

NORTHERN LIGHTHOUSE BOARD

MANAGING BOARD

MINUTES – 15 May 2019

PRESENT:	Mike Brew	Chair
	Alastair Beveridge	Vice-Chair
	Graham Crerar	Commissioner
	Mhairi Stephen	Commissioner
	Elaine Wilkinson	Commissioner
	Hugh Shaw	Commissioner
	Alison Di Rollo	Commissioner
	Rob Woodward	Commissioner (by telephone)
	Mike Bullock	Chief Executive
	Phil Day	Director of Operations
	Mairi Rae	Director of Business Services

IN ATTENDANCE:	Jim McBrier	Risk and Improvement Manager
	Karen Charleson	Senior Executive Assistant (minutes)

1. APOLOGIES FOR ABSENCE & DECLARATIONS OF INTERESTS

There were no apologies for absence received.

2. MINUTES OF THE PREVIOUS MEETING

The Minutes of the Managing Board meeting held on 20 March 2019 were agreed as a correct record and could now be published on the website.

Action: Senior Executive Assistant

3. MATTERS ARISING

The Managing Board noted that the majority of items would be covered in the Agenda and noted the following items:

Safety – As reported at the last meeting a member of the crew on board NLV PHAROS had a suspected heart attack. The speed of emergency response action applied by all of the crew involved, from initially raising the alarm, to applying CPR, use of the defibrillator, transportation from the vessel to the Pilot Boat and ambulance saved the staff member's life. This has been highlighted at the Staff Council and recorded within the minutes which are shared with all staff. It will also be featured in the Journal.

NLB Website – The new website went live at the end of March 2019. An email was circulated to all Commissioners on 27 March 2019 to let them know.

Property Reclassification – Following Managing Board approval at the meeting on 20 March 2019 the Rinns of Islay and Mull of Kintyre former keeper's cottages will be reclassified from "Non-Operational Property" to "Operational Property" in the Report and Accounts to 31 March 2019.

Navigation Committee – The meeting of the Navigation Committee on 18 September 2019 will be held in Oban starting at 11am.

Tourism/Social Engagement - Presentations on tourism/social engagement were delivered to the April 2019 Board of Commissioners meeting by the Business Support Manager and Communications Officer.

4. CHIEF EXECUTIVE'S REPORT

The Managing Board noted the report from the Chief Executive, highlighting items from the Departmental reports and backed up by the full reports.

Safety

There have been no reportable incidents since the last Managing Board.

HS&E Report

Asbestos – Skerryvore - It was noted that during planned asbestos removal work it had been identified that there appeared to be further fibrous material contained within a number of areas of paintwork on the walls. Removal of flaking paint and re-encapsulation in targeted areas has been undertaken and the station is now habitable.

A meeting with a specialist asbestos removal contractor has been held to look at long-term actions. Full asbestos removal work will be costly taking 8 – 10 weeks, requiring ship and helicopter support as well as scaffolding and onsite de-contamination units and therefore will be considered as part of the station's major re-engineering project.

It was noted that major re-engineering of pillars rocks has been included in the capital programme for future years. If, following project analysis, there are any adverse financial issues highlighted it would be brought back to the Managing Board for discussion.

Marine Operations Report

Outages - The Managing Board noted that since the last meeting there has been one outage (Comet Rock) over 72 hours. The Director of Operations advised that poor sea conditions had prevented an early resolution though NLV POLE STAR was able to confirm the buoy position. A larger sinker has now been fitted to prevent reoccurrence.

NLV PHAROS – In addition to routine buoy and project work the vessel has completed laying 9 buoys as part of a wind-farm contract and has also provided ship and helicopter support for asbestos work at Skerryvore.

The Managing Board noted that there had been two recent incidents on board NLV PHAROS:

1. A small smoldering incident caused by an oily (teak oil) rag left in a waste bin which self-heated. The resultant smoke was detected by the fire detection system and staff were alerted and the bin removed to a safe place.
2. An incident involving a heating element in an air vent which had overheated. Analysis is being undertaken to determine whether this is a fault with the element.

NLV POLE STAR – Routine operations have continued. During the period the vessel has had a possible multi beam failure (part of hydrographic suite) a replacement unit has been procured and fitted. A crane load cell also failed and had to be replaced.

Helicopter - Routine operations have continued. All planned activity has been supported. The contract is currently operating with 3 rather than 4 pilots. A replacement pilot has been recruited and following training will be qualified shortly. A “gate” review regarding the operation of the contract is set for December 2019. The outcome of the review will determine whether or not to initiate the extension built into the contract.

Oban Base - Oban Base has continued routine operations with frequent and regular usage by commercial vessels. The hydro blaster is now back in service. The office area has undergone a major refurbishment to provide an open-plan office and improved staff welfare facilities.

Programme and Renewals

Capital Works Programme – The 2018/19 programme of work is complete with the exception of Stroma which was delayed to financial year 2019/20. Contracts for 2019/20 are being progressed with contractors on-site at Eilean Glas and Ruvaal.

Planning and Delivery

Planning and Delivery Team - The Planning and Delivery Team continues to be under-staffed with the technicians and senior technicians under some strain to combine planned work, renewals activity, organisational change and improvement such as electrical competencies. A recent recruitment exercise identified three new staff and offers of employment have been made however it was noted that it takes around 45 days of training e.g. HUET, First Aid, Working at Height, etc before they are able to go on site.

DGPS – The Tri-GLA survey has been completed and a report has been issued. However discussions at IGC5 considered that further information was required on development of EGNOS, RAIM and the provision of DGPS internationally. This was reported to the Chief Executives’ Committee and it was agreed a final IGC5 recommendation would be made later in 2019.

Asset Management

Capital/Revenue Plan – The Managing Board noted that this year will be the first time the Asset Management Team will provide a full contribution to the Capital and Revenue Plans for future maintenance work at lighthouses. The Team is building its risk and opportunity matrix and understanding of condition. It is expected that by year 5 the plan will be entirely based on the Asset Management approach.

Monitoring – The existing monitoring system and servers continue to operate reliably. Final assessment of the tenders submitted is being carried out. A final report is being prepared for the Executive to enable a decision on the successful tenderer. This is later than anticipated in the project plan but time remains for the top end to be installed in financial year 2019/20 as intended. It was noted that no specific risks have been highlighted due to the delay in awarding the tender.

HR Report

Engagement Survey - The tendering process for sourcing a supplier for bullying and harassment training to all employees is now complete and the contract awarded. A meeting is to be held with the provider shortly to discuss course content and potential dates. The targeted survey will be issued to the ships' crews once the final visits by the HR manager are completed. It was noted that Commissioner Shaw and the QHSE Manager had visited the ships recently but did not detect any issues.

Sick Absence – The Managing Board noted and discussed the report on Sick Absence within the HR Report and in particular the increase in ships employees' short-term absence. There has also been an increase in long-term absence however it is not attributed to one particular area.

The Managing Board acknowledged that the age demographic of employees and ongoing pay issues could well be contributory factors. However, this issue will be discussed at the Tender Operations Group meeting to find out if there is a reason for such an increase in these types of sick absences.

Family related absences have also increased. This is a challenging area due to the sensitive nature of these issues. The NLB already allows up to 7 days paid leave to deal with a bereavement or family emergency which exceeds the legal obligation and is in line with good practice.

The Executive will continue to monitor sick absence and will report back to the Managing Board as required.

Action: Chief Executive

Business Services Report

Financial Results to 31 March 2019 - The final submission of the Annual Report and Accounts are due to DfT on 13 May 2019. Actual expenditure for the year shows an underspend against budget with the main contributing factors being delayed and reduced costs in Pay & Pensions and non-use of capital and revenue contingencies. If agreed by the auditors it was also proposed that the provisions for mercury and asbestos removal works be accrued into financial year 2018/19, further reducing the overall underspend. Commissioner Crerar sought clarification behind seeking to accrue the provision for mercury and asbestos into financial year 2018/19 and following discussion, was content with the explanation provided and the proposed course of action. It was further noted that the figures assume a pay remit of 1.5% and should a higher increase be approved, these figures would vary. Final NAO audit is scheduled for the week commencing 15 July 2019.

X-Factor - Indicative running costs for 2018/19 would deliver an X factor of -1.49% if future year results remain on target. This is below the target of -1.73% that would have been achieved if NLB had not been required to absorb pension increases of 6% from April 2019. It is important to note that the majority of underspend related to vacancies and therefore are not real or sustainable savings.

Financial Results to 30 April 2019 – The Managing Board noted the financial summary for the period to 30 April 2019 provided in the Business Services Report. The capital budget phasing is to be fully defined at the Programme and Project Board meeting scheduled for 24 May 2019 and the budget will be apportioned to deliverable dates.

Helicopter – Brexit - The Director of Business Services updated the Managing Board on the impact of Brexit on this significant Tri-GLA contract. Commissioner Di Rollo requested that a legal opinion should be sought as soon as possible. The Director of Business Services advised that the risks have been highlighted to DfT and the GLF Accountant.

Action: Director of Business Services

Risk & Improvement

Risk Framework - The Corporate Risk Framework continues to feature as a central focus for NLB's Executive Group in order to facilitate the optimisation of opportunities, in addition to the prevention and mitigation of strategic and departmental risks.

The Managing Board noted the previously reported escalated 'open' risks including accepted risks, where no further treatment actions have been identified. The Risk and Improvement Manager highlighted the inclusion of the longer term risk regarding communications to lighthouse stations and other key sites which will become compromised due to PSTN & ISDN Telecoms being discontinued with BT's switch-off scheduled for 2025. This risk has been escalated to enable NLB sufficient time to plan and integrate all appropriate (hard and software) solutions to ensure uninterrupted communications and effective station monitoring. Following discussion it was agreed that the Risk and Improvement Manager would look at also including the pay issue given the consequences emerging as a result of for example, staff absences.

Action: Risk and Improvement Manager

External Audit by DNV-GL - The Managing Board noted that the April 2019 integrated ISO 9001, 14001 & OHSAS 18001 audit found that, "in addition to improving leadership communication and collaboration via Executive Group function, the organisational review has positioned the concept of 'Risk Based Thinking' at the heart of the organisation's Senior Management Team which is underpinned by robust corporate oversight and reporting via the newly established Performance Dashboard, thus driving continuous review and improvement."

Tri GLA Brexit Risk Register - The Brexit Risk Register was presented to the Chief Executives Committee at the end of April following review by IGC 6.

The specific areas updated were as follows:

- 'Prolonged Uncertainty around Brexit Process' - updated to reflect discord in UK Parliament on reaching agreement over the Leave Deal.
- 'Border Controls Risk' - repositioned higher in the register to reflect an increased likelihood of potential impact.

The situation will continue to be monitored by IGC 6 with full reporting of the register to both the Chief Executives Committee and the Audit and Risk Committee on a regular basis.

Organisation

Inspection Voyages - All preferences have been met for Voyages 1 and 2 and Commissioners informed. The Programme for Voyage 1 will be circulated shortly.

Action: Chief Executive

External Engagement

Lighthouse Keys – The Managing Board noted that a Collection of 18th and 19 Century keys for 82 NLB lighthouses have come up for auction at Bonhams. As the keys are of important historic value and are believed not to have been obtained legitimately and therefore remain NLB's property a challenge has been made to their ownership. It is understood that the keys

will remain in Bonham's possession until the matter is resolved and the items have been removed from sale. It was noted that the Lord Advocate and Solicitor General would have no involvement in any decisions if this matter was taken to proceedings.

LISW 2019 - Planning for London International Shipping Week 2019 continues. The Managing Board noted the updated programme of events.

Scapa 100 - NLV PHAROS and NLV POLE STAR will be supporting the commemoration of the 100th anniversary of the scuttling of the German Fleet at Scapa Flow on 21 June 2019. It is hoped that the ships will then support the Magnus Festival by opening to visitors on Saturday 22 June 2019.

Outreach – The Managing Board noted that the Chief Executive had given presentations to the Royal Scottish Society for the Arts and Royal Institute of Navigation on the evenings of 25 and 27 March 2019.

Cabinet Secretary for Transport, Infrastructure and Connectivity – The Chief Executive and Solicitor General are scheduled to brief Michael Matheson MSP in the Parliament building in May 2019.

Exhibition and Reception at Scottish Parliament - A manned exhibition about NLB will be on display outside the Chamber during week commencing 17 June 2019. Invitations for the NLB reception on Wednesday 19 June have been sent. Attendance of Commissioners would be much appreciated.

FINGAL - Following agreement by the Managing Board the outgoing Chair presented a NLB Blue Ensign to FINGAL. The Ensign is now flown from the stern of the vessel to mark its status as a historic vessel and its origins in NLB service.

BBC Matt Allwright - Matt Allwright the BBC presenter who interviewed the patron is bringing his band the "Walnuts" to Scotland for a short tour. This will include Mull of Galloway and Ardnamurchan lighthouses as well as at 84 George Street on 12 June 2019. Commissioners are very welcome to attend.

Dashboard

The Managing Board noted the updated Dashboard included with the meeting papers. It was agreed to look at the colours of the LLAs diagram to better show the differences.

Action: Senior Executive Assistant

5. ANY CLARIFICATION (BY EXCEPTION) ON OPERATING REPORTS

Driving Accidents

Commissioner Wilkinson highlighted the increase in reports of driving incidents within the HSE Reports. It was noted that these were low speed incidents but were a reminder of the need to be careful.

6. VESSEL REPLACEMENT PROJECT

The Director of Operations gave a verbal update on the vessel replacement project. The Managing Board noted the following:

- A workshop is scheduled for 23 May 2019 in Oban to establish requirements.
- A Project Administration Manager has been contracted for a 5 year period. This post is a key part of ensuring the project milestones are met.

- Project Board meetings are being scheduled with the first one being held on 14 August 2019.
- TH are taking a different approach to the management of their project but it has been agreed to share documents at key milestones

7. REPORT FROM THE HSE COMMITTEE

Commissioner Beveridge gave an update from his first meeting of the HSE Committee. It was noted that the content and contribution at the meeting was good and Commissioner Beveridge had noted the importance of completing the safety reports on Commissioners Voyages as they are fed into the audit trail.

8. REPORT FROM THE NAVIGATION COMMITTEE

The Managing Board noted the minutes from the Navigation Committee held on 21 March 2019. It was noted that briefings on the development of the AtoN review and work surrounding it would be given during the Commissioners Voyages.

9. INTER GLA MATTERS

Joint Strategic Board (JSB)

The Managing Board noted the next meeting of the JSB is scheduled for 20/21 May 2019 in London.

RPI-X Meeting

A meeting to review the future options is due to be held with the Chief Executives and Directors of Business Services on 15 May 2019.

10. ANY OTHER BUSINESS

Commissioner Woodward

The Managing Board noted that Commissioner Woodward is due to meet with the Business Support Managing on 17 May 2019 to discuss the Scotland's Outstanding Lighthouses (SOL) project.

Presentation

The Chief Executive presented Commissioner Crerar, on behalf of Commissioner Turnbull, a music manuscript of a March which had been composed by Commissioner Turnbull specifically for him as outgoing Chair. Commissioner Crerar accepted the gift with grateful thanks.

11. CORPORATE CALENDAR

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

12. PRIVATE SESSION

Pay

A Private Session was held at the end of the meeting involving Commissioners, Chief Executive and Directors. The Executive provided an update on the Pay Remit which included a briefing on the latest submission made to DfT.