

NORTHERN LIGHTHOUSE BOARD

MANAGING BOARD

MINUTES – 16 May 2018

PRESENT:	Graham Crerar	Chairman
	Mike Brew	Vice-Chairman
	Alastair Beveridge	Commissioner
	Mhairi Stephen	Commissioner
	Elaine Wilkinson	Commissioner
	Rob Woodward	Commissioner
	Alistair Mackenzie	Commissioner
	Alison Di Rollo	Commissioner
	Mike Bullock	Chief Executive
	Phil Day	Director of Operations
	Darren Cordner	Finance Manager

IN ATTENDANCE: Karen Charleson Senior Executive Assistant (minutes)

1. APOLOGIES FOR ABSENCE & DECLARATIONS OF INTERESTS

Apologies for absence were received from Mairi Rae, Director of Business Services. The Managing Board welcomed Darren Cordner, Finance Manager, to the meeting to represent the Director of Business Services.

There were no potential conflicts of interest other than those already declared at previous meetings and in the Annual Report and Accounts.

2. MINUTES OF THE PREVIOUS MEETING

The Minutes of the Managing Board meeting held on 21 March 2018 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:

Business Continuity – The contract has now been awarded and discussions are underway to set up a training package.

Action: Chief Executive

Monitoring - The Managing Board noted the updated Gantt chart included in the meeting papers. Initial documentation will be presented to the next Managing Board meeting on 28 June following discussion at the Executive Board.

Action: Director of Operations

Communications Officer Overview and Communication Strategy - The framework paper was submitted to the Board of Commissioners and feedback received. This will be used to help form the Communications Strategy.

Gender Pay Gap Reporting UK – Paper submitted to Remuneration Committee and subsequently amended to reflect feedback. The amended paper will be discussed at the Staff Council meeting on 17 May following which it will be circulated to all staff and uploaded to the NLB Website. A copy has also been sent to the Board of Commissioners.

Annual Board Effectiveness Review - Summary submitted as planned and reviewed by the Board of Commissioners.

Planning and Delivery Team – Human Resources have been instructed to include monitoring of overnight absences of individuals in the metrics recorded.

Cyber Security - ICT is liaising with the Penetration Testing provider which already tests the vulnerability of NLB's network to establish service availability and whether additional testing can be included. This item to remain on the agenda until full feedback from the Penetration Testing provider has been received.

Action: Director of Business Services

Fire Risk Assessment - The Managing Board noted that this is a long term project which will include surveys at stations. Initial discussions have taken place with NLB's consulting engineers and assessments will be prioritised to cover areas of greatest risk first. The requirement has been captured and will be managed by the Asset Team.

Legal Advice - There has been no new legal work identified but NLB will continue to monitor requirements. It was noted that there were very few outstanding estate actions but it was agreed to keep this item on Matters Arising so as not to lose sight of it.

Action: Senior Executive Assistant

Outages – Commissioner Di Rollo enquired as to why there was different figures reported on different papers within the Managing Board pack. The Director of Operations explained that Managing Board papers reports the outages since the last meeting whilst the Navigation Committee receive fuller details which is therefore reflected in their minutes.

4. CHIEF EXECUTIVE'S REPORT

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

Safety

There have been no reportable incidents since the last meeting.

HSE Report

Evacuation of Casualties - Good relationships and team working continue between the NLB and HM Coastguard and have been further enhanced with the latest training exercise held at Tiumpán Head on 26 April 2018. Those taking part were from the NLB Engineering Projects Team all of whom found it useful to keep their training and skills up to date.

Pressure Washer Oban - Three bolts, securing parts of the pump unit within the pressure washer on the Oban Base, were found to have sheared during routine checks. Further investigation is underway. The Managing Board commended the vigilance of Base Staff.

Operations Report

Outages - The Managing Board noted that there has been one outage over 72 hours since the last meeting. A type 3 buoy from the Sound of Harris went missing from station. The buoy has been replaced and an improved mooring system is being investigated.

NLV PHAROS – The Managing Board noted NLV PHAROS had undertaken storing activity, helicopter training and contract work as well as the Inspection Voyage (30 April – 3 May 2018). The RIB davit remains out of service as the necessary replacement parts are not due until June 2018. Meantime the RIB can be launched by crane.

NLV POLE STAR – NLV POLE STAR has continued with routine and casualty buoy work and completed LLA inspections. The crane defect which had limited operation to one runner and 9 tonnes has now been repaired.

Helicopter - Routine operations have continued. All planned and unplanned activity has been supported. Recent changes to Helicopter Underwater Escape Training (HUET) for offshore oil and gas requires an OPITO medical to be carried out prior to undertaking the training. As a result NLB has sourced block bookings at a Glasgow facility for breath hold and dry escape set training.

Programme and Renewals

2017/18 Programme. Copinsay has a significant overrun due to initial planning problems for solar panels and subsequent weather related delays. During the Commissioner's Inspection Voyage the site was visited. Concerns were raised about the condition of the site which are being taken up with the contractor. It was also identified that the FM200 gas cylinders had been discharged. This has been reported to SEPA and instructions to contractors will be amended.

Asset Management

Fire Extinguishers - The Carbon Kevlar extinguishers are being delivered to stations during routine 2018 storing. The extinguishers require a simple annual check that can be undertaken by NLB staff and have a 10 year life before requiring a manufacturer's check. It was noted that the Commissioners had seen the new extinguishers at Start Point during their Inspection Voyage.

Water Safety - The Managing Board noted that a technical specialist in water safety has advised the Asset Team on the controls required to prevent legionella. Controls and testing are being developed but portable legionella testing kits were recently used at Skerryvore to sample the water for legionella at the station. No evidence of legionella in the water supply was found.

HR Report

Organisational Review - All posts created from the Organisational Review have been filled. All Voluntary Redundancy applications have been processed and either accepted or the employee has been confirmed in a suitable alternative role. Following full implementation of the employee element of the review and the GDPR implementation, work will commence on specific projects recommended in the EY report e.g. Capability Matrix, new Performance Management System etc.

Pay Remit - NLB is still awaiting the issue of Treasury Pay Guidance for 2018. DfT's Pay and Rewards Team has advised that no pay remits will be accepted or approved until it is issued.

The Managing Board noted that the Director of Business Services had attended the Chairs of Audit Committees Forum on 26 April 2018 by conference call. Pay was highlighted as NLB's major concern and it was noted that this risk had been escalated to the DfT's Maritime Risk Register. The Director of Business Services highlighted various elements impacting NLB, risk escalation to DfT's Maritime Risk Register and lack of mitigation to date. NLB has since proposed to DfT that the Head of Audit at DfT visits NLB for a briefing.

The Chairman advised that he had recently received the annual survey from DfT, including contact with departmental non-Executive Directors. It was agreed that the Chairman and Commissioner Woodward should make contact with the non-Executive Directors as another possible route that could be used.

Action: Chairman/Commissioner Woodward

Finance and Administration Report

Year End Accounts 31 March 2018 - The Valuation Office provided NLB with their valuations on 10 April 2018. However, multiple amendments followed due to errors and changes with a 'final' version received on 4 May although this version still does not include the valuation of the Oban Pier. A new methodology was used in conjunction with the other GLAs which has resulted in significant changes in values both upwards and downwards. The GLF Accountant is assisting reviewing the fixed assets to identify any discrepancies.

The Audit & Risk Committee has asked the Director of Business Services for any "lessons learned" with recommendations on the way forward to be submitted to the next Audit & Risk Committee meeting. Whilst NLB could use another supplier for valuations this may increase costs and cause a commonality issue for the GLF Accountant with the other GLAs.

Commissioner Woodward asked about the life expectancy of current structures. The Chief Executive advised that the life of an asset is reset to 100 years when capitalised every 4 years. There are no NLB assets nearing end of expected life.

Commissioner Brew enquired as to whether NLB has a policy for replacing light structures. The Chief Executive advised that this was decided on a case-by-case basis as necessary.

Results to 28 February 2018 - The Managing Board noted the Summary financial position for 31 March 2018 contained in the Business Services Report.

Finance Staffing – The Managing Board noted that Darren Cordner joined as Finance Manager on 1 May 2018 and is currently completing induction tasks and getting an understanding of the Finance Department requirements ready to finalise the planned changes in the Finance Team structure.

Business Development – The Managing Board noted the update on Business Development detailed in the Business Services Report. It was agreed to review Commercial Work at a separate meeting once the Director of Business Services has returned to duty.

Action: Director of Business Service

Cyber Security – The Managing Board noted that GIAA are scheduled to carry out a follow-up cyber security audit later in May 2018.

Organisation

Leadership Development – It was noted that the final phase of the programme will be completed by mid-end June. This has been delayed from April 2018.

General Data Protection Regulations (GDPR) - Assistance and alignment has been sought with DfT. NLB is actively sharing policy and records compliance schedules with the other GLAs to facilitate best practice and alignment. An audit will be undertaken by GIAA in Q2 2018/19.

Management Assurance Report (MAR) - The final version of the MAR has been submitted to DfT. The report shows improvement over last year's assessment.

External Engagement

Patron - It now appears that the Patron will not be accompanied by her husband for her visit to NLV PHAROS in July 2018. A meeting was held with the producer of the BBC One Show to review arrangements for the interview with the Patron about her work with NLB on day 1 of the Patron's Voyage.

Outreach – The Chief Executive gave a presentation to a group of Staffers to MSPs on 9 May 2018. This follows-on from a meeting held with MSPs and the Chief Executive of MCA in March 2018.

Exhibition and Reception at Scottish Parliament - The Chief Executive met with Tavish Scott MSP (Shetland) to discuss the possibility of sponsoring an 'exhibition' of NLB's role and activities at the Parliament building and to host an associated reception. Mr Scott has kindly agreed to sponsor the event and an application was made for a date in September. However because of other priorities it appears that the application will now be considered for early 2019.

Dashboard

The Managing Board noted the updated Dashboard included with the meeting papers. The Chief Executive explained that work is underway to review the presentation as it has been recognised that more work is needed to make the information clearer to understand. It was also noted that the plans to integrate the Dashboard through SharePoint were providing more difficult than had been anticipated and would not be achieved quickly. The Managing Board agreed at this point it was more important to concentrate on capturing useful KPIs and they would pass any ideas/concerns to the Chief Executive following the meeting.

Action: All

5. ANY CLARIFICATION (BY EXCEPTION) ON OPERATING REPORTS

Operations Report - Over dues planned maintenance

The Chairman noted that the percentage of overdue tasks was misleading as it is impossible to get to zero. The Director of Operations advised that it is only if the figures are at the high twenties should the Board be concerned. He explained further that the planned maintenance tasks might happen in May one year and July the next year and this is what creates the variations in overdues.

Freedom of Information (FOI) Requests

Commissioner Stephen asked whether the number of FOI requests were still increasing. The Chief Executive reported that the number of requests appears to have steadied and is not such a significant burden as in previous months.

GLF Fund

Commissioner Brew asked whether the proposed pension holiday to allow Light Dues to remain unchanged whilst the TH Royal Sovereign project is completed posed any significant risk to the NLB. The Chief Executive advised that no issues were envisaged.

R&RNav Report

The Managing Board noted that the governance of R&RNav is to pass to Inter-GLA Committee 5 (Requirements and Delivery) from the Chief Executive Committee.

The Chairman stated that a two years ago the Navigation Committee meeting had been held in Harwich which they had found extremely useful as it enabled a visit to R&RNav. It was agreed that the Chief Executive would investigate the possibility of holding another Navigation Committee in Harwich but to also invite the Managing Board to attend.

Action: Chief Executive

The Board asked for more understanding of how the work of R&RNav translates into benefits e.g. LED technology. The Chairman asked the Chief Executive and Director of Operations to provide more information to the next Managing Board meeting on where changes have been made in practice and the potential for R&RNav to contribute at a strategic level..

Action: Chief Executive/Director of Operations

6. FLEET REVIEW

The Managing Board noted that the final meeting of the Reference Group is on 21 May 2018 at which the final report will be reviewed. The report and the views of the Reference Group will then be considered by the DfT.

7. REPORT FROM THE HSE COMMITTEE

The Managing Board noted the next meeting of the HSE Committee is due to be held on 23 May 2018.

8. REPORT FROM THE NAVIGATION COMMITTEE

The Managing Board noted the Minutes from the meeting held on 22 March 2018.

Irvine Beacon

Commissioner Wilkinson asked whether the project being more expensive than forecast would impact on budget. The Chief Executive advised that this project had been sanctioned by the Secretary of State and in completing it the NLB might have to utilise some of the contingency.

The Director of Operations advised that the Barra Head project is now significantly more extensive than first estimated which has resulted in a proposal to move it to 2019/20. This variation would enable two other projects with higher than anticipated tenders and also the Irvine Beacon to be accommodated in 2018/19. The Programme and Project Board have still to consider the proposed changes and report to the Managing Board.

Spoofing

Commissioner Woodward asked for clarification on what spoofing was. The Director of Operations advised that it is when the GPS signal is gradually altered to falsify vessel positions. This change could deceive mariners into thinking that their vessels are safe whereas they may not be and this is extremely concerning for safe navigation.

9. INTER GLA MATTERS

Joint Strategic Board (JSB)

The Managing Board noted that Captain Nigel Palmer is due to retire as the Chair of the JSB but a proposal has been made for him to remain for an extra year to give continuity as the Fleet Review is concluded. Thereafter IL has proposed Mark Barr as Chair. Following the Chief Executive's recommendation the Board of Commissioners supported this approach.

10. ANY OTHER BUSINESS

Outstanding legal actions against NLB

Commissioner Di Rollo asked for clarification on outstanding legal actions against the NLB. The Chief Executive reported that there had only been one legal action against the NLB. This was due to an issue with an insurance claim that had been poorly handled by the P&I Club broker and lawyers but it has now been settled. NLB has raised concern over how this matter was handled and will address issues with the lawyers and the P&I Club. The Chairman reassured the Managing Board that if a legal matter were to occur the Chief Executive will advise the Chairman straight away and if the issue was thought likely to cause a reputational risk then the Board of Commissioners would be informed immediately outside normal reporting.

Commissioner Interviews

It was noted that Hugh Shaw OBE has been appointed as a Commissioner from 1 August 2018. Mr Shaw worked previously for the Maritime and Coastguard Agency (MCA) for over 35 years and was the Secretary of State's Representative for Maritime Salvage & Intervention for 10 years. He will replace Commissioner Mackenzie who is due to retire on 31 July 2018. A Press Release will be issued shortly.

11. CORPORATE CALENDAR

It was noted that the date of the next Navigation Committee was 27 June 2018 not 22 June 2018 as indicated in the Navigation Committee minutes of 21 March 2018.