



TRINITY HOUSE

Minutes of Lighthouse Board - 27th January 2022

Trinity House, London

Present

Vice-Admiral Sir Alan Massey (Chair)

Captain Ian McNaught (Chief Executive)

Commander Nigel Hare (Director of Navigational Requirements)

Commodore Rob Dorey (Director of Operations) ^{Items 1 – 4.9}

Mr Antonius Damen (Director of Business Services) ^{Items 1 – 7}

Mrs Valerie Owen (NED)

Mr Alan Moore (NED) ^{Items 1 – 4.9}

In attendance

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

Mr Paul Claydon (Health & Safety Manager)

Apologies

Dr Margaret Amos (NED)

PART ONE

HEALTH AND SAFETY WORKSHOP

The Chair introduced the workshop and welcomed Mr Claydon to the meeting.

1.1 Health and Safety Manager's experiences and impressions of the Safety Culture at Trinity House.

Mr Claydon made a presentation explaining his experiences over a long career in Health and Safety management and reflecting on his 8 months in post at Trinity House.

1.2 Feedback from recent NED Inspections – Discussion

The meeting discussed feedback from Board members' recent safety inspection visits to various vessels, buoy yards and lighthouses, including helicopter operations.

1.3 Forward Looking Discussion

A discussion followed on the organisation's priorities for Health and Safety in the coming year, including how visibility of the Health and Safety Department could be improved across the organisation.

The Board noticed on the recent safety visits that there was a huge amount of knowledge and experience of safety and great ideas which needed to be harnessed and used to improve safety systems within TH.

Mr Claydon explained his ideas on the way forward for the Health and Safety Team. The Board welcomed Mr Claydon's candid assessment and his proposals for improvement and invited him, along with the Chief Executive, to draw up a clear plan of remedial action for the remainder of the year.

The Board also considered that it would be beneficial for the whole Board to attend a Health and Safety course pitched at the right level.

[Action: Chief Executive/Mr Claydon develop a Safety Improvement Plan for the year ahead]

1.4 Health and Safety Manager's Report

Mr Claydon presented his report on Health and Safety management throughout the organisation since the last Lighthouse Board meeting.

The Chair thanked Mr Claydon for his observations and contribution to the workshop and reiterated the Board's keen interest in health and safety.

PART TWO

2 PRELIMINARIES

2.1 Chair's Introduction

2.2 Apologies

Dr Margaret Amos (NED)

2.3 Declarations of Interest

None.

2.4 Chief Executive's Report

Captain McNaught presented his report on activities across the Service and mentioned particularly how useful the Safety Workshop today had been, along with the value of the NEDs' visits to stations and vessels earlier in the year.

The Lights Finance Committee had recently taken place, attended by the Chairs and an NED from each GLA, the LAC, the GLF Accountant and the DfT. This

annual meeting is to provide advice to the DfT so that the Minister can set light dues for the ensuing year, hence no executives attend. The conclusion of the meeting led us to expect another increase in light dues again this year.

With regard to finances, Commodore Dorey would provide an update on VRP project funding later in this meeting.

Other major projects included Royal Sovereign, for which TH had received a green assurance rating from DfT and was preparing to issue the invitation to tender, and the impending helicopter contract.

Having received the Sanction Letter in respect of the Corporate Plan, one of the things TH needed to consider now was how to demonstrate going forward that it operates a tight financial plan and delivers value for money. Mr Damen would present his thoughts to the Board today before TH enters into discussions with the NLB and CIL in the coming weeks.

Also for discussion with the other GLAs would be the new template for the DfT/GLA Framework Document.

Turning to Navigation, Commander Hare had been very busy these last weeks revalidating Deep Sea Pilot licences and discussing TH's potential involvement with the OWEC projects. He would provide an update to the Board today.

With regard to environmental responsibilities, the Chair of the TH Environmental Working Group, the TH Financial Controller and the Health, Safety and Environment Officer at NLB presented to the DfT Sustainability Forum last week and emphasised the message of the good work over many years that the GLAs had done and also that new vessel technology would be the next big step forward for them.

Sir Alan and Capt. McNaught were to meet with the Maritime Director, DfT, Head of Maritime Policy Response, DfT and hopefully Director General, DfT on 8 February.

3 STRATEGY

3.1 Lighthouse Board Strategy Session II Feedback

Cmdr. Hare provided brief feedback from the meeting which took place last year.

He would present full feedback and a way ahead at the Board meeting in March and would include HPOs for further discussion at the July Strategy Session.

[Action: Cmdr. Hare]

The Board agreed that the date for Lighthouse Board meeting in July would be 18 July at 1400 followed by a meal with the SMT in Harwich.

This was to be followed by the Strategy Session on 19 July at 1000.

[Action: Board Secretary]

3.2 LFC Feedback.

The LFC met on 26 January and agreed to recommend to Ministers a light dues increase of 2.5p/NT increase next year the 2p/NT the year after.

The LFC recognised the GLAs' financial tautness.

The LFC advocated the need for an efficiency measure which would satisfy the needs of stakeholders.

The Board discussed the reasons for the increase in light dues based on the GLF Accountant's modelling.

3.3 Sanction Letter

The Board noted the Sanction Letter which was received from the Shipping Minister on 15 December. The respective sanctions allocated to TH and GRAD aligned with their bids.

3.4 Multi-lateral Meeting 2021 Minutes

The Board noted the minutes of the Multi-lateral meeting held on 23 November 2021. The minutes demonstrated the continuing good working relationship with the industry.

3.5 Future Finance Regime – RPI Minus X

The Board welcomed the Financial IGC (IGC2) paper, setting out proposed efficiency and effectiveness measures to replace the RPI-X regime, which is currently suspended until FY 2023-24. The Board was mindful of high inflationary pressures and the unprecedented variability of key input cost factors since submitting the TH Corporate Plan 2022-2027.

The Board concluded that – even acknowledging the disbenefits for the GLAs of the extant regime - their preference remained in favour of RPI-X as an objective efficiency measure that the Board could support for the coming 3 to 5 years.

Having considered the different perspectives and views from NLB and IL, the Board also concluded that, for the sake of unity between the GLAs, TH would not stand in the way of the proposed measures being explored further by the DfT and subsequently the LAC. The Board further resolved to fall into line with whatever package of measures were agreed by DfT, LAC and the GLAs as a mutually acceptable GLA efficiency regime for the future.

4. **PERFORMANCE**

4.1 Business Performance

The Board noted the report on key performance indicators noting that everything was green except for:

- *Running Costs* (amber) *TH Capital Excluding Risk* (red)
- *Percentage of Work Completed for BSL TH* (red).

4.2 Navigational Requirements Report

There had been no significant casualties during the period 16 November 2021 – 19 January 2022. All AtoN types had achieved availability better than IALA targets.

Report noted.

4.3 AtoN Availability Progress Report

The Board noted the report for the period 20 January 2019 – 19 January 2022.

All AtoN types had achieved availability better than IALA targets.

4.4 AtoN Casualty Return

The Board noted the AtoN Casualty Return for the period 16 November 2021 – 19 January 2022 in which there had been no significant casualties.

4.5 Business Services Report

As at December 2021 TH showed an underspend, most of which related to pay costs. The remaining balance, representing the unused risk reserves, was reflected within non pay.

Running cost Outturn – non pay:

- Post December, the Executive Directors approved the Engineering request covering the re-rendering and painting programme at Alderney Lighthouse which, as a result of delamination of render, resulted in an overspend. This funding came from various sources of underspend and partially from the risk reserves.
- In relation to the Anthorn transmitter, discussions with the MoD were ongoing. The 6 months E-loran cost sanctioned by the Department for Transport was funded out of the risk reserves.
- Fuel costs were showing a rapidly rising overspend in the latter months which was being closely monitored.
- Capital YTD showed a relatively small underspend, relating mainly to the THV PATRICIA reliability investment.
- Draft Budget 22/23
 - Current non-pay budget requests slightly exceeded the available non-pay budget.
 - The budget submissions from senior managers were still being scrutinised.
 - A number of risks were arising for next year's budget- in particular:
 - Alderney completion
 - Vessel fuel cost – TH is not allowed to hedge. The budget would be based on December 2021 prices and Brent oil forward futures, which were showing a declining trajectory during the summer months and recovery towards current levels for next winter. Brent Spar was US\$ dominated, therefore the GBP / US\$ exposure had to be contended with also.

4.5 Budget Report Appendices

Noted.

4.6 Executive Directors' Report

The Board noted the detailed report by the Executive Directors on activities within their directorates.

Mr Damen provided a further verbal update on the TH2040 project.

A confidential discussion followed.

The Board was content with Mr Damen's presentation slides which would be presented to the DfT on 5 February by the Chair and Chief Executive.

4.7 Projects Highlights Dashboard

Noted.

4.8 Projects Highlights Report

The modernisations of Trwyn Du and St Tudwal's lighthouses had been achieved, along with full re-engineering of Lundy North Lighthouse. The projects to modernise the Lynmouth Foreland Lighthouse and St Catherine's Lighthouse were also due to be completed by the end of March.

Looking ahead, design and procurement was well advanced in order to commence work in Financial Year 22/23 for Phase 2 of the modernisation of Tater Du, along with Inner Farne and Flamborough Head.

The PAKNET migration project had been exposed to a challenging time this winter from a weather perspective in reducing access to sites, limiting buoy working opportunities and dealing with weather related buoy casualties, as well as some technical issues with kit not performing in the field. Work was progressing, however, with 70% of a challenging schedule now completed.

4.8.1 Royal Sovereign Highlights Report

Cdre Dorey presented the report on progress with the Royal Sovereign project. The tender documents had received a green assurance rating from the DfT and the invitation to tender was scheduled to be published on 28 January.

4.8.2 Vessel Replacement Project Highlights Report

Cdre Dorey explained some emerging issues relating to funding of the vessel.

Capt. McNaught read out an email from DfT which had arrived today, explaining the ongoing work at DfT to find a resolution and hoping to reply substantively by the end of the week.

4.9 OWEC Update

Cmdr. Hare presented an update on TH's involvement with the nascent OWEC projects.

The project was currently not progressing as hoped and was consuming a lot of Trinity House's time and resources.

[Action: Cmdr. Hare will submit a paper recommending a course of action to the Board for agreement out of committee]

5. GOVERNANCE

5.1 Report on Current Status of Risk Registers

A Risk Workshop had been held on 29th November with members of the Executive, Senior Management Team and other managers present. Matters discussed included the log of lessons learnt from the pandemic and an update to the Business Continuity Plan Green Pack; whether to investigate procuring a proprietary risk register software solution based on the new Excel risk register format which had been developed in-house by the Operations Directorate; adoption of the Risk Appetite Guidance Note Framework, published by UK Government Finance Function (August 2021); and a Review of Organisational and Corporate Risk Registers using PESTLE principles and the Risk Appetite Guidance Note Framework.

5.1.1 Corporate Risk Register (CRR)

Key changes to the Corporate Risk Register since the previous Review:

COVID-19 – the risk now reflected UK Government rules and the fluid nature of the Covid-19 situation nationally over the preceding weeks.

Climate Change Adaptation had been added as a new risk. This risk had been added in order to raise awareness, promote discussion and identify and address the challenges and opportunities that climate change and the Government's carbon reduction targets would present to the organisation.

Recruitment and Retention – the 6-month trial of hybrid working arrangements, identified by the Improved Ways of Working Group, which had commenced on 4 October, was put on hold in light of guidance from UK Government for all staff to work from home when possible to do so.

The Chair suggested that consideration should be given to including Health and Safety on the Corporate Risk Register.

5.1.2 Organisational Risk Register (ORR)

The key risks escalated from the ORR to the CRR remained unchanged since the last review and included Resourcing, AtoN Provision, Information Technology, Human Resourcing and Project Management.

The Asset Loss/ Damage risk included the threat that significant and costly repairs might be required to the sea wall which forms part of the retaining wall of the Harwich Buoy Yard [discussed below under section 7.3].

5.2 Corporate Risk Register Dashboard

The Board noted the risk register dashboard showing the ten corporate risks. All of the risks were showing an even trend post mitigation except for Climate Change Adaptation, Recruitment and Retention and Covid-19.

6 ADMINISTRATION

6.1 Minutes of Previous Meetings

6.1.1 Minutes of Lighthouse Board 25 November 2021

Approved.

6.1.2 Minutes of Lighthouse Board 25 November 2021 for Publication

Approved.

6.1.3 Minutes of ARAC 1 December.

Noted.

6.2 Log of Actions/ Matters Arising.

Noted.

6.3 Terms of Reference for Lead Non-Executive Director

Approved.

6.4 ARAC Terms of Reference.

The Board approved the updated ARAC ToRs.

7 Any Other Business

7.1 Framework Agreement.

The GLAs were currently reviewing the Framework Agreement with the DfT. The basic principle is that the GLAs have been asked to use the new standard template and have been attempting to make this fit the unique nature of the GLAs. The GLAs have been keeping a corrigendum for the current (2017) Framework Agreement and have incorporated these into the new template where appropriate. The emphasis has been on concision and reducing the length of the document where possible.

7.2 Helicopter Contract

Cdre. Dorey provided a brief update on the thinking and planning in relation to the procurement of a new helicopter contract to meet the needs of all three GLAs. This was to be discussed at the Chief Executives' Committee meeting.

7.3 Harwich Flood Wall

The Environment Agency (EA) was proposing to reposition the Harwich flood wall in a new alignment which would place the Buoy Yard on the 'wet' side of the town's flood defences and would install a flood gate in front of the entrance to the Buoy Yard.

There was a likelihood that Trinity House would be expected to contribute money to this scheme. The fact that the current flood wall is also Trinity House's Buoy Yard retaining wall added complexity to the issue.

The situation was being monitored closely and Trinity House would keep channels of communication with the EA open.

8 Dates of Forthcoming Meetings

ARAC – 8 March @1000

Lighthouse Board – 8 March @1130

Directors' RemCom – 8 March@1500