

NORTHERN LIGHTHOUSE BOARD

MANAGING BOARD

MINUTES – 23 January 2019

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

IN ATTENDANCE: Karen Charleson Senior Executive Assistant (minutes)

Due to Commissioner Crerar being unable to attend in person it was agreed that Commissioner Brew would Chair this meeting of the Managing Board.

1. APOLOGIES FOR ABSENCE & DECLARATIONS OF INTERESTS

There were no apologies for absence.

2. MINUTES OF THE PREVIOUS MEETING

The Minutes of the Managing Board meeting held on 16 November 2018 were agreed as a correct record and could now be published on the website subject to the inclusion of Commissioner Wilkinson on the attendee list.

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:

NLV PHAROS – It was noted that the defect on the hydrographic suite remains and it is intended to be rectified at dry dock in February 2020.

Incidents on Vessels – Following a spate of ‘slip, trips and falls’ incidents on the vessels the Director of Operations was asked to investigate what training packages the P&I Club could offer. A range of material has now been sourced from the P&I Club on specific risks such as enclosed spaces.

Ship Procurement - A copy of the presentation from the technology awareness session was circulated to the Managing Board.

Safety - The near misses and minor injuries were discussed in detail with the Ships Masters and Chief Engineers who attended the 6 monthly tender operations group. The concerns regarding underlying causes have been discussed at the Ships safety meetings and also the

HSE Committee. The Director of Operations and HSE Manager are scheduled to visit each ship and crew.

NLV POLE STAR Dry-Dock - NLV POLE STAR has now returned to service. A Lessons Learnt meeting will be scheduled after the Procurement Manager has visited the shipyard to discuss the dry dock and the Technical Superintendent has completed NLV PHAROS self-maintenance work.

Cyber Security - Unfortunately due to staff absence the planned test has been delayed and is now scheduled to take place on 20 February. The test will include Ship systems.

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 Managing Board which relates to an incident reported to the November Managing Board. The incident has been re-categorised because the injury resulted in the loss of over 3 working days.

HS&E Report

Buoy Incident - NLV POLE STAR's crew were working on a contract buoy. It was lifted on to the deck without incident. During recovery of the sinker the mooring chain parted below the "working part", which was already well established on the chain winch, between the chain winch and the chain roller. The cause is presumed to be material failure. NLB will now look at what lessons can be learnt from this incident.

Casualty Evacuation Exercise - A successful exercise with HM Coastguard (HMCG) took place at Ardnamurchan on 21 November 2018 with four rescue teams from HMCG's Western region participating.

IOSH Training - The first in a series of 4 day IOSH Managing Safely Courses have been undertaken by Project Engineers, Managers and Lead Technicians to improve health and safety competence levels within NLB.

COSHH Database - Work has commenced to obtain a new Control of Substances Hazardous to Health (COSHH) Management system database that will be held via web/cloud based programme. This will assist with the management of COSHH Assessments linked to specific tasks, areas of work and how chemicals are used within NLB.

Marine Operations Report

Outages - The Managing Board noted that since the last meeting there has been one outage (St Kilda) over 72 hours. This outage was prolonged due to bad weather.

NLV PHAROS – The Managing Board noted that NLV PHAROS has been engaged in buoy operations, helicopter operations for storing, Local Lighthouse Authority inspections as well as completing 75% of Rig Inspections. NLV PHAROS was alongside at Oban over the Festive period providing Risk Response cover.

NLV POLE STAR – The Managing Board noted that NLV POLE STAR was now back in service after 111 days in dry-dock. The vessel is fully operational. All invoices with the shipyard have now been settled and there are no outstanding claims. A Lessons Learned exercise for this docking is to be carried out in the coming weeks. A review of how NLB procure dry-docking in the future will also be undertaken.

There has been one incident since leaving dry-dock where a valve, that the yard supplied, failed. This has been isolated and a replacement valve is being sought. The valve had a Lloyds Certificate. The shipyard is now going back to the supplier. Lloyds have been informed of the material defect.

Helicopter - Routine operations have continued. All planned activity has been supported. NLB had to release the aircraft to support an Irish Lights outage. The contract is currently operating with 3 rather than 4 pilots which resulted in the need for aircraft release. The contractor is currently sourcing a replacement.

Oban Bay – It was noted that the Navigation Committee, at their meeting on 12 December 2018, had agreed in principle to:-

- Discontinue the Corran Ledge cardinal buoy
- Lay 5 starboard-hand buoys and 2 port-hand buoys to mark the widest usable channel, particularly for leisure vessels.

Programme and Renewals

2017/18 Programme - Temporary lights remain at Copinsay, and Ardnamurchan. Work is complete at Ardnamurchan but installation of the new LED lanterns is awaited.

2018/19 Programme – The programme for this financial year is fully underway with many sites nearing completion with contracts in place for all of the works.

2019/20 Programme - Work is progressing for the 2019/20 programme with preparatory work on-going ahead of next financial year.

Planning and Delivery

Planning and Delivery Team - The Managing Board noted the current staffing issues which have led to a delay in commissioning lights. There are also some stations with underlying faults which are being monitored and addressed as resources allow. As a result there may be an increase in overdue maintenance tasks for a short period.

Asset Management

Monitoring – The existing monitoring system and servers continue to operate reliably. A tendering exercise for the replacement of the monitoring system has been conducted and responses are being assessed. It is anticipated that the tendering exercise will complete in late January giving sufficient time for project work to commence with the “top end” replacement in 2019/20 as planned.

End to End Processes - The temporary technical writer, who had previously left, has now been re-engaged by NLB and has resumed the preparation of the “end-to-end” processes. This is a key part of the organisational change to make sure the hand-off points are clearly understood and mapped out. Commissioner Wilkinson advised that end-to-end processes had

been raised at the Chairs of Audit Committees meeting as it is seen as a way to drive out risk in an organisation. Given that discussion it was noted that NLB was ahead of the game.

HR Report

Performance Management System – The Managing Board noted that a focus group was held with Senior Managers on 21 November 2018. The next stage will be to hold a focus group with employees with a view to then drafting an amended performance management system.

Succession Planning - A report listing the actions has been circulated to Directors. Senior Managers will be asked to update progress on the actions in February 2019.

Business Services Report

Pay Remit – The Managing Board noted that during the pay meeting with DfT in November a request was made to pay staff their Performance Related Bonus payment in advance of receiving pay remit approval. Although this is not normally possible DfT was able to sanction this within the Framework Agreement regulations. All staff who qualified were paid the bonus in their November salary.

Discussions continue with the Sponsorship Team who are now talking with HM Treasury. There may be a requirement for the Director of Business Services and HR Manager to meet with HM Treasury to discuss the matter further and also a full Business Case may still be required.

Finance Systems Review – The review is continuing as expected. System replacement meetings with users and managers within departments directly impacted with the system replacement have begun and meetings will conclude in January. The information gathered will be used to better inform the tender documents.

Annual Accounts 31 March 2018. NLB's annual accounts and report were signed on 26 November 2018 and have been lodged in both Parliaments. Copies can be found on the NLB website (www.nlb.org.uk).

Annual Accounts 31 March 2019. NAO staff are currently on-site to carry out NLB's interim audit. To date there has been nothing of note raised. The final audit is scheduled start on-site 15 July 2019.

Financial Results to 31 December 2018 – The Managing Board noted the summary financial position to 31 December 2018 as shown in the Business Services report. Actual year-to-date costs show an underspend against budget. A review has been carried out of pay and redundancy costs and DfT has been advised of the revised reduced figures. The main contributing factors are delayed costs in Pay & Pensions and Capital Expenditure. Pay forecast (including redundancy) for the full year has been reduced due to a combination of vacancies and gapped roles not being filled throughout the financial year.

The 2018/19 budget included a revenue contingency that has been identified as not required and as such the forecasted other non-pay and commercial costs has been reduced by this amount.

Commercial income for the full year has reduced mainly due to a reduction in ship hire work. However, the extended period of NLV POLE STAR's dry-dock also made a significant contribution.

The Capital Expenditure plan for the full year is in line with the sanctioned budget. It was noted that the Capital Expenditure table has been amended to reflect the actual spend on each individual project. Regular meetings continue to manage the capital expenditure “glide path” to the year-end. The Managing Board took assurance from the fact that funds have been reallocated to projects that could be delivered by the end March. The improving Project Management processes has enabled improved management of Capital Expenditure.

Actual capital expenditure to date is under budget due to delays in costs being received for the upgrade of AtoN's due to the majority of work completing in Q4 of the year and the postponement of Monitoring upgrades. Sizeable cash outflows are expected in February and March as the work is commissioned and invoiced.

Business Development – NLB continues to pursue leads to fill the shortfall in planned work. It was noted that NLB was unable to deliver 10 days work in March due to ship availability and passed on the enquiry to Irish Lights.

Stores - Engineers are mapping out their process for spares which will then be integrated with Oban stock procedures. Currently there could be items held within stores or with engineers. This work is part of the supply chain improvement plan identified during the Organisational Review.

eProcurement System – Relevant Staff have now started to complete the evaluation process electronically once tenders are returned. The system is already saving time within the procurement team as each email does not have to be saved to SharePoint – once the advert is placed all communications are via the eProcurement system.

ICT Update - A phishing test was carried out to establish a baseline to mark progress in educating users. NLB has now rolled-out a security training product which is mandatory for all staff. On-site training for Commissioners can be arranged if requested.

The Boardroom configuration for video conferencing has been upgraded to match that in the Stevenson Rooms. A Cisco meeting server will be installed at the end of January which will finalise these installations.

NLB Website - A new NLB online shop was implemented prior to Christmas by the temporary resource brought in to progress the new NLB website. The Managing Board will have the opportunity to see the new design at their next meeting. It is anticipated that the new website will be launched by the end of March.

Organisation

Annual Staff Address - The Chief Executive gave his Annual Staff Address to audiences in Oban and 84 George Street. The meetings were positive with no significant issues or concerns raised. The meeting in Edinburgh coincided with a meeting of Technicians including those from Orkney, Shetland and Inverness. The Chief Executive will hold similar discussions with ships' crews as the opportunity arises with PHAROS scheduled to be visited on 16 January 2019.

Inspection Voyages - Initial planning has been conducted. Voyage 1 will be 3 - 6 June starting and ending at Oban. Voyage 2 will be 24 - 27 June starting and ending in Stornoway. Invitations have been extended to Roger Hargreaves (Marine Director, DfT) and Brian Johnson (Chief Executive, MCA) and their responses are awaited.

External Engagement

Corporate Planning (Multilateral) Meeting – The Managing Board noted that the Multilateral meeting took place on 28 November 2018 at DfT with the Chief Executive and the Chair representing NLB. The LAC was complimentary about the plan which they described as well prepared and concise. There was nothing of any controversy raised. There was agreement to further simplify the Corporate Planning process by adopting a two yearly cycle which would mean the requirement to submit a full plan would be every other year. A letter from the Minister dated 17 December 2018 was received approving the changes in full.

Maritime and Coastguard Agency (MCA) - Brian Johnson, the new Chief Executive of MCA, visited 84 George Street 8 January 2019 for a briefing on NLB's role. The discussions were useful, open and wide-ranging.

Support to Tourism - Initial work is underway to develop a cooperative partnership between NLB and organisations with strong connections with Scotland's lighthouse heritage. The initiative is in line with NLB's fifth Strategic Focus to "*support the economic development of Scotland and Isle of Man and the high level*".

The work is being led by the Business Support Manager who is conducting a series of visits to discuss the initiative with potential partners. The first of this series of meetings was held with the Museum of Scottish Lighthouses in mid-December. Other meetings will be held in the next few weeks and further updates on progress will be provided to the Managing Board. Discussions are also underway with Visit Scotland with a view to exploiting PHAROS' presence in the Thames during London International Shipping Week (LISW) 2019. Commissioner Woodward offered to meet with the Business Support Manager to discuss the project.

LISW 2019 - A group has been set up to manage and coordinate the planning for PHAROS' participation in London International Shipping Week 2019 including the developing of displays/exhibits to promote NLB's work. A number of evening events have already been scheduled.

Call on DfT Permanent Secretary - The cancelled meeting by Chief Executive and the Chair with Bernadette Kelly on 24 September 2018 has been replaced by a meeting with Lucy Chadwick on 24 January 2019.

Patron - The film featuring an interview with the Patron was aired on BBC's One Show on 10 January 2019. With just a few hours notice that the film was being broadcast the intended social media campaign was somewhat truncated. However, feedback received has been universally positive, including from HRH's Private Secretary.

BBC Countryfile Diaries - Filming for Countryfile Diaries took place in Oban and onboard PHAROS 10/11 January. The date of the broadcast will be promulgated once known.

Scotland Office - The Scotland Office has commissioned a film illustrating services provided by UK Government Departments in Scotland. NLB was selected to participate and filming was conducted on 17 January 2019 in Oban and onboard PHAROS. It is understood the film will be accessible via Scotland Office's website.

Royal Yacht BRITANNIA - The plan to assist the Royal Yacht by using PHAROS' crane to lift the Queen's Rolls Royce Phantom from the vessel's starboard side during December was postponed. It is now planned to carry out the work in February.

Staff Events - During the run-up to Christmas a party was held for children and grandchildren of staff members. A celebration of Santa Lucia with traditional Swedish singing was held and the annual Staff Raffle raised nearly £1,000 for charity.

Cabinet Secretary for Transport, Infrastructure and Connectivity – A visit by Michael Matheson MSP to 84 George Street on 20 March 2019 has now been confirmed. The offer has also been made for a visit to Oban and his diary team is looking at options for April onwards.

Exhibition and Reception at Scottish Parliament – The Managing Board noted the Exhibition will be held during the week commencing 17 June 2019. A reception is planned for Wednesday 19 June 2019. A meeting with officials from the Parliament to sort out details will take place on 27 February 2019.

Outreach – Since the last meeting the Chief Executive has given presentations to the Lothian and Borders Sheriff's Conference held at 84 George Street, Senior Fellows Club at Surgeon's Hall and a gathering of around 80 Blue Badge Tour guides who visited 84 George Street on 15 January 2019. Feedback has been positive.

Dashboard

The Managing Board noted the updated Dashboard included with the meeting papers. Commissioner Brew sought clarification on Process Improvements. The Chief Executive explained that this graph showed items that are identified in the various specialist areas that are yet to be closed off. This is the new approach to continuous improvement, where items identified are given a target, allocated out and followed up.

5. ANY CLARIFICATION (BY EXCEPTION) ON OPERATING REPORTS

Brexit

Commissioner Woodward asked whether NLB had been contacted by DfT regarding Brexit. The Chief Executive advised that there is a Tri-GLA Brexit Risk Register which provides information for reporting to the DfT. The register was presented to the last Chief Executives Committee on 4 October 2018 and again reviewed by ICG 6 on 17 December 2018. The register continues to be monitored by IGC 6 and Brexit risks continue to also be captured within NLB's Operational Risk Registers, particularly in relation to procurement. The Risk Register is shared with the Audit & Risk Committee at every meeting. It was agreed to circulate a copy to the Managing Board for information.

Action: Chief Executive

6. VESSEL REPLACEMENT PROJECT

The Committee noted and discussed the paper on the vessel replacement project prepared by the Chief Executive. The paper provided an update on political developments and sets out the progress and governance of the vessel replacement project. The Managing Board discussed the papers and approved the proposed project implementation methodology and governance.

The Nomination Committee will discuss and nominate two Commissioners to sit on the Project Board at their next meeting in March 2019.

Action: Chief Executive

7. STAFF ENGAGEMENT SURVEY

This was the second annual survey of this type and the questions were kept largely the same to the earlier survey to allow comparison. The number of staff who participated in the 2018 survey increased compared to the previous year. The Chief Executive discussed the outcome of the Engagement Survey with staff at the Annual Staff Briefing on 18 December 2018.

The Managing Board noted the summary of each question and the response/actions to each comment but was concerned by the issue of bullying. The Chief Executive stated that bullying is completely unacceptable. NLB prides itself as being a good employer and does not want any employee feeling that they are being bullied or witness colleagues being bullied. To try and address this issue it has been decided to run Dignity at Work/Equality training for all staff in 2019. The HR Manager has also visited the ships twice and there are 2 more visits planned. Staff who believe they are being bullied are being encouraged to talk to either their Line Manager, a member of the HR team, their Trade Union representative, or raise issues through the Whistleblowing process.

Following discussion it was agreed to consider carrying out a Pulse Survey for the ships on this specific issue at a later date to see if there is any improvement.

Action: Chief Executive

The Managing Board acknowledged that overall the survey indicated a generally positive picture but wished to have noted their concern regarding the bullying issue. It is planned to carry out the survey again in 2019.

8. REPORT FROM THE HSE COMMITTEE

The Managing Board noted the minutes from the meeting held on 15 November 2018. Interviews have been held for the Health and Safety Adviser post and an offer has been made.

9. REPORT FROM THE NAVIGATION COMMITTEE

The Managing Board noted the Minutes from the meeting held on 12 December 2018.

Following the successful trip to Harwich consideration will be given to holding a meeting in either Oban or at the City of Glasgow College later this year.

Action: Commissioner Beveridge

10. INTER GLA MATTERS

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

11. ANY OTHER BUSINESS

Annual Review of Board Effectiveness

Commissioner Crerar highlighted that this review is an important part of the Governance process and feedback is imperative to ensure the Board continue to seek opportunities for improvement and better exploit the skills within the team. This is also an opportunity for Commissioners to say whether they would like to do more or less or feel they have been on a

Committee for too long. Responses are required by 22 February in order for them to be analysed prior to discussion at the Nomination Committee in March.

Action: All

Legal Advice

The Managing Board noted that it had been some 18 months since they had first asked for there to be a review of legal services but acknowledged that they had agreed to wait to tender for services until the Registers of Scotland titles projects is complete. However, following discussion it was agreed that the Executive would come back with a proposal on the way forward to the next meeting.

Action: Executive

12. CORPORATE CALENDAR

The Managing Board noted the Corporate Calendar for 2019. It was noted that the SUCG Meeting scheduled for 7 November would now be held on 31 October 2019.

Action: Senior Executive Assistant