NORTHERN LIGHTHOUSE BOARD

GOVERNANCE BOARD

MINUTES – 29 August 2024

PRESENT:	Elaine Wilkinson	Chair
	Hugh Shaw	Vice-Chair
	Brian Archibald	Commissioner
	Ron Robson	Commissioner
	Dick Welsh	Commissioner
	Jamie Finlay	Commissioner
	Gillian Wade	Commissioner
	Nigel Ross	Commissioner
	Aisha Anwar	Commissioner
	Bill Lobban	Commissioner
	David Cameron	Commissioner
	Dougie Philand	Commissioner
	Mike Bullock	Chief Executive
	Phil Day	Director of Operations
	Mairi Rae	Director of Business Services
IN ATTENDANCE:	Karen Charleson	Senior Executive Assistant (minutes)

1. WELCOME, APOLOGIES AND INTRODUCTION

Apologies for absence were received from Commissioners Murphy, Dowdalls, Pyle, Charteris, Bain, Aldridge and Maclaren. Apologies we also received from Jim McBrier - Risk and Improvement Manager.

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 9 May 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 Chief Executive, who is also the Accounting Officer, gave an overview of the main issues since the last meeting.

- **Health & Safety** – Health and Safety remains NLB's number one priority. As an

organisation NLB are proactive and commit resources to ensure mitigation of risk. There has been one reportable incident during this period, but overall the incidence rate remains low. NLB are very aware that it must keep working to maintain standards and learn from incidents, near misses and other organisations.

- **Climate Emergency** – Close on the heels of Health and Safety is the need to respond to the Climate Emergency. Adaptation and mitigation are at the centre of NLB's decision making and features in just about everything we do. NLB pays close attention to its performance against the Greening Government Commitments, but this is done against the principle of doing what is right rather than chasing targets. Underlying this process is hard action by our people. Eco Steaming, a concept developed by NLB's vessel crews, has been socialised with the other GLAs and is in the early stages of adoption by Irish Lights and Trinity House. Performance is for the first time being reported across the three GLAs which is providing useful benchmarking. NLB are also leading the way on biodiversity with its work with RSPB and the Hebridean Whale and Dolphin Trust.

- **VRP -** VRP is on track to take delivery of the vessel on time, on budget and at the right quality.

- **ASP** – It has been a difficult three months due to factors beyond NLB and as a consequence the project has absorbed huge amounts of additional time for a significant number of NLB's team, impacting on other work. However, there is now a plan to move forward with this project.

- **AtoN Programme** – The AtoN refurbishment programme for this year is progressing well with Project Management processes continuing to provide the scrutiny, review, and challenge to maintain visibility across all projects.

- **Staff Engagement Survey** - The annual Staff Engagement Survey will close at the end of September 2024. Initial indications are that the results for 2024 will not be as positive as last year. The findings will be reported through the People Committee.

- **Pay** – Following the issue of Public Pay Guidance work is underway on the 2024 Pay remit submission.

- **Recruitment and Retention** – There remains some concerns around recruitment and retention. Recent recruitments campaigns have been successful but the departure of some mariners earlier in the year demonstrates that NLB needs to work hard to retain talent.

- **KPI Dashboard** - The Commissioners noted the KPI Dashboard included in the meeting pack. The Dashboard has been revised since the last meeting to include additional information on CO2 emissions (rolling average) and Cyber defence.

  Commissioner Pheland noted the trend in long-term absences and asked if it was something particular or just bad luck, bad health and so forth. The Chief Executive advised that as NLB is such a small organisation it does not take much for someone with a significant issue to throw the statistics out. The long-term sickness is therefore difficult to judge, the short-term absence is where focus is on.

  Commissioner Finlay asked whether the portion captured on the carbon footprint pie chart that is attributed to the ships is a catch all and whether there was an estimated reduction for when the new NLV POLE STAR is in service. The Chief Executive advised that the portion attributed to ship is just fuel carbon burn. The Director of Operations added that, not taking into account the hybrid component, a 10% fuel reduction is expected for the new NLV POLE STAR despite her being a larger vessel. However, it

is anticipated that there will be further reduction once the vessel is in service and there is a better understanding of how hybrid will work for NLB. The Governance Board noted that there will be a shift from Marine Gal Oil to electricity once the new vessel is in service as a result of doing the right thing for the climate.

Commissioner Robson added that the cyber addition to the Dashboard is excellent and requested that, out with the meeting, a narrative could be provided on what the classifications are between critical and the other various elements to give a better understanding of the categories.

Action: Director of Business Services

In summary, overall the organisation is delivering well, and in most if not all areas NLB is setting the standards for others to follow, but there are some particular challenges on the people front and the Aviation Services Project that need to be worked through.

Discussion ensued around the opportunities and potential barriers for collaboration between the 3 GLAs. The Chair summarised that while the Governance Board fully support collaboration, it is not at any cost and therefore if it is more efficient, effective and better value for money, NLB will need to consider taking their own route, based on NLV POLE STAR, when replacing NLV PHAROS. The Governance Board agreed this approach.

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 8 August 2024. 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 can confirm 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:

- Since the last meeting there has been 1 over 3 day injury reportable to MAIB. This involved a mariner slipping on an internal stair and injuring their shoulder. The cause of the fall was 'flip-flop' footwear therefore a requirement for appropriate footwear to be worn out with cabin/bedroom areas has been introduced and a lessons learned notice issued.

- The newly appointed Occupational Health provider is delivering a more thorough medical screening process. This has resulted in a number of Technicians being identified as being unable to deploy offshore awaiting further investigation or documentation from healthcare professionals. Although inconvenient in the short-term, process

improvements will be implemented to avoid similar situations arising in the future and overall this has been very positive with a number of unknown health issues being identified allowing remedial action to be taken. Investigation is underway to consider the rolling out of medical screening to a wider cross section of NLB team members.

Commissioner Shaw highlighted the, although the medical screening is more rigorous, it had picked up an underlying problem with a member of staff which has since been resolved. The screening therefore has lots of benefits. The Chief Executive advised that initial discussions with the Unions have been positive and it is not thought it will be an issue to roll out it to a wider cross section of the organisation.

- A lone worker App is currently being trialled by the D&P team. Initial results are positive.

  Commissioner Pheland asked what the response is if one of the workers calls. The Chief Executive advised that the member of staff would inform the App that they are at the station and at a set period they have to confirm they are okay. If they do not respond the Call Centre will be alerted and they in turn will contact NLB to take action.

- A review of the footage of a BBC TV documentary on NLB highlighted a number of Health and Safety omissions. The issues identified, included Manta helmets not being worn and working at height, which are being used as a learning tool to ensure in future staff follow established procedures. The programme is due to be broadcast later in August and although very positive about NLB's work it may attract negative feedback from a Health and Safety perspective.

Commissioner Archibald asked for an update on the remedial action to the fall from height risk identified at the Isle of May. The Chief Executive advised that there is a plan to get a team out to the Isle of May to install signage. The season is now coming to an end which will allow more time to get this mitigation in place.

The Governance Board took great assurance from the way the HS&E culture continues to operate, the lessons learned identified, and the continuous improvement.

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 can confirm 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; Risks are being captured and managed; there is commitment across NLB to tackle the Climate Emergency in terms of both mitigation and adaptation; the importance of Biodiversity and Biosecurity is fully recognised by staff and reinforced via NLB's Performance Management System.

The Governance Board noted the Assurance Statement provided by the HS&E Chair and the key areas highlighted at the meeting:

- The positive impact of Eco-Steaming is continuing to deliver. The GLAs have agreed common standards to gather data which will help identify best practice and the first results from Tri GLA recording have been drafted, with POLE STAR and PHAROS leading.

- Rail mileage continues to be a positive indicator of modal change; with hire and fleet vehicle mileage reducing over the 23/24 year.

- Across NLB's EV fleet of 4 (3 vans 1 car) the average number of miles driven is

consistent with previous years; this is a lower average than equivalent non-EV fleet use. Significant work is being undertaken to improve this figure with the instal of electric charge points at Oban and communication of EV concerns to DfT.

- Efforts to reduce waste, increase recycling and minimise material going to landfill continues to be reviewed. Waste data is improving across all areas, and the tender for waste management services requests vendors to provide details on how they intend to minimise landfill.

- NLB have shown commitment to prevent invasive mammals accessing islands and have been invited onto the Biosecurity for Scotland steering group with RSPB, NatureScot and National Trust Scotland.

7. NAVIGATION AND OPERATIONS PERFORMANCE

The Navigation and Operations Committee met on 17 April 2024. 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 can confirm 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 Chair of the NavOps Committee highlighted the following key areas:

- The AtoN Category 1 availability is currently at 99.83%, is a slight increase since the last meeting, and exceeds the IALA recommended level. Over the winter months adverse weather and helicopter availability can impact response times, so the increase is a reflection of 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.

- Four incidents have been reported since the last meeting. None of the incidents were as a result of an AtoN failure.

- Corran Point (Redevelopment of both terminals of the Corran Ferry) - NLB have received a Scoping Report of behalf of Highland Council. The relocation of the Ardgour (West) Terminal presents no issues, however the proposed development of the eastern Corran breakwater and berthing structure is North of the existing terminal and will obscure the Corran Narrows NE directional and all-round lights. NLB Navigation and Assets have met with Highland Council and their consultants to discuss the likely impacts and potential mitigations which would involve relocation of one or more lights to the end of the new breakwater, and ultimately removal of the existing structure.

- 2023/24 Annual Report of Inspection/Audit of Local Aids to Navigation, Offshore Infrastructures & Aquaculture Sites - During the year, 2118 of the 2377 Local Lighthouse Authorities (LLAs - this is ordinarily the local harbour authority) AtoNs (89.1%) were inspected, however it was disappointing to note that since 2022/23 there has been an increase in the failure rate and for the 2023/24 period 176 were found to be defective

representing a deficiency rate of 8.3%. Across the aquaculture sector, inspections found that only 40.5% were marked correctly.

The GLAs have very limited powers to follow up on deficiencies in the provision of AtoN by LLAs or other bodies. It is intended to seek clarification of these powers in any revision of the Merchant Shipping Act.

In the meantime, the Chair of NavOps will write to 'targeted' LLA AtoN providers to remind them of their obligations under existing statutory requirements and/or the conditions of their licence.

- AtoN Review – In accordance with the agreed schedule, the Committee reviewed the proposals for Area 6 – Shetland Islands, Area 7 – Noss Head to Rattray Head, and Area 8 – Rattray Head to St Abbs Head.

  The review included addressing any changes to AtoN made in the last 5 years, changes outstanding, any significant traffic changes or commercial developments, potential traffic changes due to offshore wind farm infrastructure and unlit beacons.

- Escalated Risks and Risk Cards Review - There were no escalated risks. The Committee reviewed Risk Cards Numbers: 8 – Exploitation of Reserve Capacity; and 9 – Technological Change. The remaining Risk Cards applicable to NavOps were noted.

8. VESSEL REPLACEMENT AND AVIATION SERVICES PROJECT UPDATE

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

Vessel Replacement Project (VRP)

The Chief Executive, as SRO, advised that there continues to be complete transparency from Gondan as issues have arisen and we have absolute confidence in the shipyard to deliver. The Contact Management process is now business as usual as is the innovative evidence-based payment system.

Technical issues have arisen over the period, but they have been worked through to the satisfaction of both parties and having the Technical Manager on site with his team is easing this process. The Director of Operations, as the Project Manager, is in almost daily contact and making bi-monthly visits to provide senior oversight.

Plans are progressing for the naming ceremony and similarly examining the options for disposal of the current vessel.

Opportunities are being explored for DfT and DoT Officials to visit the yard. NLB also continues to help other projects, not least Border Force and the other GLAs.

Aviation Services Project (ASP)

The NLB Chief Executive is SRO of the project, provided an update on the project.

It was noted that following the sharing the initial results of the Should Cost Model (SCM) there was some debate and disagreement around the role of the SCM with the other GLAs. With a lack of agreement between the GLAs, what had been a robust business case became unviable therefore the CAB and Tier 2 Boards scheduled July had to be cancelled.

After an extraordinary Project Board and a Technical Working Group a way ahead on the

Operational Requirements was reached. This has allowed the project to restart.

NLB's lawyers have also identified that a clause in the Note Verbale indicated that although it expires in August 2025 it would prevent Irish Lights participation in tri-GLA procurement after the new procurement reform act commences on 28 October 2024. DfT have informed DoT and are exploring an amendment to the Note Verbale to allow joint procurements to continue beyond 28 October. ASP timelines have been revised to establish a route to ensure the procurement is advertised before 28 October 2024. NLB is working with DfT to ensure that all signoffs required by the various Centres of Excellence, are achieved in this timeline. Dates for CAB and Tier 2 Board are now scheduled in October 2024 but no further slippage is available. While this timeline is achievable, with the support of external parties, it puts a lot of additional pressure on a few key NLB personnel particularly in the Procurement team.

The post procurement reform route will take much longer – estimated 6 months, it will be uncharted territory in terms of assurance and approvals and there is greater chance of legal challenge as there is no case law.

There is also the additional challenge that the cost sharing mechanism between UK and Ireland has not been decided. Costs are currently shared based on hours flown whereas there are underlying 'club membership' costs that might be more fairly shared. This was raised in the SRO Brief, highlighted to Officials and raised with the Maritime Minister during his visit to Orkney.

Commissioner Robson asked whether the NAO or GIAA could produce a paper on best practice to help with the cost sharing mechanism. The Director of Business Services advised that KPMG are being used for financial assurance for VRP and ASP projects. It became clear during the VRP project that there was an expectation from Commercial Assurance Board that they wanted external financial assurance on the work on the SCM. KPMG have done a summary paper of proposals but the SCM is now being revised to show the impact of whichever choice is selected and then whichever mechanism is used. This would allow each GLA to see the options and range of costs to aid further discussions.

The Chair asked whether ASP would require borrowing from the DfT. The Director of Operations advised that because of the new financial regulations on how to report leases, there is a requirement for part of it to be treated in a certain way which would look like funding from the General Lighthouse Fund (GLF). The funding agreement is being developed but it not required until further into the project. There are potential risks around this should this not end up being an EU/UK project.

The Chief Executive has a meeting with the Chief Executive of Irish Light on 30 August around the SRO Briefing. There is nothing in the SRO Briefing that is not already contained in project documents that has been through the Project Board for ASP. The Chief Executive will keep the Chair, Vice-Chair and JSB Chair informed about the outcome of the meeting.

Action: Chief Executive

The Chair asked the Chief Executive, given the additional resources that have been required to be channeled into this project, what is his assessment of risk and the impact internally on resources. The Chief Executive advised that the procurement team are preparing for Procurement Reform and therefore the underlying written policies and processes should be being redeveloped for the "go-live" date at the end of October 2024. This work had been put on hold to focus on this particular project. However, Delta, the system NLB use for procurement, will enforce compliance with the new Procurement Reform Regulations at the end of the October and will drive NLB down the right path mitigating the risk. There has also been additional activity in terms of workshops and costs but it is the view of the NLB staff that it is the right thing to do to push to meet the October deadline.

Commissioner Welsh asked what the effect on the current provision of aircraft would be should the deadline of October not be reached. The Director of Operations advised that should the timeline not be achieved this will result in an operational gap, however discussions have taken place to ensure mitigations are in place and it is thought the risk is low.

The Chair, on behalf of the Governance Board, thanked the procurement team and all the IPT for all their efforts and the additional commitment they are making to meet the deadline of October 2024. It is really commendable that NLB's staff are prepared to do this and put the pressure on themselves however NLB needs to make sure they are looked after.

9. AUDIT & RISK COMMITTEE (ARC)

The NLB Audit and Risk Committee (ARC) met on 08 August 2024. Key issues considered included: Draft Annual Report and Accounts to 31 March 2024; the Executive Report; Management Results for Period 3 (June); Risk and Improvement Manager's Report; Risk Card Review; Compliance Officer's Report; Internal Audit Report; External Audit Report; Best Practice and Gap Analysis; Committee Effectiveness; and Forward Workplan.

The Committee can confirm that:

- The Executive Report is a very useful and comprehensive document which continues to provide sufficient assurance on key issues.
- The Draft Annual Report and Accounts to 31 March 2024 is a very well-structured and presented document which received the acclaim of the committee. It not only provides the right level of information and data but 'presents the story' of NLB today in a very readable format.
- The Management Results presented for Period 3 (June) provides assurance on NLB's financial position.
- The Risk and Improvement Manager's Report is a very useful and well-structured document which continues to provide a significant level of assurance across the entire assurance framework within NLB and that the risk management arrangements are effective in assessing and managing risk and continue to drive forward continual improvements.
- The Compliance Officer's Report continues to provide assurances that NLB remains compliant in all responses to complaints, and Freedom of Information requests.
- In line with the scheduled programme, the Committee reviewed and updated as appropriate, Risk Cards – (1) Policy, & (2) Legislation; and noted the remaining thirteen risk cards.
- Audits for externally verified international standards are progressing as planned and provide assurance across a range of NLB activities and requirements in respect of Quality, Health, Safety, Environment, and Information Security.
- The participation at ARC of auditors from NAO (National Audit Office) and GIAA (Government Internal audit Agency) continues to be of great value. It is a key aspect of NLB's Framework of Control and helps build relationships going forward.
- NLB's Environmental Management System continues to drive a risk-based approach to monitoring and mitigating NLB's Environmental Aspects and Impacts, including delivery against the Greening Government Commitment Targets and NLB's response to the Climate Emergency.
- NLB's Whistleblowing Policy and NLB's Anti-Money Laundering Policy were both reviewed and approved by the Committee.
- The NLB Guide to Governance – in recognising the significant work required to review the document, the Committee approved a proposal to amend the review period from one year to two years.

The Chair of the ARC highlighted the following key areas:

- The Committee approved in principle the Draft Annual Report and Accounts to 31 March 2024. subject to some minor updates and amendments.
- Pay 2024/25 - The latest Cabinet Office Pay Guidance has been notified to be 5%. Work has begun on consultations with the unions using this increase.
- Finance and Procurement System Replacement – development of the specification is in its final stages and expected to deliver the tender publication at the end of August. This is a significant piece of work by the finance team support by the procurement team.
- Escalated Risk - Failing to implement the requirement of the new Procurement Regulations by 28 October which could result in delays to projects and procurement. This escalated risk was noted. The Committee can provide assurance that mitigation is ongoing.
- ISO Certification Re-tender. LRQA were successful in retaining the contract for a further 3 years plus two optional 1 year extensions. This provides continuity and further value as it negates the need for any transition audit with a new provider.
- The Compliance Officer's Report highlighted a growing trend in Freedom of Information requests (FOIs) but the NLB response continues to satisfy all requirements.
- GIAA Audit opinion – The annual opinion reflecting audit work for 2023/24 is 'Moderate', down from 'Substantial' the previous year. The Committee noted the GIAA opinion and considered it to be one element of the entire NLB Assurance Framework, which it believes, continues to provide assurance on the adequacy of NLB's controls across the entire assurance map. The Committee also noted comments from GIAA that the reduction in the opinion from the prior year was largely down to NLB selection of areas for audit which they thought were challenging, to seek further assurance on those areas. GIAA commented favorably on this approach, noting that it draws out real value from the audit process. The Committee confirms that the Risk and Assurance Manager's report continues to demonstrate the full range of assurances that are significant and continue to show improvements and a culture of Risk Management and Assurance embedded in all levels of NLB.
- The MOU between NLB and GIAA has been signed and is now in place.
- GIAA presented two useful documents to the Committee:
    - ARAC Handbook - has been revised and is useful guidance document on good governance processes.
    - Self-Assessment Tool for Audit and Risk Committees - this will be completed by NLB ARC members between meetings and the results collated and discussed at the next ARC in October 2024.

Commissioner Robson highlighted that listening to GIAA he was very, very positive about the Annual Opinion and it was really down to the fact that NLB had challenged itself in the areas to be audited and he had nothing but praise for the work being done. Commissioner Robson stated that nothing negative should be taken from the downgrade from Substantial to Moderate and quoted GIAA's comment "Given all the challenges and the areas that NLB has chosen GIAA to look at, it was remarkable it was a moderate. If it had not been for that it would have been a substantial opinion".

The Chair advised that the Governance Board can take full assurance improvements continue to happen.

An invitation has been given to the new Chief Executive of GIAA to come along to a future meeting. The Chief Executive and Director of Business Services will continue to follow up this invitation.

Action: Chief Executive/Director of Business Services

Guide to Governance - Given the amount of work involved in reviewing the Guide to Governance it has been proposed to change the review period of the Guide to Governance from annually to every two years. The ARC endorsed this proposal and asked the Governance Board for approval.

The Governance Boad discussed and agreed to change the review period of the Guide to Governance from annual to every two years.

10. PEOPLE COMMITTEE AND NOMINATIONS FOR APPROVAL

The People Committee met on 7 August 2024.

Part 1

Part 1 of the People Committee covered the following issues: Recruitment and turnover statistics; sick absence; Pay; Drug and Alcohol testing; Review of Staff Council minutes; Review of Escalated Risks and HR Risk Card.

The Committee can confirm that:

- Appropriate recruitment action is underway to fill vacancies.
- Following the new Government's announcement on a Civil Service Pay award of 5% work has commenced to engage with Trade Unions for the 2024/25 case.
- NLB Disciplinary Policy has been updated to incorporate the Merchant Navy Code of Conduct which will allow Masters to deal with disciplinary cases onboard the vessels.
- The Human Resources Risk Card was reviewed with minor amendments identified.

In the absence of the Chair of the People Committee, the Chief Executive highlighted the following key areas:

- Occupational Health – Discussed at Agenda Item 6.
- Staff Council minutes evidence good relations and a positive response to staff concerns/ideas. The Chair of the People Committee attended the most recent Staff Council which provided assurance that the meeting is open, inclusive and empowers members to speak out.
- Overall sick absence has increased slightly in recent months due to long term absence on the vessels and incidence of COVID causing short term absence with shore-based staff.

Part 2

Part 2 of the People Committee covered the following issues: Appointment of Chair and Vice Chair; Recruitment of a Commissioner to be appointed by Scottish Ministers; Appointment of NavOps Chair and the Annual Appraisals of the Executive.

The Chief Executive highlighted the following key areas:

- It is recommended that the Governance Board appoint Hugh Shaw as Chair with effect from 1 April 2025.
- It is recommended that the Governance Board appoint Brian Archibald as Vice Chair with effect from 1 April 2025.
- A timetable and action plan has been agreed between NLB and Transport Scotland for the recruitment of a commissioner to be appointed by Scottish Ministers on 1 April 2025 as the replacement for Elaine Wilkinson.
- The Committee noted that the appraisals for the Chief Executive and two Directors and highlighted that all had given an outstanding performance.

- Revisions will be made to simplify the Objective and Appraisal process for the Executive which will better align with the arrangements for other NLB staff.
- Job evaluations for the two Directors to determine whether pay alignment between the two posts is appropriate has yet to be conducted.
- NLB have been approached by DfT with the prompt that the Commissioner for the Isle of Man is due for reappointment in May 2025. The Chief Executive has spoken with Commissioner Welsh and he is happy to stand again. It is recommended to the Governance Board to start the process to reappoint Commissioner Welsh for a further 3 year period.

The Governance Board discussed and approved the recommendations to appoint Commissioner Shaw has Chair with effect from 1 April 2025; to appoint Commissioner Archibald as Vice-Chair with effect from 1 April 2025; and to reappoint Commissioner Welsh for a further 3 year period.

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:

LAC/JSB Vessel Replacement Meeting. A follow up to the meeting held with LAC has been scheduled for 24 September, with a preparatory meeting arranged for 5 September 2024. The original idea of an Options Appraisal Workshop to examine in detail the possibilities for collaboration between the GLAs has been somewhat scaled down given the progress of the TH Futures Afloat Project. There will be NLB non executives attending the two meetings.

IALA – The International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) announced that, effective August 22, 2024, their status officially changed from a non-governmental organization (NGO) to an Intergovernmental Organization (IGO). Based on a Convention ratified or acceded to by 34 States to date, the new status represents a significant victory for multilateralism and ocean governance, marking an important step toward enhancing worldwide safety of navigation, efficiency and protection of the marine environment.

The second Transitional Council is taking place at IALA's HQ in Paris 18-19 September 2024. Both the Chief Executive and Chief Executive of Trinity House will attend. The major themes for this will be preparations for the General Assembly which will be held in Singapore 17-21 February 2025 and a review of the Draft Staff Rules for the new organisation. NLB and Trinity House have been working with other nations (most notably Australia and Canada) to review the Staff Rules which in some areas appear to lack a degree of transparency and fail to meet the accepted contemporary standards for good Governance.

In parallel, work is underway between DfT, Trinity House and NLB to develop an MoU which will set out the arrangements for UK's membership of the IGO. The formation of the IGO marks a significant change, to date the GLAs have been members of IALA in their own right, but in future the member will be the UK with DfT as the registered body. The UK delegate for general Assembly is likely to be Deputy Director Maritime with representation at Council, Committees and Workshops etc delegated to Trinity House and NLB. The detail of how this will work in practice, particularly representation at Council, has yet to be determined.

NLB has offered the assistance and expertise of the Risk and Improvement Manager to help with updating the Risk Management system ready for the IGO.

NLB's offer to host a 'future of maritime radionavigation and radiocommunication systems' workshop in 2026 at 84 George Street has been accepted.

Inspection Voyages – As NLV POLE STAR will be laid up from April 2025 the opportunity for an Inspection Voyage will be limited and may require to be deferred to a road trip. Beyond 2025 there may be the opportunity to use the new NLV POLE STAR as she has more cabin space.

Maritime Minister – The Chief Executive and Chair met with Mike Kane MP during a visit to Orkney on 28 August 2024. The programme included a short briefing at the Kirkwall Depot and a visit to Hoy High Lighthouse using the Zoned Boat. Colin Ferguson (Asset Engineer) and Stuart Flett (Incorporated Engineer) were at the Depot and Colin provided an overview of the work underway and challenges of electric vehicles for NLB fleet.

DfT Engagement – Commissioner Robson advised that DfT Public Appointment are setting up group to promote Arms Lengths Bodies appointments across DfT and they have asked Commissioner Robson to join that group. They are keen to hold events in Scotland and NLB HQ has been offered.

Contact has also been made with Curtis Juman (Non-Executive Director – Trinity House) and Commissioner Robson is arranging to meet with him in the near future. A visit to Oban or Edinburgh will be offered.

Commissioner Robson also bumped into his local MP, Douglas Alexander, Minister of State for Trade Policy and Economic Security, and took the opportunity to speak to him about NLB.

The Chair advised that the 2 permanent secretaries of DfT have held 2 meetings online with the senior team in DfT briefing all the Chairs of the DfT family at one time. Feedback was very positive and is it planned to hold further meetings following recess.

Isle of Man Engagement – Commissioner Welsh provided an update on communication with the Director of Operations around the Mooir Vannin wind farm development.

The Chief Executive was an honoured guest at Tynwald. This is as a result of the work done post NLV PHAROS visit in 2022 where the Governor got a better understanding of the work of NLB and is now a great advocate. It was a huge privilege to be part of the event and was a great opportunity to have one-to-one time with senior politicians.

Commissioner Welsh represented NLB at the Ship Registry 40th Anniversary celebrations on the Isle of Man. Commissioner Welsh also manned a stand at the Maritime Expo, which is a careers event based around getting young people to see the spread of the maritime industry on the Isle of Man and what careers are available.

Transport Scotland Engagement – Transport Scotland are working with the DfT on their decarbonisation proposals including the Emissions Trading Scheme (ETS) and potential consultation on UK Domestic Maritime Greenhouse Gas Emission Intensity Fuel Regulation. It has been agreed the ETS for maritime will exempt lifeline ferry provision.

Transport Scotland are currently working on a number of Harbour Revision Orders which is linked to interest in new offshore wind work along with other new developments.

There is a freeze on external recruitment, restrictions on travel and hospitality and only crucial or legally committed expenditure being allowed.

RNLI – As Chair of NLB, Commissioner Wilkinson is currently an ex-officio member of RNLI. Relationship building between the 2 Chairs started at the Council Meeting in June 2024. The

Chair now has a meeting scheduled with the RNLI Chair in November 2024. Commissioner Wilkinson has also put the outgoing and incoming Chief Executives in touch with the NLB Chief Executive to build relationships and learn from each other.

13. CORPORATE CALENDAR

The Governance Board noted the Corporate Calendar for remainder of 2024.

The Corporate Calendar for 2025 is currently in draft and any issues with dates are to be flagged up to the Senior Executive Assistant as soon as possible so that a final version can be submitted to the Strategy Day in September 2025. The clash of dates for the ARC in January and the Governance Board in February were noted and will be looked at.

Action: All

14. ANY OTHER BUSINESS

Commissioner Shaw

Commissioner Shaw thanked the Governance Board for the nomination to move up to Chair following Commissioner Wilkinson's departure in 2025. It was a privilege to become a commissioner and it is a great honour to be asked to be the Chair. Commissioner Wilkinson will be an extremely hard act to follow.

15. DATE OF NEXT MEETING

The next meeting will be held on 26 September 2024 at 10am. This will be an in person meeting.