



## **Minutes of Lighthouse Board 9<sup>th</sup> March 2021**

**Held via WebEx**

**Present**

Vice-Admiral Sir Alan Massey (Non-Executive Chairman)  
Captain Ian McNaught (Chief Executive)  
Commodore Rob Dorey (Director of Operations)  
Mr Ton Damen (Director of Business Services)  
Commander Nigel Hare (Director of Navigational Requirements)  
Mr Alan Moore (NED)  
Mrs Valerie Owen (NED)  
Mrs Margaret Amos (NED)

**In attendance**

Mr Thomas Arculus (Head of Legal and Risk / Board Secretary)

**PART ONE STRATEGIC DISCUSSION**

**1. CARDINAL 1 - "DETERMINATION OF REQUIREMENT AND SAFE, EFFICIENT AND SECURE DELIVERY" – DISCUSSION**

Capt McNaught introduced Cardinal 1, noting that it stood as '*primus inter pares*' in TH's strategic vision and planning. The LHB held the delegated responsibility from Government, through TH, to discharge its SOLAS V Regulation 13; and this was our primary function. The other three Cardinals operated in support.

It was crucial that the LHB should discharge this key responsibility efficiently and cost-effectively. Performance was measurable via a comprehensive set of KPIs – including those established internationally by IALA for the availability of Aids to Navigation – and TH's record was consistently excellent. This was despite continuously stretched resources, and repeated technical and operational challenges. The LHB could also be confident that the GRAD organisation, working on behalf of all three GLAs, was firmly on the front foot with technology development and therefore able to influence the future evolution of AtoNs and navigational safety (e.g. via e-Navigation) at the international level.

The Board applauded the achievements of all of TH's shore-based and seagoing staff in their delivery performance – not least under the strictures of the current pandemic. There was every reason to be very proud of these successes.

Looking to the future, and noting that TH is already closely involved in the Government's Green Agenda through its work on offshore renewables, the Board felt that environmental matters should have a higher profile within Cardinal 1 (environment is currently referenced in Cardinal 3 – Reputation Development). This is an area of increasing public and political interest, as well as a core concern for the way we will need to equip ourselves and operate within evolving legislation in the coming years. Where we are already achieving environmentally positive outcomes – for example in the hybrid propulsion design for THV PATRICIA's replacement, and in carbon footprint reductions elsewhere among our assets – we should be bolder in publicising these.

The Board also felt that the 'safe' element of future delivery should be given greater visibility and emphasis within Cardinal 1, including through performance measurement.

Finally, noting the relative vulnerability of 'safe, efficient and secure delivery' to disruption through vessel non-availability, as well as the importance of keeping broadly aligned in our strategic priorities, the Board considered whether there may be room for a greater degree of coordination generally with the other two GLAs, via the Joint Strategic Board.

**[Action: Executive Directors to consider and advise how both Environment and Safety should be given greater profile and emphasis within Cardinal 1]**

**[Action: Executive Directors to consider and advise on the scope for closer coordination with the other two GLAs in the tasking of assets, the alignment of strategic priorities and the measurement of delivery performance]**

## **2. CARDINAL 2 – “GOOD EMPLOYER”- DISCUSSION**

Capt. McNaught noted that our status as a good employer had been sternly tested over the past year of the pandemic. Yet TH's response had been rapid, caring, well considered and had set the basis for more innovative, flexible and productive ways of working for our staff in the future. A working group had been established to explore these options in detail.

Staff morale was considered generally good, with a relatively low turnover (11% SVS; 3% shore-based) and a high sense of pride and loyalty among our people. Recruitment was challenging due to the specific skills we sought, the relative remoteness of our geography, and the constraints on our public sector pay structure. While retention was not an immediate issue, the demography of our workforce suggested a high outflow of retirees in the next 5-10 years (15-29%), which could be problematic.

Staff training, career structures and promotion opportunities were current areas of relative weakness that would be addressed under the TH2040 project, which aimed to regularise staff grading, reward and capability development. It was important that this project be adequately resourced and managed to win the support of DfT and central Government.

There was substantial discussion of the gender and ethnicity balance of our workforce. While noting that our figures were not unusual for the maritime sector, there was a strong case for trying to improve the diversity of our workforce by: better targeting our recruitment campaigns: encouraging more females to take up middle management positions; and addressing the structure and working arrangements of our jobs to make them attractive to all genders and under-represented groups. This could include the specific targeting of apprenticeships towards minorities.

The Board also agreed that senior managers should make particular efforts to engage with the workforce across all TH locations. Being visible and being prepared to listen - among all levels of our staff - was good leadership practice and would help further to build team ethos, mutual respect and trust across the workforce, in line with our Values. This initiative should include non-executive Board members. Cmdre Dorey offered to facilitate such contacts by promulgating a schedule of working party deployments around the TH estate, allowing Board members to take advantage of any suitable geographical opportunities.

Finally, the Board was pleased to note that the staff survey will be conducted again this year and will then continue annually. This will provide one useful measure against which to gauge our credentials as a good employer.

**[Actions: Executive Directors to explore strategies for broadening the diversity of the TH workforce, using the forthcoming H&S manager recruitment campaign as a ‘test case’.**

**All Board members to make best efforts to engage with the wider TH workforce, as opportunities permit.**

**Cdre Dorey to promulgate a schedule of working party deployments around the TH estate to enable senior staff engagement.]**

## **PART TWO**

### **3. INTRODUCTION**

The Chairman introduced the second part of the meeting.

### **4. APOLOGIES**

None.

### **5. DECLARATIONS OF INTEREST**

Members were asked to return completed declaration forms to the Board Secretary.

### **6. STRATEGY**

#### **6.1 DfT/Parliamentary**

#### **6.2 Shipping Minister’s letter to JSB Chair dated 11<sup>th</sup> February 2021**

The Board noted the Minister’s letter to the JSB Chair, announcing a Light Dues increase by one penny per net ton and emphasising the continuing need for tight financial management and efficient, cost-effective delivery by the GLAs.

#### **6.3 JSB**

#### **6.4 JSB Strategic Agenda/Roadmap**

Noted.

Discussion about the Minister's continued preference for an efficiency measure.

**[Action: Capt. McNaught to request to the CEC that the future of the efficiency measure is included on the JSB Agenda for May 2021]**

#### **6.5 Vessel Replacement Update**

The Supplier Questionnaire (SQ) will be reviewed by the DfT Commercial Assurance Board this afternoon.

Mr Alan Sanday (DfT) is set to move to another role.

The ITT will be reshaped to align with the SQ, aiming for re-issue in the summer.

Work is being done to recruit Mr David Ring to Chair the VRP Steering Group due to his industry experience and connections.

TH has obtained support for the VRP project from DfT Corporate Finance. There will still be a threshold for the financial standing of shipyards, but TH can also now look at what other benefits the candidates with weaker financial standing can offer, under the Government's Social Values Guidance. It is accepted that this more inclusive approach might lengthen the project's timescale for delivery.

TH has worked closely with NLB, and there are still some differences in the way in which each GLA is working. DfT has reduced that gap by recently directing NLB to take the same inclusive approach to social values as TH.

#### **6.6 TH 2040 Update**

The Board was invited to define its strategic approach to the TH2040 Business Case.

It was agreed that this project was of critical importance to the capability and well-being of TH's workforce in the coming years. It would provide the opportunity to address elements of structure, career management and reward that had become sub-optimal over previous decades and could be improved to the overall benefit of our people and organisation. It was also agreed that TH2040 would only succeed with the firm backing of DfT colleagues and central Government more widely. The Business Case would therefore need to be robust and compelling.

There would be a choice as to how to present that case with the greatest impact. Mr Damen undertook to review the points made in discussion, and to seek the advice of DfT (Maritime Sponsor) colleagues in framing the Business Case to best advantage.

#### **6.7 Budget Presentation**

Mr Damen made a presentation to the Audit and Risk Assurance Committee on the 8<sup>th</sup> March on the 2021-22 Budget and reminded the Board of the key points.

Mr Damen summarised operational, back office and other efficiency drivers that had been implemented; were still under consideration; or were in the process of being implemented. These included: -

- Simplified lighthouse design and operation, to be rolled out progressively,

- Light vessel fleet size review and replacement, in some cases with type 1 buoys,
- Progressive conversion of rock stations to day stations,
- DGPS discontinuation,
- Buoys designed to withstand 10 years at sea, with attendant benefits to estate and workload.
- Headcount reallocations and reprioritised roles,
- Centralised co-ordination of risk response cover, engineering support and buoy servicing lists,
- Cleaner-burning fuel for environmental benefits,
- Shore side power upgrades for vessels,
- Electrification of the pool vehicles fleet,
- De-Carbonising lighthouses,
- Introduction of a ULEV van fleet,
- Mercury removal,
- Carbon offsetting.

All of the above are aimed at delivering financial and other benefits in future.

[Action: The Executive Team was asked to consider and advise on the prioritisation and orderly implementation of the initiatives listed]

## **7. PERFORMANCE**

### **7.1 Health and Safety Manager's Report**

Noted.

The Board was informed of the resignation of the Health and Safety Manager.

The Board noted that the selective testing of SVS crews and helicopter passengers for COVID symptoms using lateral flow testing had commenced and is working well.

### **7.2 Business Performance**

KPI Report noted.

### **7.3 Navigational Requirements Report**

Noted.

### **7.4 AtoN Availability Progress Report**

Noted.

### **7.5 AtoN Casualty Return**

Noted.

### **7.6 Executive Directors' Reports**

Noted.

### **7.7 Executive Finance Reports**

Noted.

### **7.8 Headline Performance Objectives (HPOs)**

For Publication

The Lighthouse Board Remuneration Committee met on the 8<sup>th</sup> March and discussed the HPOs. The HPOs will be issued to NEDs shortly for their consideration.

#### **7.10 NEDs' Objectives 2020-21**

Noted.

### **8. GOVERNANCE**

#### **8.1 Board Effectiveness - Action Plan**

The Board approved the Board Secretary's draft Action Plan to address the findings of the Board Effectiveness Review 2020.

### **9. ADMINISTRATION**

#### **9.1 Minutes of Previous Meetings**

##### **9.1.1 Minutes of the Lighthouse Board 27<sup>th</sup> January**

Approved.

##### **9.1.2 Minutes for publication of the Lighthouse Board 27<sup>th</sup> January**

Approved.

#### **9.2 Log of Actions/Matters Arising**

27/01/21 No 4	Board effectiveness bespoke questionnaire review in progress.
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27/01/21 No 7	Environmental risk to be discussed by July ARAC.
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27/01/21 No 9	Board Training rescheduled for 5 <sup>th</sup> May.
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#### **9.3 Corporate Risk Register Dashboard**

Noted.

#### **9.4 Directors' Handbook Updates**

##### **9.4.1 Board Committee Membership**

Approved.

##### **9.4.2 Code of Conduct**

Approved.

##### **9.4.3 LHB Articles of Constitution and Terms of Reference**

Approved, but will be reviewed again following the outcome of the 2021 GIAA governance audit.

##### **9.4.4 Process for Selection of DfT NEDs**

Approved in draft.

The Board noted that DfT's comments were awaited and would be incorporated into the final version of the document.

### **10. ANY OTHER BUSINESS**

For Publication

A confidential matter was discussed.

#### **11. DATE OF FORTHCOMING MEETINGS**

- 18<sup>th</sup> May at 1100
- Board Training 5<sup>th</sup> May at 1000
- JSB 26-27 May Hosted by Irish Lights