summary Timeline
- Project Heath Card

The Managing Board thanked Julie for an excellent presentation and took great assurance from the work being undertaken.

It was noted that the Strategic Outline Business Case, once approved by the Project Board, will come to the Managing Board for information.

9. REPORT FROM THE HSE COMMITTEE

The Managing Board noted the minutes from the meeting held on 14 November 2019. The next meeting will be held on the afternoon of 22 January 2020.

10. REPORT FROM THE NAVIGATION COMMITTEE

The Managing Board noted the minutes of the meeting held on 11 December 2019.

11. ANY OTHER BUSINESS

Board Evaluation

This is an important part of the Governance process and feedback is essential to ensure opportunities for improvement and better exploit the skill within the Board. Commissioners are encouraged to return the form to the Chair by Friday, 7 February 2010. Commissioners who feel they are unable to contribute to the evaluation are requested to provide a 'Nil Return'.

Action: Commissioners

Richard Park, MCA

Commissioner Shaw advised that Richard Park has now moved on from MCA. Claire Hughes has replaced him.

12. CORPORATE CALENDAR

The Managing Board noted the Corporate Calendar for 2020. The Inspection Voyage scheduled for 30 June – 2 July has now been confirmed as 1-3 July 2020.