

NORTHERN LIGHTHOUSE BOARD

MANAGING BOARD

MINUTES – 16 November 2018

PRESENT:	Graham Crerar	Chairman
	Mike Brew	Vice-Chairman
	Alastair Beveridge	Commissioner
	Mhairi Stephen	Commissioner
	Rob Woodward	Commissioner
	Hugh Shaw	Commissioner
	Elaine Wilkinson	Commissioner
	Mike Bullock	Chief Executive
	Mairi Rae	Director of Business Services

IN ATTENDANCE: Karen Charleson Senior Executive Assistant (minutes)

The Chairman welcomed Roy Brennan (Chief Executive, Transport Scotland) and Frances Pacitti (Director of Aviation, Maritime, Freight and Canals, Transport Scotland) to the meeting to provide an overview of developments within Transport Scotland.

Transport Scotland

Mr Brennan gave an overview of Transport Scotland's role in supporting and advising the Scottish Government on strategy and policy options for transport in Scotland, and to increase sustainable economic growth through the development of national transport projects. He also explained the structure of the organisation and highlighted significant areas of activity including roads, rail, air and maritime with emphasis on the environment and a low Carbon economy.

Maritime Strategy

Mr Brennan advised that Transport Scotland would welcome the Northern Lighthouse Board's (NLB) input. It was noted that NLB had already made a submission providing comments on the early draft.

Northern Lighthouse Board (NLB)

The Chairman highlighted the unusual situation where NLB's operations are a reserved function through the Department of Transport but through the Scotland Act NLB now has a Scottish Government appointed Commissioner. This is to make sure the interests of Scotland are represented and to back this "supporting the Scottish economy" has been included in NLB's Strategic Objectives.

The Chief Executive explained that NLB is similar to Transport Scotland in that it provides the 'trunk road' of the sea, keeping the sea lanes open, thus enabling the economic contribution made by the diverse maritime industry. It is appreciated within NLB's Stakeholder Group and particularly within the Scottish Government, what NLB does behind the scenes e.g. providing safe sea lanes, supporting the cruise industry with appropriate navigation, supporting the islands with booking hotels rooms, hiring local contractors, buying materials and supporting tourism by working with local communities to open lighthouses to bring tourists to the area.

Scottish Maritime Cluster

The Chief Executive highlighted the importance of the Scottish Maritime Cluster which is a group of leading maritime businesses that have joined forces to boost economic growth and

secure a larger share of the global maritime market. The Cluster is aiming to attract more member organisations and individuals, particularly those in the oil and gas sector. In addition, the Cluster will reach out to businesses across sectors, including those not currently involved in maritime services, to help them consider how they might be able to make a potential contribution to the maritime sector.

London International Shipping Week (LISW) 2019

DfT has accepted the offer for NLV PHAROS to be berthed in the Thames (alongside HMS BELFAST) for London International Shipping Week 9-13 September 2019 to act as a venue and a visible symbol of UK shipping during the week. It is NLB's intention to use NLV PHAROS to promote the Scottish Maritime Cluster and for the Scottish Government to have the opportunity to emphasise Scotland's contribution to the Maritime industry.

Stevenson Rooms

The Chairman advised that NLB now has lighthouse themed meeting facilities which he offered for use by Transport Scotland. In reciprocal fashion, Transport Scotland advised that their Contact and Educational Facilities at the Forth Bridges can accommodate 100 people and could be used by NLB at no cost.

It was agreed to take the Chief Executive's Report next on the Agenda to allow Transport Scotland to hear a summary of NLB's current main activities in the limited time that they had.

5. 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 meeting.

HSE Report

Casualty Evacuation Exercise – It was noted that a further exercise with HM Coastguard Guard (HMCG) and NLB is planned for 21 November 2018 at Ardnamurchan.

Water Safety - Work on improving the management of water across the estate continues. As part of this process early testing of the NLB's private water supply at the Rinns of Islay identified total variable count to be high. Use of the water was prohibited until further precautionary measures were taken. Bottled water was and will be used for drinking and cooking until further notice.

Lifting Equipment - The Managing Board noted that an audit had been completed which examined lifting equipment and lifting accessories held at lighthouse stations. The audit highlighted that in respect of lighthouse equipment the current training for those undertaking inspections, the capture of data and maintenance of records could all be improved upon and as a result remedial action will be taken. Other on-shore lifting equipment, including larger specialised items of plant i.e. cranes, forklifts and smaller lifting accessories such as slings and shackles are subject to thorough examination by representatives of NLB's Insurers. Ships' equipment is dealt with under an equivalent examination process.

Radon - Further analysis received from Point of Ayre revealed radon readings were still above the recommended limits set in UK legislation. The length of time that the station is visited

currently is unlikely to incur any short-term consequences however a longer-term plan will be sought for this particular station.

Marine Operations Report

Outages - The Managing Board noted that since the last meeting there has been one outage over 72 hours.

NLV PHAROS – It was noted that a defect had recently emerged on the hydrographic suite. Following investigation it appears that a cable needs to be replaced which requires the vessel to be dry-docked. The next planned dry-dock period is February 2020. If necessary the survey capability can be provided for specific tasks on a short-term basis using a rented transponder and deployed via the moon pool. The Director of Operations will provide an update at the next meeting.

Action: Director of Operation

NLV POLE STAR - The Managing Board noted NLV POLE STAR remains out of service awaiting the supply and fitting of new couplings to the azimuth drive motors following damage discovered when the couplings were removed for bearing replacement. Delays were encountered in the manufacture and transport of the couplings from Germany. A decision was made to accept this delay and fit Lloyds approved original parts rather than temporary locally manufactured parts which would have meant a second risk of damage when these were subsequently replaced. This is another example of increasing obsolescence of equipment in NLV POLE STAR. The operational impact on NLB activities was noted.

Incidents on Vessels - There have been a spate of 'slip, trips and falls' incidents on the vessels. As a result Senior Managers and HS&E team members have been tasked to reinforce the safety message on-board at every opportunity. This was reiterated at the Tender Operations Group meeting held on 15 November. Leadership visits from the HS&E Manager and Director of Operations have been arranged. In addition it was agreed that the Director of Operations would investigate what training packages the P&I Club could offer.

Action: Director of Operation

Helicopter - Routine operations have continued. All planned activity has been supported. There have been no availability issues since the last Board though NLB had to release the aircraft to another GLA to support an outage.

Scottish Users Consultative Group (SUCG) - The annual Scottish User's Consultative Group was held at 84 George Street with nearly 50 participants from across the industry attending. Presentations were given by representatives from CMAL, UK Hydrographic Office and the GLA Research and Development team as well as from NLB staff. The meeting was followed by an initial meeting with stakeholders to review NLB's area of operations and gather views at the start of the 5 yearly AtoN review.

Ship Procurement – The Ministerial endorsement of the Fleet Review conclusion that a 7 vessel GLA fleet is necessary for GLA operations has confirmed the long-term requirement for NLB to operate 2 vessels. As previously reported POLE STAR's equipment, in particular her propulsion plant, is becoming increasingly difficult and expensive to maintain because of obsolescence. Following a DfT decision for a separate TH vessel replacement programme, NLB has commenced the early stages of planning for the procurement of a replacement NLB vessel which will follow the Government 'Green Book' process for Procurement. A technology awareness session provided by ABB took place on 12 November.

Oban Harbour – The Managing Board noted that an Oban Bay Management Group (OBMG) meeting was held on 30 October. Feedback from the November stakeholder meeting is awaited on the progress being made to assess the viability of a trust port.

Programme and Renewals

2017/18 Capital Projects - Temporary lights remain at Copinsay, Ardnamurchan, and Rubha Reidh. With the exception of Copinsay (where only tower cracking remedial work remains) all work is complete but installation of the new LED lanterns is awaited due to constraints within the Delivery team.

2018/19 Capital Projects – The Managing Board noted the update on 2018/19 Capital Projects and in particular the delays at Stroma and Irvine Beacon both of which are likely to run into 2019/20 financial year. However, some preliminary works for future projects have been brought forward to enable works to start early in the new financial year. It was agreed that the Director of Business Services would provide a paper detailing the position on Capital Expenditure to the next meeting.

Action: Director of Business Services

The Director of Business Services advised that it is planned to hold an “Education Day” to encourage more contractors to bid for work as at present most of the work is being awarded to just two contractors.

Asset Management

Monitoring – A technical specification was prepared and submitted to Procurement in August 2018. There have been some delays in preparation of the tender documents as legal advice had to be sought. It is anticipated that the tendering exercise will complete in January giving sufficient time for project work to commence with the supplier and installation in financial year 2019/20 as planned.

HR Report

Training and Development - Mental Health First Aid and Mindfulness training is being conducted on both NLV PHAROS and NLV POLE STAR to help individuals manage their mental health but also to equip everyone with the skills to help a colleague if they are suffering from mental health issues whilst onboard.

Business Services Report

Annual Accounts 31 March 2018 - The Audit & Risk Committee (ARC) meeting of 14 November received the final NAO GLF audit completion report which allowed the ARC to recommend the approval of the NLB annual accounts. A “lessons learnt” call will be scheduled with the other GLAs, the GLF Accountant and NAO.

Financial Results to 31 October 2018 - The Managing Board noted that actual year-to-date expenditure show an underspend against budget. The main contributing factors are delayed payments in Pay & Pensions and Capital expenditure. Overall NLB is currently reporting year-end expenditure in line with sanctioned budget bar the reduction in commercial surplus and a reduction in forecast redundancy costs incurred in the year.

Pay forecast – It was noted that the full year pay forecast is in line with sanctioned budget. The current year-to-date underspend is represented by gapped posts and the continuing inability to implement the pay review. Other non-pay variances for the full year are in line with the sanctioned budget except for a reduction in commercial activity costs. Discussions are ongoing with DfT Sponsorship on the NLB Pay Remit however, agreement has been given for

NLB to pay the bonus in the November/December salaries. NLB is waiting to hear from the Trade Unions with respect to this proposal.

Corporate Plan 2019-2024 - Discussions took place with DfT on 5 November and LAC on 6 November. Due to pressures on the GLF in the outer years of the plan, the GLF Accountant has requested NLB review and revise its plan. This request can be accommodated and although work is underway it is unlikely to be approved until the other GLAs have met DfT regarding their plans.

Travel & Subsistence Guidelines – The Managing Board noted the revised travel and subsistence policy and procedures were introduced on 1 November. A number of staff have raised queries which have been addressed. Plans are in place to create a FAQ page on SharePoint and carry out staff briefings to further clarify concerns.

Replacement of ERP and Payroll Systems – The Managing Board noted that in October the Finance Manager and Assistant Management Accountant visited an accounting and audit practice to assess the strengths and weaknesses of some of the available replacement ERP/Payroll products. The visit reaffirmed the need to move from the current systems to more 'solid, tried and tested' platforms. Meetings will be scheduled in November to seek input within the organisation in order to accurately scope and define the requirements of the system to better inform the tender documents.

Procurement – An agreement has been signed to provide a cloud based eProcurement system which will fully meet the requirements of new Procurement regulations. This system will provide a streamlined process for both potential suppliers and NLB personnel.

ICT – It was noted that the new broadband system had been successfully installed in NLV POLE STAR and NLV PHAROS which included recabling and adding additional Wi-Fi hubs. Members of the ICT team are also attending "The National Cyber Security Centre" which is a government alert and sharing centre for cyber alerts and cyber related crime.

Organisation

Business Continuity Exercise - An extensive Business Continuity Exercise was carried out on 7 November 2018. The scenario was based around a fatal Road Traffic Accident involving an NLB vehicle. Useful lessons were identified during the wash-up and the team was judged to have handled the scenario competently.

Staff Engagement Survey - The online survey went live 29 August 2018. To ensure as many staff participated as possible Senior Managers encouraged staff, reminders were issued and the survey remained open until end October. Detailed analysis has not yet been conducted but initial review indicates an improvement on last year. A full report will be submitted to the Executive Group for review and to identify and implement any actions.

Governance Audit – The Managing Board noted that GIAA had completed an audit on Governance which received a 'Substantial' assessment. The audit was discussed by the Audit and Risk Committee at their meeting held 14 November 2018.

Risk Maturity. A Risk Management Review was completed by consultants during the recent Tri-GLA Risk Review. The Review found that NLB's approach compared extremely favourably with those of the other GLAs and noted a high level of risk maturity, positive staff survey results and more generally noted a high performance in comparison with other marine-based organisations. IGC 6 will take forward any actions resulting from the review.

External Engagement

Chamber of Shipping - Bob Sanguinetti the new CEO of the UK Chamber of Shipping visited George Street 8 November for a briefing on NLB's work.

MCA - Brian Johnson has been appointed as the new CE of MCA. Arrangements have been made to brief him on NLB's role and contribution to the economy on 9 January 2019 at 84 George Street.

London International Shipping Week 2019 - The berth alongside HMS BELFAST has been booked from Sunday 8 September 2019. Requests to hold events onboard have been received from the Scottish Maritime Cluster, Isle of Man Shipping Registry and City of Glasgow College. The Chief Executive and Director of Business Services held an initial meeting on 5 November with the DfT Head of Maritime Strategy and Partnerships who has responsibility for LISW. Clarity has been requested on funding/sponsorship for facilities that will be required to hosts events and also to establish DfT's own requirements for the vessel. The offer has also been made to host DfT's Executive Committee (ExCom).

Call on DfT Permanent Secretary - The planned meeting by the Chief Executive and Chairman with Bernadette Kelly on 24 September was cancelled. A date for a meeting with another official is being pursued.

Scottish Natural Heritage (SNH) - Following an earlier briefing with the Chief Executive of SNH a meeting was set up with SNH's Director of Nature and People and NLB's Director of Operations to look at site access restrictions. SNH have been very helpful in their approach and restrictions have been relaxed at a number of key stations.

Cabinet Secretary for Transport, Infrastructure and Connectivity - Michael Matheson MSP is scheduled to visit 84 George Street on 6 December for a briefing on NLB's work and contribution to the economy.

Exhibition and Reception at Scottish Parliament - The Exhibition will be held during week commencing 17 June 2019. A reception is planned for Wednesday 19 June. A meeting is planned with officials from the Parliament to sort out details. Commissioner Woodward offered his support with the planning of the Event. The Senior Executive Assistant will liaise with Commissioner Woodward's Assistant.

Action: Senior Executive Assistant

Dashboard

The Managing Board noted the updated Dashboard included with the meeting papers. Any suggestions for improvement should be passed to the Chief Executive.

Action: All

5. ANY CLARIFICATION (BY EXCEPTION) ON OPERATING REPORTS

HR Report – Recruitment Activity

The Managing Board noted the problem with recruiting for technicians in Orkney and Shetland. The Director of Operations acknowledged the problem and advised that it had been decided to wait for a period before re-advertising. NLB is also considering if there is an opportunity to recruit ex-service personnel.

Helicopter Bank Guarantee

Commissioner Wilkinson asked for more information about the Bank guarantee. The Director of Business Services explained that if the helicopter provider is unable to service the contract

the guarantee allows for NLB to hire a third party to operate a helicopter. There is a cost to providing this guarantee and as it also affects their credit rating the contractor has asked NLB to consider alternatives to a bank guarantee. This request will be explored further.

1. APOLOGIES FOR ABSENCE & DECLARATIONS OF INTERESTS

Apologies for absence were received from Commissioner Di Rollo.

2. MINUTES OF THE PREVIOUS MEETING

The Minutes of the Managing Board meeting held on 20 September 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:

Legal Advice – No new legal work has been identified but NLB will continue to monitor requirements. It was agreed revert to the original wording from previous minutes and to keep this item on Matters Arising so as not to lose sight of it.

Action: Senior Executive Assistant

Pay Remit – The Chairman raised the issue of obtaining from GIAA appropriate points of contact at the DfT. GIAA confirmed that it would be worthwhile and that they would make contact with the Non-Exec Chair of Audit at DfT on his behalf.

NLV POLE STAR - The morale issues onboard NLV POLE STAR have been addressed by the Operations Manager following consultation with the HR Manager and Director of Operations. The situation will be closely monitored.

Succession Plan - The summary report has been circulated to Directors and shared with Senior Managers. It shows the roles judged to be critical and an action plan to mitigate the loss of a post-holder including identifying an emergency stand-in, a long term successor and actions that need to be carried out to prepare individuals for the roles.

Commercial Income - A report on tourism/social engagement will be provided to the March 2019 meeting.

Isle of Man – Nairobi Convention - Wreck Removal - Following some initial difficulties direct contact has been established between the Department of Infrastructure, on behalf of the Manx Government, and DfT.

Cyber Security - ICT is still liaising with the Penetration Testing provider but it will not be known until nearer the time whether additional testing can be included.

6. SHIP PROCUREMENT

The Committee noted and discussed the paper on Ship Procurement prepared by the Chief Executive. It was agreed that NLB should set out the strategic outline business case (Green Book process) at an early stage.

Action: Chief Executive

A copy of the presentation (with notes) from the technology awareness session will be circulated to the Managing Board.

Action: Director of Operations

7. REPORT FROM THE HSE COMMITTEE

The Managing Board noted the minutes from the meeting held on 28 August 2018. There were no new actions arising from the meeting held on 15 November 2018.

8. REPORT FROM THE NAVIGATION COMMITTEE

The Managing Board noted the Minutes from the meeting held on 19 September 2018.

The next meeting of the Navigation Committee will be held in Harwich on 12/13 December.

9. INTER GLA MATTERS

There were no items for discussion that had not already been covered within the Agenda.

10. ANY OTHER BUSINESS

FINGAL – The Chief Executive advised that the owners of FINGAL have requested permission to fly the NLB blue ensign from the stern of the vessel. He considered that this would be a great PR opportunity for NLB and is low risk. The Managing Board agreed to the request.

11. CORPORATE CALENDAR

The Managing Board noted the Corporate Calendar for the remainder of 2018 and for 2019. The dates for the Parliament event and LISW 2019 will be added and circulated with the papers for the next meeting.

Action: Senior Executive Assistant