

FOR PUBLICATION



**MINUTES OF THE MEETING OF THE LIGHTHOUSE BOARD
HELD IN TRINITY HOUSE HARWICH
ON 14 JULY 2016**

Present: Captain I McNaught (Executive Chairman)
Captain N J Palmer
Captain R H Barker
Mr A Damen
Mrs E D Johnson
Professor P Matthews
Mr D J Ring

In attendance: Mr J D Price (Clerk to the Board)
Mr R Clarke (for item 11.2)

1. APOLOGIES FOR ABSENCE

Apologies were received from Commodore Dorey.

2. DECLARATIONS OF INTEREST

- 2.1 Mr Ring declared that he had recently been appointed Chairman of Applied Composite Group Ltd. He would complete a new declaration of interest form accordingly.

[Action: Clerk to the Board/Mr

Ring]

- 2.2 There were otherwise no declarations of interest beyond those already declared in the Register of Interests.

3. MINUTES OF MEETINGS – 12 MAY 2016

- 3.1 The minutes of the meeting held on 12 May 2016 were approved and signed.
3.2 The minutes of the meeting for publication held on 12 May 2016 were approved and signed.
3.3 The log of Board actions was noted.

4. MATTERS ARISING

- 4.1 Matters arising were as stated in the log of Board actions.

5. HEALTH AND SAFETY MATTERS

- 5.1 The report on health and safety matters was noted.

- 5.2 The Board further agreed that a safety-first health and safety culture should be encouraged amongst Trinity House contractors in the same way that it was a tenet of the Trinity House health and safety management system. **[Action: Executive Directors]**

6. REPORT FROM DESIGNATED PERSON ASHORE

The report from the Designated Person Ashore was noted.

7. BUSINESS PERFORMANCE

Mr Damen presented the report on business performance. Manpower costs were 16% underspent. Other costs were 5% overspent but this was due in part to a budget phasing issue. Overall there was a total underspend on running costs of £354k. Capital was overspent but this was also mainly due to a budget phasing issue. Mr Damen added that Managers were being asked to release capital risk as soon as it was clear that it was no longer required. There had been a cumulative increase in Light Dues income in 2016/17 of 2% to June 2016 despite the one penny reduction from 1 April 2016. Gross tonnage was up 5.79%. Good progress was being made with regard to meeting the target for commercial income despite the market being depressed.

8. REPORT FROM EXECUTIVE DIRECTORS

- 8.1 The report from the Executive Directors was noted.

8.2 Arising from the report on Navigational Requirements matters, Captain Barker reported that:

- 8.2.1 The yacht 'ALCHEMIST' had foundered on 2 July just south east of Needles Lighthouse. THV GALATEA had surveyed the site but had been unable to locate the wreck. The incident had, however, illustrated the difficulty sometimes faced in meeting the 12-hour response time in the Solent Area. The GALATEA had arrived on site in just over 13 hours.

- 8.2.2 The houseboat SILVER LEAF had sunk off Brightlingsea and had been marked by an emergency wreck marking buoy. The incident had highlighted the importance of Trinity House acting to ensure the safety of the mariner by locating and marking a wreck as necessary, when there was any uncertainty about whether a wreck was the responsibility of a local harbour or conservancy authority. The Brightlingsea Harbour Commissioners had subsequently accepted responsibility and were arranging for the wreck to be removed.

8.3 Arising from the report on Operational matters, the Executive Chairman reported that:

- 8.3.1 The defect with the P28 davit was believed to be linked to the control system. New parts were being sourced. The port side set of Karm forks and pin were to be replaced as the existing parts were worn out.

8.4 Arising from the report on Business Services matters:

- 8.4.1 The Executive Chairman confirmed that from 2017/18 there would be a clear correlation between the Corporate Strategy, Corporate Objectives, Operational Action Plan, appraisal process and personal objectives. The new HR Manager would assist with this work.

[Action: Executive Chairman/ Director of Business Services]

- 8.4.2 The Board noted that the annual IT security penetration testing had taken place and that a security assessment had also been conducted on the central control and monitoring system. It was further noted that a paper would be submitted to the next meeting of the Audit & Risk Assurance Committee on the outcome, together with the report on the audit of the IT Systems and User Management Audit. A subsequent brief would be provided to the Board.

[Action: Director of Business Services]

9. AIDS TO NAVIGATION - PERFORMANCE

- 9.1** The Board noted the report on aids to navigation performance for the period 5 May to 5 July 2016.
- 9.2** The Board noted that racon availability remained at IALA requirements and that there was still a risk that it could slip below. It further noted that the issue did not relate to racon technology but was a result of floating aids to navigation equipped with a racon going off station and the racon, rightly, being turned off in accordance with agreed procedures.

10. FLEET REVIEW

Captain Palmer reported that he had attended the Fleet Review Reference Group meeting on 7 June accompanied by Commodore Dorey, who had presented the proposed Project Initiation Document (PID), for Phase 2 of the Fleet Review project. The DfT, who had chaired the meeting, had sought comments on the PID from those attending. Trinity House was co-ordinating a GLA response to the comments received on the PID.

The Executive Chairman added that, he had secured agreement to Mr John Ridgway, former Chief Executive Officer of BP Shipping, sitting as the Senior Industry representative on the Group. He would brief the Court on the position at its meeting on 19 July.

11. MATTERS FOR DISCUSSION

11.1 DfT & Parliamentary Matters

- 11.1.1** The Board noted the staffing changes at the DfT and that a replacement for Mr Read-Leah as Head of Navigation Safety Branch was not now likely until late August at the earliest. Ms Fadina would continue to be involved at Deputy Director Level in the Fleet Review Project.

11.2 Presentation on GLF Forecasting Model

The Executive Chairman welcomed Mr Clarke, the GLF Accountant, who was joining the meeting to give a presentation on the DfT's GLF Forecasting Model.

Mr Clarke opened his presentation by explaining that the DfT had developed a 10 year forecasting model for the GLF when assessing the affordability of transferring the GLAs' pension liabilities to the Principal Civil Service Pension Scheme. The model had since been refined to inform the annual Lights Finance Committee meeting, along with DfT advice to the Shipping Minister when UK Light Dues rates were set each year. The current forecasting model showed an increase in the GLF balance in 2024 following conclusion of the repayment of the pension loan. The model was able to show the impact of changes in both the Light Dues rate and the tonnage cap to assist consideration of changes to the Light Dues regime.

The Board noted the GLF Forecasting Model and thanked Mr Clarke for a very informative presentation.

12. STRATEGIC ISSUES

12.1 Operational Action Plan 2016/17

The Executive Chairman presented the Operational Action Plan, which had been reviewed earlier that week by the Executive Committee. Captain Barker reported in this connection that

the Executive had expanded task 003 (Engineering Designs for AtoNs are simplified and standardised as far as practicable) to include work on Type 2 buoys. He confirmed that task 005 (A Vision for AtoN in a digital age is developed) was linked to the Future 500 Project and the use of drone technology would continue to be considered. There would remain a need for physical aids to navigation.

13. JSB MATTERS

13.1 Draft JSB Minutes

The Board noted the draft JSB Minutes, which had been agreed by NLB and Irish Lights.

13.2 JSB Strategic Agenda

Mr Price presented the JSB Strategic Agenda which had been updated to reflect (i) the fact that '2030 – Navigating the Future' had now been published; (ii) the inclusion of the production of a tri-GLA Lighthouse Health and Safety Booklet; and (iii) the outcome of the UK EU referendum. The Board noted the position accordingly. The Board further noted that overall the new tri-GLA helicopter contract was operating well and that a benefits realisation was to be carried out in due course.

14. OTHER MATTERS TO BE NOTED OR APPROVED

14.1 Report from Audit & Risk Assurance Committee Chair

Mrs Johnson reported that the Audit and Risk Assurance Committee had met on 7 July. Matters discussed had included the outcome of the Annual Management Review meeting which had concluded that the Trinity House Management System continued to be suitable, adequate and effective. In addition, the Committee had received the audit report on the tri-GLA Fleet Review process, which had resulted in a substantial assurance rating, the highest level achievable. It had also noted the 2015/16 Annual Opinion of the Head of Internal Audit, on the arrangements for governance, risk management and internal control in Trinity House. He had given a substantial assurance rating. There had been no reported cases of fraud, bribery or whistle blowing in 2015/16. The Committee had also reviewed the Annual Report and Accounts for 2015/16 and agreed them for submission to the Board subject to minor amendment. The NAO had raised no material issues in respect to their audit of the Accounts. The Trinity House Finance Team were to be congratulated on a very good outcome, a view endorsed by the Board. **[Action: Director of Business Services]**

14.2 Review of Risk Registers

Mr Price presented a report on the outcome of the latest review of the Corporate Risk Register and the Organisational Risk Register beneath it. The risk of an adverse outcome to the Fleet Review remained the most significant risk but was stable. The SVS recruitment and retention risk, although it had eased a little, remained a concern. Consideration had also been given as to whether 'Brexit' should be included as a specific risk in the Corporate Risk Register, albeit it had been referenced in the Organisational Risk Register under the 'Policy' and 'Resourcing' risks. The UK Government's obligations under the Safety of Life at Sea Convention as delegated to Trinity House through the Merchant Shipping Act would continue. The issue had been considered by the Audit and Risk Assurance Committee, which had agreed that it should not be included in the Corporate Risk Register but referenced where appropriate in the Organisational Register and this had been done. The Board noted the position and agreed that the Corporate Risk Register was a fair analysis of the key risks faced by Trinity House in its capacity as a GLA. **[Action: Clerk to the Board]**

14.3 Annual Report and Accounts 2015/16

Mr Damen presented the Annual Report and Accounts for 2015/16, which the Board approved for signature, subject to minor amendment. **[Action: Director of Business Services]**

14.4 Report from Future 500 Steering Group Chairman

Mr Ring reported on the work of the Future 500 Steering Group, which had met earlier that day. Various initiatives were underway. The Group had discussed ways in which to incentivise and encourage support for the work of the Future 500 Project. It had agreed that the Executive Directors should champion the Project highlighting the benefits to staff of business growth against the RPI-X regime and by setting quantifiable targets in this regard through the appraisal system. The Board agreed that more could be done to highlight innovative achievements of the Service, which were sometimes not given as wide a recognition as they might be.

[Action: Executive Directors]

Furthermore, the Board confirmed that the Future 500 Project was not only about expanding commercial work and business opportunities but also about how Trinity House could use and develop changes in the outside world to work more effectively and efficiently commercially and in the discharge of its core statutory work.

14.5 Health and Safety and Environmental Objectives Policy

Approved.

[Action: Clerk to the Board]

14.6 Management System Policy

Approved.

[Action: Clerk to the Board]

14.7 EU General Data Protection Regulation

Mr Price presented a paper setting out the EU General Data Protection Regulation which would come into effect on 25 May 2018. It was also likely to apply following the UK's exit from the European Union as the UK would very likely wish to be considered an adequate jurisdiction for data protection to enable it to trade with the EU. The implications for Trinity House and the steps being taken to ensure compliance were as set out in the paper, a briefing on which was to be given to the Senior Management Team on 16 September. In this connection the Board agreed that Senior Managers should be requested to review the data held within their Departments and maintain and delete it where appropriate in accordance with the Data Protection Act principles.

[Action: Clerk to the Board]

15. ANY OTHER BUSINESS

None.

16. DATE OF NEXT MEETING

It was agreed that the next meeting would be held in Trinity House London on 15 September 2016.

The arrangements for the meeting of the Board to be held at St Just on 14 October were agreed.

Distribution:
All Members of the Board
The Secretary to the Corporation
Worksite (227349)