

NORTHERN LIGHTHOUSE BOARD

MANAGING BOARD

MINUTES – 20 September 2018

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

IN ATTENDANCE: Karen Charleson Senior Executive Assistant (minutes)

1. APOLOGIES FOR ABSENCE & DECLARATIONS OF INTERESTS

Apologies for absence were received from the Director of Operations.

The Chairman welcomed Commissioner Shaw to his first meeting of the Managing Board.

2. MINUTES OF THE PREVIOUS MEETING

The Minutes of the Managing Board meeting held on 28 June 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 – A Business Continuity Exercise has been arranged for 7 November 2018 focusing on a road traffic accident. Media training has also been carried out on 3 September 2018 which included Commissioners Beveridge and Shaw as well as Directors and Senior Managers.

Cyber Security – Plans are in place for Penetration testing in early December 2018 details of which are still to be finalised to see whether additional testing can be included.

Legal Advice - No new legal work has been identified but NLB will continue to monitor requirements. It was agreed to keep this item on Matters Arising so as not to lose sight of it.

Action: Senior Executive Assistant

Pay Remit – The Chairman would seek to confirm appropriate points of contact at DfT when he visits the Permanent Secretary on 28 September 2018.

Action: Chairman

Pressure Washer, Oban – Interim measures to safeguard staff if a further failure occurs have been made. A proposal for capital expenditure to replace the pump unit is included in the Corporate Plan for FY2019/20. This will resolve the underlying design issues and permit continued operation of the pressure washer. A reputable service company has inspected the unit and advised the remainder of the system is of good quality and in good order. It was noted that the Principal Mechanical Engineer has been liaising with other companies which use the same pressure washer.

Photographs – the Chief Executive thanked Commissioners for sending in photographs taken when on voyages.

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 has been one reportable incident since the last meeting which took place onboard NLV POLE STAR. The incident was reported to the Marine Accident Investigation Branch as an over 3 day injury.

The Managing Board raised concern over the rise in near misses reported on the ships. It was noted that the Director of Operations was very aware of the need to remind staff of their responsibilities and is taking appropriate action. The Director of Operations will provide more detail to the next meeting around the incidents and the specific action being taken to address them.

Action: Director of Operations

NLV Pole Star Dry Dock - It was noted that there had been a serious incident while undertaking a planned repair on the underside of the vessel. Shipyard employees using gas cutting equipment mistakenly cut into a marine gas oil tank rather than the shell plating of a fresh water tank that was scheduled to be repaired. The tank contained approximately 1.5 cubic metres of fuel which meant that marine gas oil vapour was present with high potential for fire or explosion. Fortunately, the incident only caused minor pollution which was quickly contained and cleaned-up. An investigation is on-going and a report awaited. A value for money/lessons learned exercise will be carried out on completion of the dry dock.

Action: Executive

HSE Report

Loch Ryan - It was noted that there had been an incident at Loch Ryan while turning on the internal light switch in the base of the tower the light circuit immediately tripped. Subsequent investigation of the consumer unit at site indicated that this was due to the Residual Current Circuit (RCD) breaker tripping. Further work on this station has been undertaken to replace the switches. The site has been checked by the Principal Electrical Engineer and is safe to continue operating.

DNV-GL External Audit - The Managing Board noted that the audit was carried out 20-27 August and highlighted a Positive HS&E Culture.

Marine Operations Report

Outages - The Managing Board noted that there has been one outage over 72 hours since the last meeting. It occurred at Point of Ayre where the racon had to be replaced.

NLV POLE STAR - Currently in dry dock for intermediate survey and the overhaul of thrusters and azimuth units. Some minor damage occurred to shell plating when docking down which does not need repairing. The damage caused by HAMNAVOE is more extensive than first thought but none the less is minor in nature. The harbour generator has turned out to need a substantial overhaul after internal inspection.

The Managing Board noted that some morale issues onboard the vessel had been identified. The issues will be discussed further in conjunction with the results of the Staff Engagement Survey. It was noted that the online survey went live on 29 August and will remain open until the end of September to ensure all Ship's Staff have the opportunity to participate. The Executive and Senior Managers are proactively encouraging staff to participate to try and get as near as possible to 100% completion. Commissioner Wilkinson stressed that it was important to recognise that there had been many changes throughout the organisation so it should not come as a surprise that there might be a dip in morale which would reflect in the results when compared to last year's survey. Once the results have been analysed a report will be submitted to the Managing Board.

Action: Chief Executive

Helicopter - It was noted that there has been no issues over the summer with availability of aircraft or pilots and all additional sorties have been flown as requested.

Programme and Renewals

2018/19 Capital Projects - All 2018/19 capital projects are either under way or just about to commence with the exception of beacon work which has been delayed by longer design times than anticipated. Some temporary lights remain in place from 2017/18 projects due to constraints within the delivery team to install the optics but these are being progressed. The beacon project at Irvine Harbour is more complex and substantial than anticipated and is likely to run into the 2019/20 financial year though procurement will progress and significant fabrication costs will be covered this year. It was agreed that the Director of Business Services would speak to the GLF Accountant about showing this project separately in the Corporate Plan 2019-2024.

Action: Director of Business Services

Asset Management

Fire – Desk-based fire risk assessments are progressing and the first non-FM200 replacement fixed installation, which is environmentally friendly, is to be fitted at Stroma in FY 2018/19.

Asset Management Policy – The Managing Board noted and approved the Asset Management Policy included with the meeting papers.

DGPS – The Managing Board noted the ongoing issues with the DGPS system which will be included in the Operations Department Risk Register. It was also noted that the DGPS system is due for replacement in 2025. R&RNav has issued a questionnaire to find out the usage of the current system. Once the data has been collated they will enter into discussions with DfT on the way forward. In the meantime the current system will be maintained.

Lighthouse power options – The Managing Board noted the paper on the power options available for lighthouse refurbishments.

Oban Harbour

The Managing Board noted that it has been decided to actively explore a trust port arrangement and the Oban Bay Management Group (OBMG) has agreed to support this move whilst keeping the CMAL option on the table. NLB has now taken the chair of the OBMG and Commissioner Brew has agreed to support the group and stakeholders in the project.

HR Report

Performance Management System - The Managing Board noted that a focus group with Senior Managers to identify what they would like from the new shore-based performance management system has been arranged. The new system is due to be implemented from August 2019.

Succession Plan - Annual Succession planning reports have been submitted by Senior Management and a report of actions will be circulated to Directors for review. It was noted that there no significant gaps in the plan had been identified but it was highlighted that there is a current issue was with long-term sick absence. The Chief Executive will update the Managing Board on the position with sick absence as appropriate.

Action: Chief Executive

Business Services Report

Annual Accounts 31 March 2018 - Follow-up queries are still being received from NAO on the revaluation of the non-current assets. Any changes required on the completion of NAO's work on the revaluations are not expected to impact the statement of account. NAO's audit principal confirmed at the Audit & Risk Committee (ARC) that they are not anticipating any further changes. However, they are currently in the process of reviewing their work internally with further requests received into September. The annual accounts were approved by the ARC on 31 August subject to any changes being minor. A "lessons learnt" review is scheduled with the Valuation Office Agency (VoA) and it is anticipated that there will be a further lessons learnt review with NAO.

Pay Remit - The Managing Board noted that HM Treasury and Cabinet Office have now issued the Civil Service Pay Guidance for 2018/19 limiting increases to an average of 1%-1.5%. This is not a cap so awards may be above 1.5% but the overall average must be a maximum of 1.5%. A meeting was held with Trade Unions on 15 August to discuss any employee concerns relating to pay and conditions. PCS, FDA and Prospect Unions have been granted a Judicial Review over the Government's below-inflation pay guidance and lack of consultation and advised they expected that no further pay awards would be sanctioned until after the judicial review which is likely to be around the start of October 2018. NLB remains in limbo with respect to making an offer to staff until DfT responds to the elevation of the risk posed by the current pay restrictions. The Chief Executive and Directors continue to raise the issue at every available opportunity with officials, including the Maritime Minister during her recent visit to Oban.

Finance Staffing – The Senior Management Accountant took up post on 3 September and is focusing on process improvements and streamlining NLB's financial reporting requirements. The Assistant Management Accountant role has been offered, following interviews, and it is expected that an appointment will be made by 14 September.

Travel & Subsistence Guidelines – The Managing Board noted and approved the travel and subsistence guidelines document included with the meeting papers.

Replacement of ERP and Payroll Systems – The Managing Board noted that following a review of the current systems and their potential replacements it has been decided that the best way forward is to replace them prior to the end of the current support and maintenance contracts in 2020. A more detailed paper was presented to the Audit & Risk Committee in August.

Financial Results to 31 August 2018 – The Managing Board noted that actual year-to-date costs show an underspend against budget. The reasons behind the underspend were discussed however it was noted that other non-pay variances for the full year were in line with sanctioned budget except for a reduction in commercial activity costs. Capital expenditure for the full year is also in line with sanctioned budget albeit there have been some adjustments to the programme.

Commercial Income - The Managing Board noted the report on historic and forecast commercial income included within the Director of Business Services' report. It was agreed that the Managing Board would like to see a similar report on tourism/social engagement at the next meeting.

Action: Director of Business Services

Business Development - Discussions are continuing to try and fill the shortfall in planned work. The forecast surplus has been adjusted to account for this. It was noted that work to service contract buoys was scheduled to take place in August but has been delayed for the third time due to weather.

Procurement & Supply Chain - During July GIAA undertook an advisory review of inventory held at Oban. As this was an advisory audit no opinion was included. Changes to reduce the burden on the procurement team and empower users to progress quotations for small value purchases were implemented on 1 August 2018. Further changes will be implemented shortly once the procurement team has prepared guidance templates to assist staff.

A contract review meeting, to address concerns with NLB's Engineering Support Services provider, is being planned.

ICT - The Managing Board noted the update on ICT activities:

- GIAA were on site at 84 George Street in May to carry out the follow-up cyber security audit. GIAA have been on site 30/31 August to complete the fieldwork. The final report is awaited. Work is underway to procure a cyber-security training programme for staff.
- ISO 27001 audit took place on 10 September which identified 2 non-conformities and 2 observations. Plans are in place for a disaster recovery test in September 2018 and penetration test in early December 2018.
- Staff across NLB reviewed and sanitised their files in advance of the GDPR deadline. SharePoint has now become the records management system for the organisation although there are still a few teething issues.
- The replacement satellite broadband contract has been awarded and the new system will be installed on NLV POLE STAR during the September dry-dock and on NLV PHAROS in October.

Organisation

Leadership Development - The final phase of the programme has been completed.

External Engagement

Patron - The date of screening of the BBC One Show's filming of an interview with the Patron and her visit to Ailsa Craig is not yet decided but will be widely promulgated to staff, Commissioners and via social media channels when it is announced.

Maritime Review – The Chief Executive attended the Maritime Review reception at the UK Parliament which was hosted by the Maritime Minister. The Fleet Review and reduction of GLA costs is mentioned in the document.

LISW 2019 -DfT has accepted the offer for 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. The offer was formally announced at the LISW 2019 launch reception on 11 September which was attended by CE and Director of Operations. The intention will be to use 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.

Visit of Maritime Minister to Oban - The Maritime Minister, Nusrat Ghani MP, visited Oban on 14 August. Very positive feedback was received about the visit and there was also some good social media coverage.

Call on DfT Permanent Secretary – It was noted that the Chief Executive and Chairman will meet with DfT Permanent Secretary, Bernadette Kelly in London on 28 September.

Doors Open Days - Following the success of last year 84 George Street will be open to the public on 29 and 30 September.

20th Anniversary of Automation - A reception will be held on the afternoon of 20 September to mark the 20th Anniversary of Automation. Former Keepers, the widows of former keepers and their families have been invited. Over 100 attendees are expected.

MNTB Apprentice Event – The Chief Executive, Chief Caterer Ned Kelly and our two Rating Apprentices participated in a Rating Apprentice event organised by the Merchant Navy Training Board (MNTB) at Liverpool Town Hall on 13 September. The intention was to promote NLB's commitment to supporting investment in Ratings. It was noted that the Apprentices had spoken on a panel.

David Stewart MSP - Mr Stewart MSP for Highland and Islands visited Noss Head on 10 July to see the renovation work underway. Mr Stewart will be visiting 84 George Street on 26 September to receive a briefing on NLB from the Chief Executive.

Mr Matheson, Cabinet Secretary for Transport - The Chief Executive is liaising with Mr Matheson's office on dates for a visit to 84 George Street.

Exhibition and Reception at Scottish Parliament. A number of possible dates in Feb, March and April 2019 have been submitted for holding an exhibition of NLB's role and activities at the Scottish Parliament building and to host an associated reception. A decision is expected in October.

Meteorological Office visit – Commissioner Woodward has extended an invitation to the Navigation Team to visit the MET office the next time they visit the UKHO which will probably be in Spring 2019.

Scattering Ashes Ceremony, Oban – The Managing Board noted that staff at Oban Base had assisted with arrangements for the scattering of ashes at the pier for a lighthouse family,

now living in New Zealand, who's great grandfather was Master of the Hesperus. The family was very grateful and it received positive coverage in the Oban Times.

Dashboard

The Managing Board noted the updated Dashboard included with the meeting papers and discussed the following:

- Delivery and Planning – It was noted that the backlog of outages was continuing to increase. This was due to some staff inexperience following the organisational changes and longterm sick absence. The Chief Executive advised that this had been discussed at the recent Executive Group and the Delivery and Planning Manager was not unduly concerned at this time. It is expected that the number will be brought down in the mid-term. It was agreed to add another column to show the trend.
Action: Chief Executive
- Compliance – It was felt that the number of planned audits may have been over ambitious. This has been highlighted and discussed at the Executive Group. The Senior Management Team is reviewing their audits and will prioritise against risk to establish what really needs to be carried out. The Risk and Improvement Manager remains positive that this year's plan can be achieved.
- Long-term sick – It was noted that long-term sick is on the increase. However, it was recognised that due to the size of the organisation a small number of staff on sick absence can make a big effect on the statistics.

5. ANY CLARIFICATION (BY EXCEPTION) ON OPERATING REPORTS

Operations Report – Risk Register

Commissioner Wilkinson enquired why the design and specification of Generators/ Programmable Logic Controller for 2018/19 projects had only just being discovered. The Chief Executive advised that this was a legacy issue which had only just come to light. The new organisation structure now provides better focus on assets and will be better able to identify and resolve this sort of issue in future.

HR Report – Recruitment Activity

The Chairman asked whether following the interviews for technicians in Orkney/Shetland any appointments had been made. The chief executive advised that none had been made but further interviews will be held shortly.

6. SHIP PROCUREMENT

The Committee noted the paper on Ship Procurement prepared by the Chief Executive and was surprised at the unilateral approach informally directed by DfT to NLB and TH. The Chief Executive advised that NLB will await formal notification from DfT for single action procurement. This item will be raised when the Chairman and Chief Executive meet with the Permanent Secretary on 28 September.

Action: Chairman & Chief Executive

7. CORPORATE PLAN 2019-2024

The Managing Board noted the further "slimmed-down" version of the Corporate Plan 2019-24 included with the meeting papers. The Commissioners discussed the key changes from the 2018 plan and it was agreed that:

- The Chief Executive would look at the wording in the Executive Summary to expand and emphasise the changes and developments NLB has gone through in recent years.
Action: Chief Executive
- The Director of Business Services would look at the wording in the Budget Bid to expand and emphasise the changes in assumptions and their impact on the RPI-X calculation.
Action: Director of Business Services
- The Director of Business Services would speak to the GLF Accountant to see if the Irvine Harbour beacon project could be ring-fenced as this was a direction from the DfT.
Action: Director of Business Services

It was noted that there has been a change to the scheduled dry-docking for NLV PHAROS. It has been determined through oil analysis, running-hours records and experience with NLV POLE STAR overhauls that the overhaul of the thruster and azimuth units can wait until the 15 year dry-docking in 2012/22. This rescheduling will enable the upgrade to the DP system to be brought forward.

The Managing Board approved the draft Corporate Plan, subject to the agreed changes, for submission to the Board of Commissioners on 17 October 2018.

8. MONITORING

The Managing Board noted the Monitoring Replacement: Project Phasing Strategy which was included in the meeting papers.

9. REPORT FROM THE HSE COMMITTEE

The Managing Board noted the verbal update from the meeting of the HSE Committee held on 28 August 2018.

10. REPORT FROM THE NAVIGATION COMMITTEE

The Managing Board noted the Minutes from the meeting held on 27 June 2018. Commissioner Beveridge provided a verbal update from the meeting held on 19 September 2018.

AtoN Availability

It was noted that NLB was continuing to meet availability targets.

SUCG

Scottish Users Consultative Group (SUCG) Meeting is due to be held on 1 November 2018. A draft Agenda was submitted and approved by the Navigation Committee at the meeting on 19 September.

AtoN Review 2020

The Navigation Team has started planning work for the five yearly tri-GLA Aids to Navigation Review and has put together a timetable. An external workshop to increase User input will be held following the SUCG Meeting on 1 November 2018.

GLAs Marine Navigation Plan (GMNP)

It was noted that the GMNP had been launched at the JUCG Meeting in June. The document sets out how the GLAs see the mix of AtoNs in the coming years.

Navigation Committee – 12 December (Harwich)

The next meeting of the Navigation Committee will be held in Harwich on 12 December. Managing Board members are encouraged to attend.

Isle of Man – Nairobi Convention - Wreck Removal

It was noted that the Manx Government are seeking to clarify the relationship between NLB and Isle of Man in terms of the Nairobi Convention. As it currently stands the Memorandum of Understanding (MOU) between SOSREP and the GLAs does not cover the situation of wreck removal in Manx waters. If the situation arose it is not clear if the Manx Government could direct NLB to remove a wreck.

The Chief Executive suggested that the Manx Government makes direct contact with the DfT to agree a way forward. Commissioner Brew agreed to relay the Board's position.

Action: Commisioner Brew

11. INTER GLA MATTERS

The Managing Board noted:

CEC Meeting

The next Chief Executives Meeting will be held in Dublin on 4/5 October 2018.

JSB Meeting

The JSB meeting is scheduled for 12/13 November in Edinburgh. The 104th Scottish Shipping Benevolent Dinner will be held on the evening of 13 November.

12. ANY OTHER BUSINESS

There were no items of Any Other Business.

13. CORPORATE CALENDAR

The Managing Board noted the Corporate Calendar for the remainder of 2018 and for 2019. It was noted that the SUCG scheduled for 7 November may change to the previous week.