NORTHERN LIGHTHOUSE BOARD

GOVERNANCE BOARD

MINUTES – 9 May 2024

PRESENT:	Elaine Wilkinson	Chair
	Hugh Shaw	Vice-Chair
	Brian Archibald	Commissioner
	Ron Robson	Commissioner
	Dick Welsh	Commissioner
	Jamie Finlay	Commissioner
	Gillian Wade	Commissioner
	Sean Murphy	Commissioner
	Nigel Ross	Commissioner
	Kate Dowdalls	Commissioner
	David Cameron	Commissioner
	Dougie Philand	Commissioner
	Mike Bullock	Chief Executive
	Phil Day	Director of Operations
	Mairi Rae	Director of Business Services
IN ATTENDANCE:	Jim McBrier	Risk and Improvement Manager
	Karen Charleson	Senior Executive Assistant (minutes)

1. WELCOME, APOLOGIES AND INTRODUCTION

Apologies for absence were received from Commissioners Anwar, Pyle, Lobban, Charteris, Bain, Aldridge and Maclaren.

The Chair welcomed Ron Robson, the new Commissioner appointed by the Secretary of State and Dougie Philand the new Provost of Argyll & Bute to their first meeting of the Governance Board. The Chair thanked Maurice Corry for his contribution to the work of the Board during his tenure as Provost of Argyll & Bute.

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 15 February 2024 were approved and can be published on the website.

Action: Senior Executive Assistant

4. MATTERS ARISING

The Governance Board noted the status report on matters arising from the previous meeting. All actions were now closed.

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** – NLB continues to have a relatively low incidence rate and the overall performance for Financial Year 2023/24 was good. However, we need to keep working to maintain standards and learn from our incidents, near misses and other organisations.

- **Climate Emergency** – NLB's cross team efforts to respond to the climate emergency through adaptation and mitigation remains the centre of decision making and is now a theme that touches everything we do. There remains a very strong focus on the delivery of Greening Government Commitment targets, but this is against the background of doing what is right for the planet, not just chasing targets. NLB are also leading the way on biodiversity with our work with RSPB and the Hebridean Whale and Dolphin Trust.

- **HQ Refurbishment** – Staff are now back in 84 George Street after the refurbishment with only final touches remaining to be completed. An emergency generator has been commissioned and connection arrangements tested. This will provide resilience should there be a denial of power in the future. The detailed report on the long-term investment in the building will be provided under Agenda Item 7.

- **VRP/ASP** – Both projects are in good order in terms of NLB's stewardship and relationship with key stakeholders. There are no undue concerns. A fuller report will be provided under Agenda Item 8.

- **AtoN Programme** – The now well-established Project Management process continues to provide the scrutiny, review, and challenge to maintain visibility across all projects, from shipbuilding to accredited ISO audit services. It gives the Senior Team the management information to allow them to identify early when things need attention and importantly access to agile decision making through the Programme and Project Board. NLB are sharing this success with our peers and Trinity House are now adopting a similar arrangement.

  Pay – NLB have been through a difficult time on the pay front. NLB were able to pay the 2023/24 pay remit to Shore Based staff however, reaching resolution of the mariners has been much more complex but was implemented in March 2024. Pay Guidance for 2024/25 has not yet been released by the Government and given the political uncertainty it is unclear when it will be made available.
- **Recruitment and Retention** – NLB does have concerns with recruitment and retention having recently lost three mariners to Scottish Ferry companies and there are indicators that others are looking to make a move. Pay is almost certainly a factor, but so is work/life balance on issues like time at home and leave allowance. This issue continues to be monitored closely.

- **KPI Dashboard** - The Commissioners noted the KPI Dashboard included in the meeting pack.

In overall terms, the organisation is in good order and delivering on all fronts. Recruitment and retention, particularly in the vessels is the top concern.

The Chair asked for further information on the work with NatureScot. The Director of Operations advised that NLB have a whole range of sites that have bird colonies, seal colonies and other protected features and are SSSI or European Sites protected by the Habitats Directive. NLB

have a Management Plan agreed with NatureScot which set out periods when access by helicopter is permitted without any further permissions. There is a caveat that allows NLB to enter sites to prevent the failure or deal with an outage of an AtoN during the closed period. NLB do not have permissions to access sites in the breeding season for routine maintenance or project work. However, there are two particular sites (Sule Skerry and Bass Rock) where access is required to deal with problems. Due to extreme weather conditions over 3 consecutive winters, access to Sule Skerry has not been possible resulting in 3 years of maintenance being lost and subsequently a capital project has failed to be delivered. NatureScot are amenable to supporting work over the Summer but this may require ministerial approval. This is not straight forward and substantial planning, assessment and legal process is required to enable this. Similar access discussions are to be held in relation to Bass Rock for repair to boat landings. This is a real illustration of where climate change is having a direct impact on operations.

6. HEALTH, SAFETY AND ENVIRONMENT PERFORMANCE

The HS&E Committee is attended by representatives from across the organisation and continues to be an open and transparent forum.

Health & Safety Assurance

NLB's HS&E committee met on 18 April 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 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 Committee wished to draw the Governance Board's attention to the following issues:

- FY 2023/24 there were 2 over 3 day reportable to MAIB injuries, both manual handling, and 15 minor injuries. The average remains in line with the previous year and given the range of activities, hazards and the environment that NLB work reflects on everyone's efforts to manage HS&E and keep incidents to a minimum.
- The procedure to deal with bird guano at Bass Rock remains under review.
- Action is underway to re-let the contract for UKAS Accredited organisation to provide ISO Certification and Audit Services.
- The Committee were informed that safety concerns raised by a Mechanical Technician at the Staff Council have been addressed by the Operations Director and Asset Manager.
- The use of a mobile phone App to manage the risk of Lone Working is being investigated with the aim of conducting a trial.
- H&S training levels have returned to near pre-COVID levels.

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

- Data for Q1 to Q3 was reviewed at the meeting. Data for Q4 is being processed and will be reviewed at the next meeting.
- Emissions incurred by ships during Commercial activity are now being allocated to the client.
- 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.
- Electricity consumption shows a 13.8% increase year on year, related emissions have also increased due to a change in Carbon Conversion factor because of increased use of gas in power generation but also increased use on reoccupation of 84 George Street.
- Rail mileage continues to increase, up 80% on Q123 of FY22/23.
- Across NLB's EV fleet of 4 (3 vans 1 car) 6k miles were driven in Q123. This figure is low reflecting the lack of confidence in national infrastructure and the risk of being stranded should road closure force long diversions (which are not uncommon on highland roads). NLB's experience is similar to other ALB's reporting to DfT. 2 Plug-in Hybrid vans are on order which should alleviate some concerns. The Environmental Working Group have been tasked to discuss EV use.
- Efforts to reduce waste, increase recycling and minimise material going to landfill has shown positive results. NLB have placed 2 tonnes less into landfill this year. compared with last year, with landfill now representing 31.4% of waste. This will be targeted within the scope of the forthcoming Waste Management Contract.
- Work is underway to fully capture water use by NLB vessels in Oban and elsewhere and accurately allocate use incurred by visiting vessels.
- A recent GIAA audit of Waste Management gave a Moderate opinion identifying a number of improvements required to enhance the adequacy and effectiveness of the framework of governance, risk management and control around waste activities which will be implemented.
- DfT's newly appointed lead official for Sustainability visited Oban Base during March 2024 providing the opportunity to demonstrate NLB's commitment to meet GGC targets.
- NLB continues to show commitment to Biodiversity through the training of Vessel Crews by the Hebridean Whale and Dolphin Trust with a further session planned for later in the year.
- As an organisation demonstrating best practice and commitment, NLB has been invited to join the Scottish Island Biosecurity Partnership alongside RSPB, National Trust Scotland and NatureScot.
- The Management Plan with NatureScot is being revised with the aim of facilitating a procedure for exceptional access to stations outside established periods. There has been positive engagement between NatureScot and NLB deepening mutual understanding of the challenges on both sides.
- The Asset Management team have commissioned a consultant to conduct a screening assessment of protected areas in relationship to the 568 locations where NLB has assets, including lighthouses, buoys, beacons and contract buoys. This will help NLB discharge its responsibility as a Competent Authority under Habitat legislation.
- Two new Climate Change Clauses have been incorporated into all Type A ISO Standards by the International Standards Organisation.

Commissioner Archibald asked whether the 10% biodiversity gain for projects in England and Wales was something NLB should be aspiring to and what would be required to achieve this.

The Chief Executive advised that due to the nature of our stations and the fact that most of them are a lighthouse or a unit siting on a piece of concrete with not much around it, there is not much opportunity. Part of the project work is to look at opportunities to do more where we can but, in most cases, the best thing to do is to do nothing.

The Risk & Improvement Manager added that the work around the Whale and Dolphin activity, where we can add value at the margin, NLB may drive ships differently around sea mammals. NLB's entire programme is governed around biodiversity restrictions and protection of species in general terms throughout Scotland. There is work ongoing with the Assets Team to understand the biodiversity baseline around statutory sanction and operations will all add to developing a set of best practice tools.

Commissioner Wade enquired about the use of a biosecurity dog. The Chief Executive advised that the RSPB have a sniffer dog that looks for rats and mice. Taking rats and mice out to a remote island within a vast amount of cargo can decimate a bird population.

Commissioner Philand asked for more information on the lone working app trial. The Chief Executive advised that NLB have been concerned about lone working for a while particularly for Retained Lighthouse Keepers. There is a process in place for staff to notify the Monitor Centre when they arrive and leave a station and staff routinely take a Personal Locator Beacon (PLB), but the idea is to trial an app to enhance this process.

Commissioner Shaw, as one of the Commissioners on the HS&E Committee, reported that there was a lot of initiatives coming from staff themselves. The use of electric cars on the estate was discussed and giving staff the confidence to use electric vehicles for longer journeys is difficult until the proper infrastructure is in place noting NLB are mandated to have an electric fleet by 2027 and this will be challenging in some areas.

6. 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 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 issues:

- 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.

- Incidents – Four have been reported since the last meeting:

  - On 19 January the fishing vessel RENOWN collided with the Hywind floating wind turbine (HS4) approximately 15 miles off Peterhead. The vessel only sustained cosmetic damage.

  - On 7 February the fishing vessel JUNE ROSE sank to the East of the Isle of Man. Two crew were rescued by Douglas Lifeboat. NLV PHAROS surveyed the vessel on 2 March and measured a minimum of 25.3 metres over the wreck. NFA will be taken.

  - On 21 February the 16m fishing vessel FREEDOM II started taking water near the Garvellachs, Inner Hebrides. All 4 POB were recovered but the vessel sank under tow, in a reported depth of 100-140m. NLV PHAROS undertook a survey on 25 February but was unable to ascertain the location of the wreck.

  - On 24 March the 28m fishing vessel OPPORTUNE sank 36 miles ENE of Bressay, Shetland. All 8 POB were recovered. Depths in this area are typically 120 m so no further action was deemed necessary.

  None of the incidents were as a result of an AtoN failure.

- AtoN Inspections - At the end of March 2024, 2118 Local Lighthouse Authority (LLA) AtoN had been inspected out of a possible 2371 (89.1%) during the reporting year (April-March). The annual inspection target is 70%.

  Over the same period 471 NLB AtoN had been inspected out of a possible 485 (97.1%).

- Annual Offshore Oil & Gas Inspection Voyage - Between 30 November and 5 December, NLV PHAROS inspected installations to the west and east of Shetland, and as far south as the Scott Field (east of Pentland Firth) before the weather broke. Results were positive – 53 inspections were undertaken with only 3 failures identified.

- Project Site Access **-** The ongoing and protracted weather delays at Sule Skerry leading to a third year of little progress, along with the Bass Rock restrictions are having a significant impact on NLB planned activities.

- Marine Navigation Plan 2040 **-** Published in January 2024, the GLAs undertook a detailed assessment of the likely threats and opportunities, and how these may impact our obligations under the Safety of Life at Sea (SOLAS) Convention.

- Asset Management Strategy and Plan (AMS and AMP) **-** NLB will use asset management principles to support a safe and sustainable long-term approach to managing all of our fixed assets. The framework will ensure that asset management decisions align with organisational objectives.

  It is an excellent reference document, and the Committee have proposed that it is distributed to all Commissioners.

- AtoN Review – In accordance with the agreed schedule, the Committee reviewed the proposals for Area 3 – Ardnamurchan to Barra Head/Cape Wrath to Flannan Isles, Area 4 – Scotland North Coast / Orkney Islands, and Area 5 – Pentland Firth.

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.

The remaining 3 areas will be reviewed at forthcoming meetings until August 2024.

Final approval dates for the NavOps Committee and the GLA CEO's Meeting are scheduled for January 2025.

- NLB User Group (NLBUG) – The NLBUG was held at HQ on 14 February 2024. The meeting was well attended, and presentations were given by a number of NLB speakers.

- 84 George Street Office Refurbishment Project Report **-** An excellent document from Project Initiation to Completion highlighting decision making and works required to upgrade the existing building, in order to create a safer, up-to-date working environment to support a range of current and evolving workstyles. The report will be included with Governance Board documents for members to note.

Escalated Matters

- Battery Life - Following a failure at Bass Rock the overall age of batteries on some sites has been highlighted. We have circa 27 locations that state batteries are over 30 years in age, and 14 that don't have installed dates recorded. A working group has been established to ensure that lessons are learned and that these older batteries are supported until replaced.

Escalated Risks

There were 3 escalated risks for discussion at the meeting.

- Risk Card 15 – Climate Emergency (Adaptation)
  Nature Scot helicopter restrictions – risk to project safety, time, cost and quality.

- Risk Card 10 – Asset Loss / Damage
  Oban Base. Risk of damage, fire and staff injury from having no Surge Protection Devices.

- Risk Card 11 – Health & Safety
  Risk of incident / injury to NLB staff and members of the public accessing Bass Rock.

The Committee reviewed Risk Card 10, 12 – Natural Events and Risk Card 15.

The remaining Risk Cards were noted.

Commissioner Robson asked how NLB was notified when the fishing boat hit the floating wind turbine. The Director of Operations advised that it was via Situational Reports (Sitreps). On this occasion there was no action but if there is a more serious event the On-Call Counter Pollution Officer will call the monitor centre.

The Governance Board noted the HQ report on project initiation to completion. The building has been in NLB's ownership since 1832 and there was a major refurbishment in the 1970's to build an extension but thereafter there has been very little investment in the building and it was beginning to suffer from problems, not least electrical problems. Because of the origins of the

building the ICT Server Room was situated in the basement at the front of the building and this was required to be moved to the centre of the building to remove the risk of flood. The rest of the building was tired and shabby and needed brought up to a 21st century working environment. Driven by the electrical issues it was agreed to undertake a major refurbishment. It has been a successful project, delivered on time, and we now have a building fit for the next 30+ years. With proper asset management we will now keep on top of periodic maintenance.

Commissioner Archibald asked if the valuation of the building had appreciated as a result of the work. The Director of Business Servies advised that the value of the building had not changed substantially but it is revalued every 5 years with a market valuation done every year.

The Chair highlighted the excellent report and thanked the whole project team and particularly the staff for playing their part in maintaining business as usual through the project.

7. VESSEL REPLACEMENT AND AVIATION SERVICES PROJECT UPDATE

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

Vessel Replacement Project (VRP)

The Chief Executive, as SRO, advised that the relationship with the shipyard remains positive. The contract management process is well established and the groundbreaking evidence-based payment system is working well. There is complete transparency of issues as they arise and this reinforces NLB's confidence in the shipyard team.

The original electrical contractor that went into liquidation has now been replaced.

The NLB Team is now embedded in the shipyard. The keel was laid last month, although this was later than planned due to a delay in the launch of the vessel occupying the slipway previously and a defective crane, but this has not impacted on the planned delivery date.

Plans are progressing for the Naming Ceremony and options for disposal of the current vessel are being considered.

The Chair, Commissioners Shaw and Archibald are visiting the yard in May 2024 along with DfT Officials. Trinity House and Irish Lights are also visiting the yard at this time.

The Chief Executive has no concerns about the project and delivery is still expected on 15 July 2025.

NLB also continue to help with other projects e.g. Border Force, Highland Council, etc.

Aviation Services Project (ASP)

This is a Tri-GLA project and the NLB Chief Executive is SRO. The reason NLB is leading the project is because NLB is the predominant user of the helicopter. The project itself is constituted with support of the other GLAs and there is good collaboration.

The current contract has been extended by 2 years to provide more time for the complex approvals and assurance process.

A Market Engagement event was held on 5 April 2024. It was well attended and there was good engagement through the questions and answers sessions and beyond. The preparation was time consuming for all involved but it was a good bonding experience and team effort.

The Note Verbale is in place to allow procurement to occur cross border. It covers any

procurement started within the 2-year period.

The Project Risks and Issues continue to be monitored and reported at the Project Board. The current highest risk is around the aviation operator certification (AOC) requirements for operations in UK and Ireland for the new aviation services contract. Questions were included within the Market Engagement Questionnaire to assess how the market would approach the AOC requirements to operate in the UK and Ireland. Responses are being assessed as part of the Market Engagement Report with a number of suppliers reporting it would not be an issue. This risk will continue to be assessed throughout the procurement process.

Work on the Should Cost Model (SCM) continues with KPMG. To meet current operational requirements the numbers coming through are a degree more expensive than anticipated. A different service in the future is required due to climate change and the significant work package for refurbishment of Pillar Rocks.

8. AUDIT & RISK COMMITTEE (ARC)

The NLB Audit and Risk Committee (ARC) met on 18 April 2024. Key issues considered included: the Executive Report; Financial Flash Management Results, the Risk and Improvement 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 confirmed that:

- The Executive Report contains a great deal of information and continues to provide sufficient assurance on key issues.
- The annual fraud report provided assurance regarding fraud, whistleblowing, and money laundering occurrences, training and risk mitigation during the year. Excerpts from the Cross Government Fraud Landscape Report and the CIFAS Fraudscape Report 2024 were not available at the time of committee but will follow in due course.
- The flash position provides assurance on NLB's 2023/24 financial position as at 10 April with an underspend accounted for by additional commercial income, reduced expenditure on ship's fuel and vessel replacement loan interest, and non-utilisation of revenue contingency.
- The comprehensive report received from the R&I Manager continues to provide a significant level of assurance that the risk management arrangements are effectively assessing and managing risk and continue to drive forward continual improvements.
- In line with the scheduled programme, the Committee reviewed and updated as appropriate, Risk Cards – (3) Corporate Governance and Financial Management, & (4) Resourcing; and noted the remaining 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. The committee welcomed Ronak Kakad, the Group Chief Internal Auditor for GIAA.
- 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 papers on Whistleblowing Policy; Anti-Bribery Policy; Fraud Response Plan and Strategy; and Guide to Governance were reviewed.

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

- The annual report and accounts 2022/23 for the General Lighthouse Fund were duly laid in UK Parliament on 4 March and NLBs annual report and accounts 2022/23 were laid in the Scottish Parliament on 18 March 2024 and are now published on the NLB website.
- Finance team – strength and success. NLB now has four Qualified Accountants (1 in 2015). This demonstrates NLBs commitment to staff learning and development and how it benefits the organisation.
- Counter Fraud, Bribery and Corruption Training is being completed by all staff. A pack was included in the ARC papers for Commissioners to compete and record on a voluntarily basis.
- The latest Cabinet Office Pay Guidance has yet to be published. Work cannot therefore begin on negotiations for the pay awards for 2024/25.
- Pay continues to be a risk to the organisation in terms of staff retention – more recently demonstrated by a number of ship staff leaving for seagoing jobs on local ferries. Pay and work/life balance have been cited as reasons for leaving. The situation will continue to be monitored closely.
- There is no 'silver bullet' for the Quinquennial Revaluation Exercise. Although there is an option to spread the work over 5 years, it is thought this would create additional work, therefore NLB will continue with the 5 yearly exercise.
- NLB presented its approach to Risk Management Best Practice to the three GLAs at the recent IGC6 Forum. Feedback indicated that the NLB's Assurance Landscape is a leading example for others and shows the benefit of the hard work undertaken together with GIAA to create the landscape, which has been extremely beneficial.
- Escalated Risks discussed. These were also reported, with appropriately identified mitigation to the Navigation and Operations Committee
    - Risk to project safety, time, cost and quality due to helicopter site availability narrowing with winter weather problems and biodiversity restrictions.
    - Risk of damage, fire and staff injury from lack of surge protection on Oban Base equipment.
    - Bass Rock – Public and NLB staff risk of incident/injury from recent storm damage to access points.
- Climate change clauses introduced into the global ISO Standard were already included in NLBs Assurance Framework, demonstrating its pro-active approach.
- Business Continuity – A successful exercise was recently undertaken. NLB teams' and systems performed very well in identifying and responding to the threats.
- Data Incident - an incident involving a hard copy file containing personal data from a digitisation project found during the move back into HQ office move, led to further quality checks which revealed other files being identified as missing. The data risks were identified and addressed and the incident was reported to the Information Commissioner (ICO). The identification and early reporting of this file show a real culture of transparency and 'doing the right thing' as well as an understanding of the Data Protection landscape. The ICO were content with the steps taken by NLB and no further action was required.
- GIAA Internal Audit – A number of reports were included in the meeting pack. The Fee letter was discussed and agreed at the meeting. The Charter and 2024/25 audit plan were also agreed.
- NAO External Audit - The Audit Planning report on the 2023/4 financial statements audit was introduced. The timing of the future audits was discussed and will be further discussed before the next meeting.
- The Vice-Chair presented proposed changes introduced to the Guide to Governance covering 'Conflicts of interest' and 'Annual Discussion of contribution of Individual Commissioners'.

Commissioner Robson asked what NLB's policy on fuel hedging was. The Director of Business Services advised that it is not encouraged by DfT to hedge on fuel. A rate is ring fenced within budget. Frameworks are used to buy fuel.

The Chair highlighted the healthy and positive financial position at year end.

9. PEOPLE COMMITTEE AND NOMINATIONS FOR APPROVAL

The People Committee met on 17 April 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 confirmed that:

- Appropriate recruitment action is underway to fill vacancies.
- Sick absence levels continue to reduce.
- Pay awards for 2023/24 were made in February (Shore) and March (Marine) following extensive engagement with the Unions.
- Drug and Alcohol testing took place on 14 February with all results negative.

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

- Industrial relations associated with pay awards.
- There have been a number of leavers amongst Marine staff to Calmac and NorthLink. Salary rates in Calmac/NorthLink are now significantly higher and payments for leave days worked are enhanced compared to NLB. However other terms and conditions within NLB are much more attractive and we continue to promote NLB's other benefits to current staff and in recruitment exercises. It is too early to say if this trend will continue.
- Civil Service Pay Guidance for 2024/25 has not been published but Cabinet Office have indicated that any bodies wishing to submit a business case should notify them by May 2024. Given the lack of guidance NLB will advise that a business case will be submitted.
- There is a downward trend in Sick Absence levels with both long and short-term absences reducing.
- Staff Council minutes evidence good relations and a positive response to staff concerns/ideas.
- The HR Risk Card was reviewed and amendments made.

Part 2

Part 2 of the People Committee covered the following issues: Commissioner changes; Vice-Chair expressions of interest; plan for future recruitment of Commissioner to be appointed by Scottish Ministers; and the proposed changes to the Guide to Governance around Contribution of Individual Commissioners and Conflict of Interest.

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

- Ron Robson has been appointed by DfT with a start date of 1 May 2024. Ron is a qualified accountant with a diverse background and will join the Audit and Risk Committee as well as the Governance Board.
- Dougie Philand has replaced Maurice Corry as leader of Argyll and Bute Council.
- The Chair of the People Committee will seek expressions of interest from Commissioners for the position of Vice-Chair from 1 April 2025.
- The Committee noted that the appraisals for the Chief Executive and two Directors will be brought to the August Committee.
- The Vice-Chair presented proposed changes to Guide to Governance in relation to 'Conflicts of interest' and 'Annual Discussion of contribution of Individual Commissioners'.

These were endorsed by Commissioners present. As these were all co-opted commissioners the 'ex-officio' Chair of Committee was asked to review and separately endorse the proposals.

Commissioner Philand asked if drug and alcohol testing was standard or if there was a difficulty or problem. The Director of Operations advised that testing is standard in the marine industry. There are very strict restrictions similar to Scottish drink driving laws. NLB determined a number of years ago to adopt it as good practice and it has proved its worth. Initially it was received quite badly but is now accepted by the crew.

Commissioner Welsh asked if there were other elements of seafarers' operations that could make them more satisfied that are not swept up in the pay award and the numbers in terms of salaries. The Director of Business Services advised that generally everything that has been asked for costs money and needs to be included in the pay remit. Consideration also needs to be given to the overall tax position. In terms of life on board, the food is good, satellite broadband service has been improved, etc but they can be asked again for suggestions when it comes to pay discussions.

10. MATTERS FOR APPROVAL

Guide to Governance - Commissioner Shaw presented the proposed changes to the Guide to Governance and Registers of Interest.

- Individual Commissioner Discussion and Feedback
  Following the review of Board Effectiveness, it was agreed that Guide should be updated to set out how any annual review of the contribution of individual Commissioners would be taken forward taking account of arrangements in other GLAs and how the holding of such information should be recorded. It was ascertained that there is no set standard but both UK and Scottish Governments (including GIAA) provided overarching principles to support a culture of continuous improvement.

  The Guide has been revised as follows:

  The Chair has a responsibility for reviewing the contribution of the Government nominated and co-opted Commissioners in their Board member role and as both committee Chairs or committee members. Following completion of the Annual Board Evaluation Form, the Chair will invite co-opted Commissioners for a 1:1 informal discussion to seek any further feedback and observations regarding either their own contribution, or overall performance of the Board. Results from this should then be used to inform any training / development needs and succession planning.

  Although not a requirement, the statutory Commissioner appointees will also be invited to participate in the 1:1 discussions with the Chair as their contributions will be equally invaluable in setting out the future needs and development of the Governance Board.

- Conflict of Interest
  This was raised at the Audit & Risk Committee by a member of the DfT Sponsorship Team. There is currently a system in place where there is annual disclosure of any interests which is recorded and at certain meetings, it is on the agenda to declare any interests. This will be a standing agenda item on every Committee going forward.
  Action: Senior Executive Assistant

Commissioners must always disclose any personal, political or business outside interest to the Chair of the Board or Chief Executive if there are in any doubt as to the compatibility of an outside interest with their work for NLB. Any in-year changes to their outside interests should be notified promptly to the Chair and Chief Executive.

OP43 reinforces these existing arrangements and includes an updated Registers of Interests Form. Any conflicts or potential conflicts of interest unable to be resolved by the Chair or Chief Executive may be referred to the Governance Board or in the case of Commissioners appointed by Governments, to their sponsoring department where deemed necessary.

The Governance Board noted that the People and Audit & Risk Committees have endorsed the changes and were content to recommend to the Governance Board for approval.

Following discussion, the Governance Board approved the changes to the Guide to Governance and the revised Conflict of Interest Form.

11. STAKEHOLDER ENGAGEMENT

The Governance Board noted the Stakeholder Engagement update.

Joint Strategic Board (JSB) – The JSB took place 1-2 May 24 at Irish Lights. The Chair, Vice Chair and Chief Executive attended, along with Commissioner Archibald in his role as the Chair of the JSB. It was a good meeting and a better structure since the review. The main item discussed with the Vessel Replacement Projects. It was noted that Commissioner Archibald will be replaced by Alan Moore, non-Executive at Trinity House, and the handover will take place in November 2024.

Chair of TH Lighthouse Board - Lance Batchelor, an Elder Brother of Trinity House has been appointed by the TH Court as the successor to Sir Alan Massey.

LAC Visit to NLB HQ - Lights Advisory Committee (LAC) visited NLB's HQ on 20 March to attend the monthly Senior Responsible Owner's (SRO) Vessel Replacement Project (VRP) Health check, to tour the newly refurbished HQ building and to meet some of NLB's team. The feedback from LAC about NLB, the HQ and VRP was extremely positive. Trinity House and Irish Lights joined NLB and LAC for dinner on the evening of 20 March in advance of the Tri-GLA VRP Meeting on 21 March 2024.

LAC/JSB Vessel Replacement Meeting **-** A very constructive meeting was held in Edinburgh between the Lights Advisory Committee (LAC) and the GLAs on 21 March to discuss the Vessel Replacement Projects and the opportunities for further collaboration. NEDs from each GLA participated. The output from the meeting led to an options scoping meeting held 26 April, the outcome of which will be discussed at the JSB 1-2 May. The likely way ahead will be an Options Appraisal Workshop to examine in detail the possibilities for collaboration between the GLAs. NLB remains committed to collaboration. A further meeting with the LAC is planned in September 2024.

IALA - The 29th nation to ratify the convention on the change from NGO to IGO signed in April 2024. The next nation to ratify will trigger the countdown to the formation of the new organisation. The Chief Executive will attend the Council in Istanbul 24-28 June 2024. NLB has volunteered to host a Working Group on Radionavigation and Radiocommunications which will be scheduled for 2026.

Lord Geidt - Lord Christopher Geidt (formerly Private Secretary to the late Queen and a Crossbench peer) who is a resident of the Isle of Lewis has accepted an invitation to join Inspection Voyage 2.

DfT Director Maritime – The Chief Executive and Chair met with the recently appointed Director Maritime, Lola Fadina on 23 April 2024. Lola was the desk level official dealing with the GLAs 2015-2016 so is familiar with the GLAs. Lola is keen to visit Oban Base and her team have since been in contact to identify dates.

Maritime Minister – The Chief Executive and Chair met with Lord Davies in person on 23 April 2024, using a 'visual' PowerPoint slide pack to bring NLB's role to life. The Minister was very interested in NLB's work and impressed by the contribution made to safety and the economy.

The Minister is keen to visit Oban Base and tasked his Private Secretary to make arrangements.

Isle of Man Government – It was noted that the Chief Executive has been invited to Tynwald's National Day on 5 July 2024. This is a great recognition of NLB.

Transport Scotland – Martin Ritchie attended the JSB. There is nothing of interest to report to this meeting.

Department for Transport – It was noted that Alan Moore, Trinity House, is keen to set up a group of the 3 DfT appointed non-executives from TH and 1 from NLB, to meet with DfT more formally going forward.

12. CORPORATE CALENDAR

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

A meeting of the NavOps Committee will be arranged for the afternoon of 29 August 2024 to finalise the findings of the AtoN Review.

13. ANY OTHER BUSINESS

2025 Inspection Voyages – With old POLE STAR going out of service in April 2025 and new POLE STAR not coming into service until September 2025 the only vessel operating in the summer months will be PHAROS. It may therefore be necessary for the inspection voyages in 2025 to be undertaken by road.

Annual Review of Board Effectiveness – Every year there is a survey of the effectiveness of the Board. The results only go to the Chair who collates them and puts together any views for areas of development for the Board and it is also an opportunity to highlight issues. The survey will be issued in early July with a return date of end July/early August. The results will go to the September Strategy Day. It would be appreciated if as many Commissioners could complete the survey as possible.

14. DATE OF NEXT MEETING

The next meeting will be held on 29 August 2024 at 10am. This will be a virtual meeting.