NORTHERN LIGHTHOUSE BOARD

GOVERNANCE BOARD

MINUTES – 19 FEBRUARY 2024

PRESENT:	Elaine Wilkinson	Chair
	Hugh Shaw	Vice-Chair
	Brian Archibald	Commissioner
	Ron Robson	Commissioner
	Jamie Finlay	Commissioner
	Dick Welsh	Commissioner
	Gillian Wade	Commissioner
	Derek Pyle	Commissioner
	Bill Lobban	Commissioner
	Phil Day	Director of Operations
	Mairi Rae	Director of Business Services
	Jim McBrier	Risk and Improvement Manager
IN ATTENDANCE:	Karen Charleson	Senior Executive Assistant (minutes)

1. WELCOME, APOLOGIES AND INTRODUCTION

Apologies for absence were received from Commissioners Bain, Charteris, Dowdalls, Ross, Anwar, Murphy, Aldridge, Philand, Cameron, Maclaren and the Chief Executive, Mike Bullock.

2. DECLARATIONS OF INTERESTS

There was no declaration of interests raised for noting.

3. MINUTES OF THE PREVIOUS MEETING

The minutes of the Governance Board held on 14 November 2024 were approved and can be published on the website.

Action: Senior Executive Assistant

4. MATTERS ARISING

There were no Matter Arising for discussion at this meeting.

5. ORGANISATIONAL PERFORMANCE

Overview

The Director of Business Services provided an overview from the perspective of the Chief Executive, who is also the Accounting Officer, of the main issues since the last meeting.

- **Health & Safety** – Health and Safety is our number one priority. NLB continue to look for opportunities to bring improvement by learning from incidents and near misses but also taking the lessons identified by others. NLB are very aware that they must keep working to maintain standards.

- **Climate Emergency** – There are tangible actions being taken across the organisation showing a genuine commitment to do what is right but carefully balanced against what is practicable and safe. A good example of the team approach is the work that has been completed over recent months to put together a persuasive case for seeking an exemption to the mandated 100% Zero Emission Vehicles by 2027 put in place by the UK Government. The hard work paid off and NLB have received an exemption for 12 vehicles, but there is a plan in place to migrate where possible to hybrid powered vehicles in the interim.

- **Biodiversity** - NLB set the pace with its work protecting the biodiversity of islands from invasive species and have supported RSPB by placing traps and cameras on their behalf in a number of remote locations.

- **Staff Engagement Survey** - The Annual Staff Engagement for 2024 gave an overall positive result. The shore results were better than the vessels, but this represents the woes of the previous year with angst about pay and a number of personnel issues. NLB are confident that they have now moved beyond that and morale is in a much better place.

- **Pay** – Pay for 2024 has been finalised and will be paid to all staff in February 2025.

- **KPI Dashboard** - The Commissioners noted the KPI Dashboard included in the meeting pack. The Chair highlighted that the Operational Delivery and Mean Time Between Failures graphs show the tremendous effort and focus there has been since 2021 to get this improvement in trajectory which has been fantastic – well done.

In summary, overall the organisation is delivering well, and in most if not all areas NLB is setting the standards for others to follow.

Commissioner Elaine Wilkinson

As this will be the last Governance Board meeting the Chair, Commissioner Elaine Wilkinson, will attend before her tenure ends on 31 March 2025, the Executive team would like to put on record their sincere thanks to her for providing them with her support, loyalty and enthusiasm. There is no doubt that NLB is a better organisation because of her influence both inside and outside the organisation. The streamlining of the governance process, the focus on what is important rather than what is interesting, the empowerment of Committee Chairs to provide solid Assurance everyone can rely on, Executive and Non-Executives alike, has been transformational. Thank you.

6. HEALTH, SAFETY AND ENVIRONMENT (HS&E) PERFORMANCE

The HS&E Committee is attended by representatives from across the organisation and continues to be an open and transparent forum. The Governance Board noted the Assurance Statement provided by the HS&E Chair and noted the key highlights.

Health & Safety Assurance

NLB's HS&E Committee met on 23 January 2025. The agenda included the key headings identified for discussion at organisational Health and Safety meetings with a broad range of issues covered which included: Statistical Performance and Review of Incidents, Review of Inspections and Audits, New Legislation, Contact with Enforcing Authorities, Workforce Concerns, Management Concerns, Introduction of New Equipment, Changes to Procedures, Occupational Health and Training.

The Committee confirmed that: assurance was received in relation to all key issues; transparent reporting of incidents and near misses is taking place; necessary steps are being taken to

identify and share lessons in order to prevent further incidents; Legislation is being tracked and compliance reviewed; dialogue is being maintained with external authorities; introduction of new equipment is being addressed; there is positive and open dialogue between Management and the Workforce on the full range of H&S issues.

The Chair of the HS&E Committee highlighted the following key areas:

- There have been no reportable injuries since the last meeting.

- A lessons learnt exercise is being conducted following an incident at HQ when work to remove a seemingly redundant heating pipe caused a localised flood. Immediate action was taken to manage the situation.

- New doubt emerged about the protocol in place to trigger a Scottish Fire and Rescue Service (SFRS) response to the multi sensor detector fire alarm system installed at Oban. This was subsequently investigated and it has been confirmed that SFRS will not turn up to an automatic fire alarm. This seems to be at odds with the original consultation process and NLB have yet to determine whether to challenge this decision.

  New processes have been introduced at Oban for on-call staff to respond and clear instructions have been given about not entering anywhere that is a sign of fire. Assuming the panel is accessible there will be a good indication of location and focus in on the area of concern. Additional training is also being considered.

  Commissioner Robson advised that he had an ADT system at home and he has an excellent App that sends out notifications which may help prevent staff having to access the panel. The Director of Operations was not aware of an App but would look to find out if this was available.

  Action: Director of Operations

  Commissioner Shaw noted his surprise at the outcome particularly with the close proximity of the Base to residential properties and with the fuel and paint stored at the base and looked forward to receiving an update from the Director of Operations in due course.

  Action: Director of Operations

- The final report from the Tri-GLA commissioned study into residual mercury remaining at stations following mercury removal has just been received. This will be evaluated and an update provided at the next HS&E meeting. Reminders have been issued to staff to highlight existing safety measures including the importance of hygiene. NLB remains compliant with existing legislative requirements.

- The final report from the Tri-GLA commissioned study into residual mercury remaining at stations following mercury removal has been received. It is clear that residual mercury remains in 8 stations where there were mercury bearings. Procedures have been updated for staff, there still remains some questions around visitors to these stations and need to find a consistent approach.

- A successful operation to deploy equipment and materials to Bass Rock was carried out in close cooperation with RSPB. While there has been a struggle to clear the site, constructions work has progressed.

- A review of the public access arrangements at the Isle of May has concluded and additional warning signage has been installed as appropriate.

- Concerns were highlighted by RSPB about the environmental impact on Ailsa Craig caused by the approved renovation work being undertaken by the owners of the former keepers' cottages. NLB is supporting RSPB with biodiversity monitoring but maintain a neutral position. It was noted that Ailsa Craig was dominated by rats up until the 1990's when there was a massive eradication programme done. It is therefore understandable that RSPB are so concerned about the reintroduction of invasive species on the island.

  NLB do have their own concerns around helicopter operations with the debris lying around. The NLB contractor has been asked to make sure that the areas closest to the lighthouse and around the helipad are free of debris. The NLB Project Team are to advise the neighbour of work done and the concern over the impact on aviation.

- The Lone Worker App has been rolled out to the RLK community and will be reviewed at the RLK meeting in March 2025. Further roll out is being explored with other groups of workers.

Sustainability and Environment Assurance

The agenda included Statistical Performance, Review of the activity of the Environmental Workgroup, Operational Activities Impacting on Carbon Emissions/Environment; GGC Reporting; Biodiversity and Biosecurity.

The Committee confirmed that assurance was received in relation to all key issues: Delivery and reporting mechanisms for GGC - Targets agreed with DfT are in place and operating effectively; Proposed New targets for 2025-2030 have been consulted upon, and formal release is awaited to allow NLB programmes to be aligned to ensure continued operational delivery against these new targets.

Risks are being captured and managed; there is commitment across NLB to tackle the Climate Emergency in terms of both mitigation and adaptation; as such a second Carbon Management plan (July 24) has been approved and released, in addition to the release of NLB's Adaptation to Climate Change Progress Report (Dec 24), provided under the Adaptation Reporting Power (ARP 4). Both are available via NLB's Website.

The importance of Biodiversity and Biosecurity is fully recognised by staff and reinforced via NLB's Performance Management System and subsequent continual review of associated policies and procedures.

The Committee wished to draw the Governance Board's attention to the following issues:

- NLB continue to closely monitor the GGC refresh which will be implemented from 1 April 2025 – No major changes are currently anticipated after receipt of a consultation document from DfT in November 2024 showing proposed GGC targets.

- Data for Q2 2024/25 was reviewed at the meeting. While the average monthly emissions totals increased by 9 tonnes of CO2e, the majority of this can be identified as being from 2 releases of refrigerant gases (fugitive emissions). Vessel eco steaming is a significant contributor to success, with monitoring and sharing of best practice now taking place across the three GLAs.

  Commissioner Finlay asked whether NLB's best practices around eco steaming could be shared more broadly with other organisations and if there was a similar Award to the BPA Sustainability Award that this could be put forward for. The Director of Operations advised that there was now a combined tracker and standard recognised matrix between the GLAs. There is possibly more that could be done to promote this initiative and the Director of Operations took an action to look at other places where this could be raised.

  Action: Director of Operations

- The UK ETS (Shipping Extension) comes into force in 2026. A recent consultation (closing January 2025) highlighted that the GLA's commercial activities would not be exempted should the proposed tonnage cap of 5000GT be reduced. NLB and Trinity House have responded to this, highlighting the nature and scale of such operations, and the potential impact upon the GLF.

- Electricity consumption - (11.5%) decrease in consumption year on year was welcomed based on Q1+2 compared with FY23/24.

- Mains Gas Consumption has increased by 7% during Q1+Q2 based on Q1+2 23/24 figures partly due to the reoccupation of HQ following the refurbishment and gas heating in Oban. There are plans to replace the boilers in Oban.

- Domestic Flight data reveals only 12 'non-operational' flights made during Q2 FY24/25; however overall operational use has seen Domestic Flight air mileage increase by 70%. Part of the increase is due to the vessel replacement project.

- The use of the Rainwater Harvesting tank in Oban for pressure washing has been put on hold until an adequate filtration system has been installed.

- A Biodiversity Report has been created to complement NLB's existing Biodiversity and Biosecurity Plans.

- There continues to be positive communications with NatureScot, Hebridean Whale and Dolphin Trust and RSPB.

7. NAVIGATION AND OPERATIONS PERFORMANCE

The Navigation and Operations Committee met on 22 January 2025. The agenda covered key areas including Navigation, Operations and Business Services reports; Recent marine incidents and assessment of AtoN adequacy; Engineering requirements for existing AtoNs and future options for forthcoming projects; NLB lighthouse tender fleet status and helicopter operations; and Climate Change operational adaption measures.

The Committee confirmed that assurance was received in relation to all key issues. The Executive provided the necessary assurance that every effort was being made to attain, or exceed, the IALA recommended CAT 1 AtoN availability level. The Capital and Maintenance Programme remains under review and is subject to modification as operational priorities change. The Risk Cards for Aids to Navigation Provision, Asset Loss or Damage, Information Technology and Operational Technology, Technological Change and Obsolescence and Natural Events have been viewed by the Committee and are updated on a regular basis.

The Committee wished to draw the Governance Board's attention to the following areas.

- The AtoN Category 1 availability remains steady at 99.89% and exceeds the IALA recommended level. This reflects the teamwork and tremendous commitment, dedication and effort by all those contributing to operations from across the organisation. Category 2 and 3 availabilities are well above the IALA Standard.

- Two fishing vessel related incidents have been reported since the last meeting. None were AtoN related.

- The draft outcomes for the 2025 AtoN Review were presented to the NLB User Group meeting on 13 November 2024. The document is now at proof reading stage and the final version will be presented to the wider GLA Joint User Group in May 2025.

- HQ building snagging continues but are now in the final stages. Delays in completion of the snagging has meant the Assets Team have not yet been able to fully handover the associated maintenance manuals/documentation.

  Following ongoing issues with the furniture storage company, delivery of meeting room furniture, Director's furniture, kitchen furniture (tables & chairs) and storage cabinets for offices is still awaited. NLB are working with lawyers to establish a settlement. NLB have now placed an order for replacement furniture direct from another supplier.

- There were two escalated risks discussed around lighthouse paint supply chain; and Programme & Renewals Department resourcing.

  The Director of Operations advised that meetings have been held with the paint supplier and it is clear that while there is potential to order some larger volumes of paint to paint the external aspects of the current projects, they wish to end the supply of the particular type of paint NLB use as it is now environmentally less acceptable. NLB are now looking to engage a paint consultant to work through paint alternatives and will need to go to the market to secure a supplier.

8. VESSEL REPLACEMENT AND AVIATION SERVICES PROJECT UPDATE

The Governance Board noted the updates provided in the meeting pack.

Vessel Replacement Project (VRP)

Although the delivery date for POLE STAR has moved right by 10 weeks, NLB remain absolutely confident that they will end up with a very capable and high-quality vessel that will set the standards for others to aspire to. The relationship with the shipyard remains transparent and collaborative.

It was noted that the original electrical contractor had to be replaced due to bankruptcy and the replacement contractor is not pulling cables to their plan and they are now 7,000 metres of cable down in their progress. The shipyard is concerned but at the moment it is not a critical issue. Meetings are being held between the shipyard and contractor to discuss this further.

The main buoy crane was being supplied with large weights on the wires which is impractical. Powered sleeves are to be fitted which will be a variation. It was noted that there were also some problems with the Factory Acceptance Test of that crane due to contamination in the hydraulic system.

The Chair advised that she had the pleasure of visiting the shipyard with DfT/DoT officials. The relationship NLB have with the shipyard is superb and the Governance Board can take assurance from that relationship and the building of the vessel. The Chair gave special mention to Morgan Dennison, Mechanical Engineering Apprentice, who attended the dinner and talked about NLB with pride. Morgan is an asset to NLB.

Purchase of NLV Vessels and Disposal of NLV POLE STAR

Following an update from the Director of Operations and Director of Business Services, the Governance Board noted the continuation of discussions with Lombard Leasing Company Limited in relation to the purchase of current NLV POLE STAR.

Further to discussions with the General Lighthouse Fund (GLF) Accountant and Trinity House (TH) a business case was submitted to Department for Transport on 11 December 2024 demonstrating the value for money for the General Lighthouse Fund if NLB and TH purchased their vessels (NLV POLE STAR, NLV PHAROS, THV GALETEA and THV ALERT) from Lombard Leasing Limited in 2025. The Department for Transport approved the business case on 8 January 2025. The Governance Board noted NLB can finance the costs of these transactions within financial year 2024/25 or 2025/26.

The Governance Board resolved the following objectives:

1. Agreed that the current NLV POLE STAR should be purchased from Lombard Leasing Company Limited.
2. Agreed to the disposal of the current NLV POLE STAR before the entry into service of the new build NLV POLE STAR later in 2025. This will ease the arrangements for the transfer of crew to the new vessel
3. Agreed to purchase NLV PHAROS from Lombard Leasing and noted NLB are assisting TH in the purchase of their vessels THV GALETEA and THV ALERT.
4. The Executive to engage with Lombard Leasing Company Limited, Braemar Valuations Limited, CMS Camerson McKenna Nabarro Olswang LLP (NLB's legal provider), Norton Rose Fulbright (legal provider for Lombard Leasing Company Limited) and any other parties to facilitate the necessary documentation and actions to affect the purchase of NLV POLE STAR and NLV PHAROS.
5. The Executive to prepare a business case to submit to Department for Transport detailing the options for subsequent disposal of current NLV POLE STAR. The Board noted the desire to deliver a value for money solution to the General Lighthouse Fund and the recent Braemar Valuations Limited comments regarding the potential recycling of the vessel due to obsolescence and the limited market for MCA approved recycling facilities.
6. The Director of Operations to ensure that the preliminary arrangements for the sale e.g. inspections, do not unduly interfere with the operations of NLV POLE STAR in meeting the NLB's statutory responsibilities until its planned removal from service at the end of April 2025.

The Board also noted that the following have already been informed of the purchase and sale plans:

- Department for Transport.
- GLF Accountant
- Willis Limited, the Insurance Brokers for the General Lighthouse Authorities' Marine Insurance Policies.

The Acting Chair of the Audit and Risk Committee commended this approach as an efficient and effective route to ownership of the vessels which will provide best value for money for the GLF. The Board authorised the Chief Executive to proceed and conclude the purchase and sale arrangements to meet the agreed objectives. The Board noted that the Guide to Governance Schedule of Delegation sets out the arrangements for the Chief Executive and Director of Business Services to execute documents on its behalf.

<u>NLV PHAROS Replacement</u>

As NLV PHAROS' replacement falls into Spending Review a submission was required. Discussions are now underway as to when to start the Business Case phases of the project and a Strategic Case will need to be prepared for the next round of the Spending Review.

Aviation Services Project (ASP)

ASP has gone through a troubled few months. The Integrated Project Team have done an amazing job to re-set from a Tri-GLA project to a Bi-GLA project in a very short space of time.

The project received a GREEN assurance rating from the Commercial Assurance Board and the go ahead from the Tier 2 Board with no caveats. The Selection Questionnaire has now been issued and responses are awaited. Preparation for the ITN is ongoing.

The Governance Board wished to pass on their recognition of all the efforts and extra work that all the team puts in, noting the extra pressure they are under.

9. AUDIT & RISK COMMITTEE (ARC)

The NLB Audit and Risk Committee (ARC) met on 23 January 2025. Key issues considered included: the Executive Report; Management Reporting Pack; Risk and Improvement Manager's Report; Risk Card Review; Compliance Officer's Report; Internal Audit Report; External Audit Report and the ARC's Forward Workplan.

The Committee welcomed the new NAO Audit Manager, Alex MacNab who has replaced Sarah Che while she is on maternity leave. The Committee also welcomed Lisa Gilmour (DfT Maritime Sponsorship Team), Rachel Farnsworth (NAO) and John Janes (GIAA).

The Chair of the ARC highlighted the following key areas:

- The lack of a consistent approach between Government Departments is concerning, particularly as there is a move by Government towards reducing the level at which procurement contracts require framework agreements and further approval from the Cabinet Office. The Executive Team are very alert to this and will continue to monitor the situation and have also requested approval from DfT to create their own Model Terms for procurement based on the Standard Models, which would take account of NLB's potential supplier base, including smaller, local Scottish businesses where appropriate.

- Initial advice from NLB's Spanish tax advisors was that NLB may have to register as a corporate entity in Spain and would be subject to corporation tax for the build and social security for those assigned to the yard, a situation that NLB were not previously aware of. A significant amount of work by the Finance Manager, with the assistance of Gondan's Finance Director and the tax advisors, led to updated advice that this was not the case after all.

- Discussions with the POLE STAR's lessor have resulted in an agreement to waive the penalty which would have been due if the vessel were purchased/disposed of prior to 15 September 2025. The NLB team then drove through a wider exercise which has shown that securing ownership of the remaining leased vessels (POLE STAR, PHAROS, ALERT and GALATEA) early will save the GLF approximately £600k. This is an excellent result for the GLF (and light dues payers) on which the team are to be congratulated.

- MyCSP continue to deliver sub-standard service to NLB and members of the pension scheme. This is causing stress and potential financial repercussions for a small number of NLB staff. The issue is exacerbated as NLB is now classed as too small to have a named contact at MyCSP. Instead, queries are being directed to an unnamed email inbox. The team are exploring whether TH has a named contact and if so, can NLB join with them on that.

- Following an extensive process, a new supplier (OneAdvanced) has been chosen for the Finance and procurement system replacement, with kick off meetings for the project scheduled for February. DfT gave a Red (limited assurance) rating to the process due to a low level of response, a deemed abnormally low tender and only inviting one supplier to demonstrate. As a result, the Accounting Officer gave approval to proceed with the procurement, notwithstanding the Red rating. After discussion and careful reflection, the Committee agreed with this approach and noted its full support for the Accounting Officer's decision.

  The Governance Board also endorsed the approach taken and fully supported the decision to move forward with the procurement.

- The Period 9 Reforecast shows a projected underspend on net running costs and a further underspend on capital items for the year. The vast bulk of these underspends are due to items out with the control of the organisation, and efforts are being made to utilise some of this on advancing projects from next year.

- Since the last meeting, there were two risks escalated from the Executive Group meetings ie lighthouse paint supply chain; and Programme & Renewals Department resourcing.

- Feedback on the 2023/24 Management Assurance Return (MAR) was received in November 2024 and was positive, with a small number of areas (3) which will be picked up and developed in the 2024/25 submission. The 2024/25 responses are currently being reviewed by the Executive.

- P&I and War Risks insurance will be renewed by the deadline of 20 February 2025. Information from the broker is awaited on the remaining insurances.

- The GIAA review of how the three GLAs coordinate use of their vessels received a Substantial assurance rating and the Head of Internal Audit was very complimentary about this. The Committee congratulated the team on this excellent result.

- The Committee continue to push GIAA and NAO to talk to each other and co-ordinate their work.

The Chair noted that GIAA are looking for a significant increase in their audit fee. Given the conversation around the GIAA Opinion for 2023/24 that did not appear to take account of the while landscape of assurance, if NLB were pushed on increased audit fees it was felt in return they should have to take account of that broad assurance landscape. The Risk & Improvement Manager advised that there had been a useful discussion held with GIAA where NLB highlighted the GIAA Cross-Government Insight document on assurance mapping which NLB have fully utilised. GIAA have taken this onboard and have requested a fairly extensive sample of entity level assurance from NLB's Map. This is almost complete and has been a useful exercise.

Commissioner Welsh asked if there was any indication of more regular attendance from DfT Maritime Sponsorship Team at meetings. The Director of Business Services advised that it is agreed that Lisa Gilmour will attend one meeting each year but would attend more meetings if required. NLB is seen as low risk and she is comfortable to attend only one meeting.

Commissioner Robson advised that he had attended a DfT Non-Executive Meeting recently and a regular meeting of the Head of ARC's is now going ahead and invitations have been issued. This is another avenue to feedback anything to DfT.

10. PEOPLE COMMITTEE AND NOMINATIONS FOR APPROVAL

The People Committee met on 22 January 2025.

Part 1
Part 1 of the People Committee covered the following issues: Recruitment and turnover statistics; sick absence; Pay; Review of Staff Council minutes; Annual Engagement Survey, Review HR Risk Card.

The Committee confirmed that appropriate recruitment action is underway to fill vacancies and the Human Resources Risk Card was reviewed with minor amendments identified.

Part 2
Part 2 of the People Committee covered the following issues: Recruitment of a Commissioner to be appointed by Scottish Ministers; Re-appointment of the Commissioner for the Isle of Man, Appointment of Commissioners to Committees, SCS Pay.

The Committee wished to draw the Governance Board's attention to the following issues:

- 6 Candidates were interviewed for the Commissioner to be appointed by Scottish Ministers on 14 January 2025. The field was very strong, but a clear front runner was identified. Confirmation has now been from Transport Scotland officials that the recommended candidate has been appointed. Fiona Larkin, a financial professional, will start on 1 April 2025 and brings an interesting set of operational experience particularly in health & safety and risk management.

- Commissioner Welsh's reappointment as Commissioner for the Isle of Man is currently with the Minister.

- The Governance Board should note that Hugh Shaw will step down from the HS&E Committee on becoming Chair of NLB but will join the People Committee and remain on the NavOps Committee as a Commissioner with specialist Nautical Knowledge.

- The Governance Board should note that Commissioner Archibald will join the HS&E Committee on becoming Vice-Chair of NLB and will step down from the People Committee.

- In line with best practice for a Financial Professional to Chair Audit Committees it is recommended that the Governance Board appoint Commissioner Robson as the Chair of ARC taking over from Dick Welsh who will remain a member of the ARC.

- It is recommended that the Governance Board appoint Commissioner Robson to the People Committee with effect from 1 April 2025.

- It is recommended that the Governance Board appoint Fiona Larkin, the new Commissioner Appointed by Scottish Ministers, to the ARC and to highlight their suitability to join NLHT as a B Director to the Trustees.

- The Governance Board should note that Commissioner Archibald will step down from the ARC with effect from 31 March 2025 which will ensure a fairer distribution of responsibilities amongst Co-Opted Commissioners.

- It is recommended that Commissioner Ross should succeed Commissioner Pyle as Chair of the People Committee in June 2025.

- The Committee endorsed a recommendation made by the Executive to resolve an outstanding issue relating to SCS Pay which had been agreed in principle by the DfT Sponsorship Team.

The Governance Board discussed and approved the recommendations to appoint Commissioner Robson as Chair of the Audit & Risk Committee with effect from 19 February 2025 and for him to become a member of the People Committee as of 1 April 2025; to appoint Commissioner Ross as Chair of the People Committee in June 2025; and to appoint Fiona Larkin to the ARC and Heritage Trust with effect from 1 April 2025.

The Governance Board thanked Commissioner Welsh for having chaired the ARC for the last couple of years. On the back of the evaluation of ARC the question was raised whether the Chair should be finance professional and following some research, best practice is that it should be. Commissioner Welsh thanked the Governance Board for the opportunity to Chair the ARC and highlighted that self-evaluation does work and this shows that NLB is a learning organisation.

11. MATTERS FOR APPROVAL

There were no matters for approval at this meeting.

12. STAKEHOLDER ENGAGEMENT

The Governance Board noted the Stakeholder Engagement update. Key areas to note:

- **Multilateral Meeting -** The annual Multilateral Meeting was held 24 November 2024 in London with Chief Executive and Chair attending. The 2025-2030 Corporate Plan received very positive feedback from the LAC and DfT. The Sanction letter has not yet been received from the Minister.

- **IALA General Assembly and Council Elections –** The Chief Executive is currently attending the General Assembly in Singapore 17-21 February 2025. DfT have been leading work to prepare the ground to canvass Member Nations for their vote at the elections for the Council. It had initially been thought that at this first election following formation of the IGO there would be an equal number of candidate Nations as there are seats, making UK's election highly likely, however more nations have now put themselves forward.

- **Annual Board Evaluation Meeting -** The annual meeting with a Senior Official and NLB's Chair and Chief Executive including the Board effectiveness evaluation is still outstanding. The action lay with DfT to organise – a hastener has been issued with a reminder that NLB's current Chair steps down at the end of March.

- **Isle of Man Government Update –** Commissioner Welsh advised that the Governor of the Isle of Man remains proactive and is still keen to visit lights on the Isle of Man.

- **Department of Transport Update –** Commissioner Robson reported that DfT are very active on their non-executive family and getting meetings and training set up. Commissioner Robson advised that the meeting in Birmingham covered diversity, and that these meeting will be scheduled quarterly going forward.

  It was noted that Curtis Juman, Non-Executive at Trinity House, is still to set up regular quarterly meetings with DfT which Commissioner Robson will attend.

The Chair advised that she had received a letter from the Director of Shareholdings, Appointments and Inquiry Response. It appears that as NLB is a small organisation, we are not being included in networks, etc. Now that NLB is aware of these networks, the Chief Executive is knocking on doors to get involved. The Chair has responded to the letter to ask to get on the circulation list. A response is awaited.

- **Transport Scotland Update** – The Chair advised that at the last meeting it was reported that there has been discussion around the closure of Perth Harbour. It was noted that a Revision Order is now being considered instead.

  The Cruise Levy Consultation and work on expanding the Emissions Trading Scheme to include vessels over 5,000 tonnage were also discussed.

13. CORPORATE CALENDAR

The Governance Board noted the Corporate Calendar for 2025.

14. ANY OTHER BUSINESS

Commissioner Pyle
It was noted that Commissioner Pyle will retire on 20 June 2025.

KnowBe4 Training
It was noted that KnowBe4Training for Commissioners was issued and has been completed by 11 Commissioners. The remaining 8 Commissioners are requested to complete the training as soon as possible.

Asset Transfer
As previous advised, it is the intention to transfer the remaining heritage assets, owned by the Commissioners, to the Heritage Trust. It had been hoped to bring a paper to this meeting but there are still some minor reconciliation issues that need to be bottomed out. Ideally the transfer would take place before the end of March and the Governance Board agreed that this could be approved out-of-committee.

Action: Director of Business Services

Commissioner Wilkinson
Commissioner Wilkinson wished to thank the Commissioners, the Senior Executive and the Risk & Improvement, Finance, HR and HS&E Managers for all their support during her tenure and particularly as Chair. It has been an absolute pleasure to be part of NLB. She is looking forward to coming back in November for the Commissioners' Dinner.

15. DATE OF NEXT MEETING

The next meeting will be held on 15 May 2025 at 2pm. This will be an in-person meeting.