



TRINITY HOUSE

Minutes of Lighthouse Board 14th October 2021

Trinity House, London

Held via WebEx

Present

Vice-Admiral Sir Alan Massey (Non-Executive Chairman)

Captain Ian McNaught (Chief Executive)

Commodore Rob Dorey (Director of Operations) ^{Items 1- 4.4}

Commander Nigel Hare (Director of Navigational Requirements) ^{Items 5.1-6.2}

Mr Ton Damen (Director of Business Services)

Mr Alan Moore (NED)

Mrs Valerie Owen (NED) ^{Items 1-4.4}

Dr Margaret Amos (NED)

In attendance

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

1. PRELIMINARIES

1.1 Introduction

The Chairman welcomed those present.

1.2 Apologises

None.

1.3 Declarations of Interest

None.

1.4 Chief Executive's Report

Capt. McNaught explained that Visiting Committee III on the west coast is in progress. The executive directors are starting to get out and about more as the

COVID situation improves and Capt. McNaught and Cdre Dorey have recently been interviewed for a documentary film about Trinity House on board THV GALETEA.

Much work is being done by the GLA finance departments and by GRAD on their respective Corporate Plans. TH's Corporate Plan will be discussed in detail and recommended for approval further down this meeting's agenda.

TH hosted a Vessel Replacement Project tender submission briefing on Monday 11th. The event was hosted virtually, and all of the shipyards which had passed the Selection Questionnaire were invited to participate.

The Chief Executives' Committee (CEC) meeting took place on 8 October. The meeting featured discussion on corporate plans but also on the future of tri-GLA procurement projects and the review of the GLA/DfT Framework Document in the context of Brexit.

The Shipping Minister will visit Tower Hill next Wednesday for one hour. The Executive Team will use the opportunity to brief him on matters of key importance.

The Multi-lateral meeting is scheduled to happen on 23rd November.

Sir Alan Massey asked for clarification on TH's role in the IMO 'Triple III' code audit. Cdr Hare explained that audit is looking at how TH delivers its statutory role on behalf of the UK Coastal State and how TH interacts with other entities such as the SoSRep.

The CEC also discussed environmental targets. The GLAs already do much to embrace new technologies but know that the ships are the largest emitters of greenhouse gases and, besides trialling cleaner fuels on THV ALERT and incorporating hybrid propulsion into THV PATRICIA's replacement, TH may have to look at more careful and judicious planning to reduce fuel consumption. This will also have to be balanced with proper delivery of the statutory function.

Irish Lights is planning to commence their ILV GRANAILLE replacement project next year. Their aspiration will be for delivery of a new vessel in 2028.

2. STRATEGY

2.1 DfT/Parliamentary

The Shipping Minister will be at Trinity House on 20 October and will be briefed on the Vessel Replacement Project and other matters of key importance.

2.2 JSB Strategic Agenda

Noted.

2.3 JSB Meeting Agenda and "Lines to Take"

The Board discussed the "lines to take" paper and agreed lines to take at the meeting.

2.4 CEC Meeting Report

Capt. McNaught provided a brief summary of the CEC meeting on 8th October.

A discussion followed about the pressing need to resolve tri-GLA procurement issues post-Brexit, in particular with regard to the impending helicopter contract renewal.

2.5 Corporate Plan

Mr Damen made a presentation on the TH Corporate Plan. Including key themes from the NLB and IL Corporate Plans.

The presentation also included a timeline of vessel replacement scheduling on which to base other investment decisions. The Board discussed the frequency of fleet reviews and the expectation that a light-touch review of risk and response requirements will need to be carried out within 5 years. The Corporate Plan includes funding for this in 2026.

Engagement is needed with NLB to ensure alignment of our approaches.

[Action: JSB Members to raise the subject of alignment of vessel replacement schedules at JSB]

Mr Damen also presented on climate change and TH's carbon footprint, in the context of Greening Government Commitments targets requiring an 8% reduction in greenhouse gas emissions. The Board noted that the lion's share of TH's GHG emissions is from the ships and discussed how reductions could be made by changing operational practices.

The Board also discussed investments in the estate for environmental benefits.

The Board discussed ways as in which current supply chain issues were being de-risked.

[Action: Mr Damen to add wording the de-risking of supply chains in the Plan]

Noting the ambitious nature of the Plan, the Board asked the Executive Team for confirmation that it is realistically achievable and will not result in missed targets, large underspends, or both. Cdre Dorey confirmed that he believed it was correct to be ambitious, all of the projects need to be done, and we should be able to deliver.

The Board **RESOLVED** that it was content to note and approve the Plan, subject to some small editorial changes as discussed today.

3. PERFORMANCE

3.1 Health and Safety Manager's Report

The Board discussed the incident in Swansea involving a forklift truck.

Cdre Dorey and Mrs Owen (both attending the meeting by video link from Swansea) had discussed the incident that morning with the Buoy Yard Supervisor in Swansea and had gained some important insights.

Mrs Owen made some observations about the need for projects to include designs for temporary works and maintenance of equipment and also the transferability of Standard Operating Procedures – which need to be bespoke for the individual work site.

The Board discussed the safety culture of the organisation and scope for its improvement. Cdre Dorey explained ongoing work including targeted safety campaigns.

Mr Moore observed that the report comprises a list of incidents with little commentary or overview. More could be said about the safety initiatives across the Service as a whole.

[Action: H&S Manager to look to consolidate the report to include safety across the Service]

[Action: The Board noted that the H&S Manager was due to attend the Lighthouse Board in January. The Board would like to hold a separate dedicated safety session on the same day]

Mr Moore offered to do some preparatory work in advance and to speak to key personnel beforehand in order to derive best value from the related discussions in January.

[Action: Capt. McNaught and Mr Moore to discuss the plan for the January safety meeting with H&S Manager]

3.2 Business Performance (KPIs)

Noted.

3.3 Navigational Requirements Report – 6 September – 6 October 2021

Casualties occurred at: 2 Lighthouses and 2 buoy stations. 1 casualty had been bought forward from the previous period, with nil casualties awaiting rectification. The “Out of Position” casualty at the Breaksea Buoy was a software error during the PAKNET upgrade project which affects remote system monitoring. This type of error (casualty) is corrected in the monitoring system by the Planning Centre until attendance at the station is possible to apply software updates.

3.4 AtoN availability Progress Report

Noted.

3.5 AtoN Casualty Return

Noted.

3.6 Mid-Year review of Out Turn

Noted.

3.7 Executive Finance Paper (abridged)

- Net running cost underspend is predominantly pay and non-pay. Pay underspend is a result of vacancies and top-of -competency budgeting which will be revised in next year’s Corporate Plan and budgeting approach.
- Outturn assumes approval of TH2040 for pay, and utilisation of the Executive Reserve to cover some of the overspend areas. All budget holders are coming in on budget for non-pay. Capital underspend is mainly driven by the delayed PATRICIA

reliability investment towards 2022/23, product shortages delaying IT projects, and capital risk. These are being effectively managed.

- The Finance Team has worked tirelessly on preparing the Corporate Plan 2022-27 and is gearing up for the imminent budgeting and key financial control audits.

3.7.1 Appendix 1 Budget Graphs

Noted.

3.7.2 Appendix 1a Management Accounts

Noted.

3.7.3 Appendix 2 Variance

Noted.

3.7.4 Appendix 3 Capital

Noted.

3.7.5 Appendix 4 Light Dues

Noted.

3.7.6 Appendix 5 GRAD

Noted.

3.7.7 Appendix 6 Commercial

Noted.

3.7.8 Appendix 7 Procurement

Noted.

3.7.9 Marine Gas Oil Usage and Spend

Noted.

3.8 Executive Directors' Report (abridged)

Noted.

3.9 Executive Directors' Report (unabridged)

Noted.

3.10 Project Highlights Reports

3.10.1 Project Summary Dashboard

Noted.

3.10.2 Vessel Replacement Project Highlight Report

The invitation to tender was published on 17 September. A Tender Submission briefing event for potential bidders who have passed the supplier questionnaire

was held on 11 October by virtual media. The cut-off date for return of their initial submissions is 5 January 2022.

3.10.3 Royal Sovereign Project Highlights

The supplier questionnaire was published on 24 September. Responses will be evaluated early in the New Year with a view to contract award in 2022 for removal of the structure no later than 2025.

3.10.4 PAKNET Project Highlight Report

The PAKNET project is well under way to integrate the new 4G or Iridium systems into some 60 monitored buoys, Lightvessels and Lighthouses. This project is occupying a lot of SVS and Engineering staff time and resources and has been delayed by parts availability and weather. Installations are however progressing with the emphasis on offshore rock stations, light vessels and buoys during the better weather.

3.10.5 Overall Project Summary Report

The modernisation of the St Tudwal's Light is now complete and the new installation is currently being soak-tested. This places an LED light source within the optic and moves the solar panels to ground level for ease of maintenance.

The projects to modernise the aids to navigation at Lynmouth Foreland and St Catherine's are also in progress, with the emphasis on the removal of mercury and their associated optics, along with upgrades to their power and control systems.

4. GOVERNANCE

4.1 Board Effectiveness Summary Report

The Board undertakes an annual review of its effectiveness, embracing how it meets its Articles of Constitution and Terms of Reference and how it discharges its statutory role effectively, having regard *inter alia* to its performance against IALA and other recommendations. As in previous years, the Board had reviewed its performance and effectiveness with the aid of the board evaluation questionnaire published by NAO: "*Unlocking your board's full potential*".

The Board considered a report summarising the feedback received in order to aid the Chief Executive in his role as Accounting Officer when he makes his annual report to the DfT Permanent Secretary. The overall report was positive, with some of the shortfalls being helpfully covered by a number of recommendations from the recent Board Governance audit by the Government Internal Audit Agency, which are in course of implementation.

4.2 Corporate Risk Registers Report

Noted.

4.2.1 Update Report on the Corporate Risk Register

The Board received the report on the current status of the risk registers. There followed a discussion about the treatment of supply chain on the CRR. It was felt

that at this stage the risk is being well managed locally and that this was sufficient but the situation should be closely monitored.

4.2.2 CRR

Noted.

4.2.3 CRR Dashboard

Noted.

4.3 Policies for Approval

4.3.1 Procurement Inventory Policy

Approved.

4.3.2 Information Risk Policy

Approved.

4.3.3 Light Dues Collection Policy

Approved.

4.3.4 IT Security Policy

Approved.

4.3.5 IT Policy

Approved.

4.3.6 Fraud and Bribery Policy

Approved.

4.3.7 Financial Policy

Approved.

4.4 Board Governance Audit Follow-up

Following the inception of the non-executive Chair position in February 2020, the Lighthouse Board commissioned an internal GIAA audit of its governance structures and processes. The GIAA Board Governance Review Internal Audit Report was presented to the Audit and Risk Assurance Committee on 14 September 2021 and was discussed by the Board on the same day. The Chair, Chief Executive (CEO) and Board Secretary subsequently met to discuss and propose ways to address the recommendations in the report (Annex 1). The Lighthouse Board discussed the Chair, CEO and Board Secretary's proposals at its meeting on 14 October and agreed a number of clarifications and changes.

The Board Secretary presented a report on follow-up actions. The Board accepted the recommendations in the report, which related to accountabilities, diversity, documentation and administrative support.

[Action: Board Secretary – Update Board Handbook]

4.4.1 The Role of the Senior Independent Director (SID)

The Board noted an information paper on the role of the Senior Independent Director/ Lead Non-Executive Director in modern corporate governance.

5. ADMINISTRATION

5.1 Minutes of the Previous Meetings

5.1.1 Minutes of Lighthouse Board 14 September 2021

Approved for signature.

5.1.2 Minutes of Lighthouse Board 14 September 2021 for Publication

Approved for signature and publication.

5.2 Log of Actions.

Agreed.

5.3 ARAC Minutes 14 September 2021

The minutes of the Audit and Risk Assurance Committee on 14 September were noted as having been approved by the ARAC out of committee.

5.4 Board Development Objectives (presented in draft)

Agreed.

5.5 Agenda Planning Template.

The cyclical list of agenda items was noted.

6. ANY OTHER BUSINESS

6.1 TH2040

Mr Damen updated the Board on progress with the TH2040 business case which was adapted following DfT comments and has now gone forward to Cabinet Office for consideration/approval.

6.2 Environmental Initiatives

The Board discussed the potential role that GRAD could play to help TH to meet the Government's net zero carbon ambitions. The Board agreed that it would be appropriate to use GRAD as the "intelligent customer".

The Board agreed that GRAD could have a role in investigating the development of propulsion technologies.

6.3 OWEC

Cdr Hare agreed to circulate a brief paper on the latest developments in relation to OWEC to the Board out of committee.

[Action: Cdr Hare to circulate a brief paper on OWEC to the Board out of committee]

6.4 Combined Boards Luncheon

For Publication

The Board agreed to hold a Combined Luncheon with the Corporate Board on 27th January 2022.

7. DATE OF NEXT MEETING

- 25 November at 1100 at Tower Hill.

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