

# NORTHERN LIGHTHOUSE BOARD

## MANAGING BOARD

### MINUTES – 18 January 2017

<b>PRESENT:</b>	Alistair Mackenzie	Chairman
	Graham Crerar	Vice Chairman
	Alastair Beveridge	Commissioner
	Mike Brew	Commissioner
	Mike Close	Commissioner (by phone)
	John Ross	Commissioner
	Mhairi Stephen	Commissioner
	Mike Bullock	Chief Executive
	Phil Day	Director of Marine Operations
	Mairi Rae	Director of Finance & Administration

**IN ATTENDANCE:** Karen Charleson                      PA to Director of Finance (minutes)

#### **PRESENTATION BY ERNST & YOUNG ON ORGANISATIONAL REVIEW**

Ernst and Young (EY) provided a presentation and briefing on their Organisational Review work setting out the analysis and recommendations detailed in their final report. After discussion the Managing Board endorsed Design 'Option 1' which EY had recommended as the best option and which had the support of the Executive. Having endorsed the high level design the Managing Board agreed to handover the authority for implementation to the Executive under the leadership of the Chief Executive. Having agreed the high level design, the Executive are empowered to progress implementation and (other than material change) have Managing Board approval to proceed. The Executive will keep the Managing Board apprised on progress.

#### **1. APOLOGIES FOR ABSENCE & DECLARATIONS OF INTERESTS**

There were no apologies for absence or potential conflicts of interest other than that already declared at previous meetings and in the Annual Report.

#### **2. MINUTES OF THE PREVIOUS MEETING**

The Minutes of the Managing Board meeting held on 29 November 2016 were agreed as a correct record and could now be published on the website.

*Action: PA to the Director of Finance*

#### **3. MATTERS ARISING**

The Committee noted that the majority of items would be covered later on in the Agenda.

**Health, Safety & Environment Committee** – it was noted that the new arrangements were now in place and the first meeting would be held on 10 February 2017. Graham Crerar will be in attendance.

**Review of Programme and Project Management** – A first draft of the report has been reviewed by CE and Director of Marine Operations. It was agreed that the Audit & Risk Committee still required sight of the final report even though it feeds directly in to the new organisational design.

#### **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. Discussion took place on the following matters:

##### **HSE Report**

###### **Registered Waste Carrier**

The HSE Manager has confirmed that a waste management licence for Oban Base is not required and an exemption is being registered. Work is in hand to register NLB as a waste carrier.

##### **Operations Report**

###### **PHAROS**

The Managing Board noted that the contract for the drydock in February had been awarded.

###### **Helicopter**

Following discussion a resolution to the contractual issues raised has been reached. The Managing Board noted the full brief contained within the Finance Report.

##### **Engineering Report**

###### **Outages**

It was noted that there have been 3 significant outages since the last meeting at Neist Point, Scalasaig and Inner Voder.

###### **Projects**

Continued effort has been made to ensure the 2016/2017 financial year projects are being progressed to completion. Any projects that run beyond March will have expenditure largely accrued this financial year. Work on the 2017/2018 programme continues with the aim of procuring many before the start of the financial year.

###### **Electricity**

The Managing Board noted the report from the assessment included within the Engineering Report. NLB have used the IET Code of Practice assessments designed for assessing an organisations compliance with electrical standards. This assists with focussing efforts according to priority to resolve identified deficiencies.

###### **Maintenance**

It was noted that maintenance overdues have increased by 6% in Oban and 3% in Orkney. It is anticipated that this is a 'seasonal' impact.

## **HR Report**

### **Management Development Programme**

It was noted that interviews of potential suppliers have been scheduled and training for Senior Managers and above is expected to start April/May 2017.

### **Occupational Health – Medical Assessment for Safety Critical Staff**

A meeting with Occupational Health provider was held on 15 December 2016. A risk based process, in line with the Procedural document already reviewed by HSE Committee, will now be developed. The next stage will be to send all relevant documentation to the Trade Unions for Consultation with an aim to implement around May 2017.

### **Policy Review – Redundancy**

It was noted that a draft redundancy policy, revised to align with the new Civil Service Compensation Scheme, is being circulated to the Trade Unions and Senior Management Team for comment.

### **Shared Parental Leave – Policy Amendment**

The Managing Board endorsed the proposed amendment to the Shared Parental Leave policy to align it with the enhanced rates currently being paid for maternity.

## **Finance and Administration**

### **Year End Accounts**

The Managing Board noted the summary financial position for the 8 months to 30 November 2016. Work is continuing to try and achieve year end spend but at present it is envisaged that there will be an underspend against budget. The Managing Board were encouraged by the improvement plan which is in place and acknowledged that the organisational review will also continue to drive improvements. A briefing note on the current position will be provided for the Vice Chairman prior to the next Lights Finance Committee meeting.

*Action: Director of Finance*

## **Organisation**

### **Risk Management**

A new risk framework and methodology has been developed by Jim McBrier the Risk Quality Assurance and Compliance (RQAC) Manager. An initial pilot project is underway within the IS Team. This will enable lessons to be learnt and the process refined, prior to review and validation by the Audit and Risk Committee in February. Once endorsed the framework and process will be progressively rolled-out across the NLB.

### **84 George Street Project**

Contract work continues to the planned schedule.

## **External Engagement**

### **Framework Document**

The Managing Board noted and accepted the changes to the Framework Document. In discussion, it was noted that the Isle of Man is specifically mentioned in defined terms and that the Channel Islands and Gibraltar are not similarly mentioned. It had also been previously agreed that there would be a strict Revision Record maintained as the document is amended. The Chief Executive will raise these points with TH.

*Action: Chief Executive*

### **Meeting with Lucy Chadwick DfT**

It was noted that the Chairman and Chief Executive's Annual Assurance Process call on the DfT is scheduled for 19 January 2017.

### **IALA**

The change of IALA's status to an International Intergovernmental Organisation is maturing and a diplomatic conference is to be held 18-19 April. The Chief Executive will attend along with Deputy Master, TH. It was noted that the French Consulate General had visited the Chief Executive to discuss the change.

### **Corporate Plan**

It was noted that the Chairman of the Board and Chief Executive had been in London for the Annual Corporate Planning meeting with the DfT and LAC on 1 December. This meeting was also attended by the other GLA Chief Executives and Chairs. It was noted that feedback from both the DfT and LAC on NLB's Plan for 2017-2022, achievements over the last year and initiatives had all been very positive. Formal sanction of the 2017/18 budget from the Secretary of State is awaited.

### **Patron**

The Patron will open the Stevenson Rooms and attend a Managing Board on the afternoon of 25 May 2017.

### **Commissioners Inspection Voyages**

The Commissioners Inspection Voyages have been arranged for 21-24 May 2017 and 27-30 May 2017 commencing in Greenock and Oban respectively. Details of the programme have yet to be finalised.

## **5. ANY CLARIFICATION (BY EXCEPTION) ON OPERATING**

### **HSE Report, Loch Ryan, Fire Damage**

It was noted that a small fire had occurred in the electricity supply meter on the lighthouse station. The electrical supply company has visited the site and a new meter has been installed. Contractors have undertaken a fixed installation inspection and remedial works proposed.

### **Operations Report – berthing income**

It was noted that the parent company of the Hebridean Cruises had gone into administration. The Director of Marine Operation advised that there is a new owner of the company and it is planned to commence cruises in the Spring as normal.

*Post Meeting Note: Outstanding invoices have been settled by the new parent company.*

### **Estates Report**

The Managing Board enquired whether there had been a change in policy on disposal of property. The Chief Executive explained that a paper with recommendations on how NLB propose to approach the estate overall will be presented to the Managing Board in due course for their endorsement but for the moment the decisions taken will prevent further disposals before a clear policy is established.

### **Start Point**

The Managing Board noted the issues of access at this site as this is a SSSI station and agreed the proposal to retain this property and maintain/paint as a day mark.

## **6. FLEET REVIEW**

The Managing Board noted the update on progress from the Director of Marine Operations.

## **7. REPORT FROM THE NAVIGATION COMMITTEE**

The Managing Board noted the verbal report provided by Commissioner Alastair Beveridge on the meeting held on 16 January 2017. A revised Terms of Reference have been agreed and will be put to the next Board of Commissioners meeting for approval.

## **8. INTER GLA MATTERS**

### **JSB Meeting – 24/25 January 2017**

It was noted that the JSB are scheduled to hold an informal meeting on 24/25 January 2017. This meeting would not include the Department of Transport (DfT) or Department of Transport, Tourism and Sport (DTTAS). The next full meeting of the JSB will be held on 8/9 June 2017 at NLB.

## **9. ANY OTHER BUSINESS**

### **Board Effectiveness**

In order to support Corporate Governance good practice the Commissioners are obliged to undertake an annual evaluation of the Board of Commissioners and subordinate committees. The Chairman reminded Commissioners and Executive to submit their responses before Friday, 10<sup>th</sup> February 2017.

## **10. CORPORATE CALENDAR**

The revised Corporate Calendar for 2017 was noted. It was agreed that in future to try to align meetings, where possible, to avoid travel. The Chairman reminded Commissioners of the option to use video conferencing or to dial in.