



TRINITY HOUSE

Minutes of Lighthouse Board

25 January 2023 at Trinity House London with VC link

Present

Vice-Admiral Sir Alan Massey (Chair) (Via VC Webex)
Captain Ian McNaught (Chief Executive)
Commodore Rob Dorey (Director of Operations)
Commander Nigel Hare (Director of Navigational Requirements)
Mr Antonius Damen (Director of Business Services)
Mrs Valerie Owen (NED) (Via VC Webex)
Mr Alan Moore (NED)

In attendance

Mr Thomas Arculus (Head of Legal and Risk / Board Secretary)
Ms Natalie Gull (Board Advisor – People & Culture)

1. PRELIMINARIES

1.1 Introduction

The Chair introduced the meeting.

1.2 Apologies

Dr Margaret Amos (NED).

1.3 Declarations of Interest

None, other than already declared.

1.4 Chief Executive's Report

The CEO presented his report and mentioned that since he submitted it the LFC had taken place.

He also mentioned delays with the recruitment of a successor to Dr Amos, who has agreed to stay on for up to three months after the end of her term if required.

The CEO also mentioned the establishment of the Nominations Committee for recruiting the DM's successor. Mr Moore and Mrs Owen have agreed to sit on that committee which is chaired by the Lighthouse Board Chair.

The CEO is to meet Baroness Vere (Shipping Minister) on the 7th February. The Minister will also visit Harwich on the 3rd March.

2. STRATEGY

2.1 Updated Strategy

Commander Hare reported on development of the Strategy and the Strategy Session with the Senior Management Team on 31st January and 1st February in Harwich,

The plan for the Strategy Session is to confirm the key enablers and populate the roadmaps by reference to the strategic assumptions as well as considering risk, constraints and opportunities.

The Board discussed the level of ambition that the Strategy should express, and alighted on an aspiration for it to retain a proper focus on delivering 'business as usual' to a consistently high standard, plus expanding our leadership position and influence within the UK and global maritime safety sector.

The Board would like the SMT to be involved on both days of the workshop.

2.2 Multilateral Meeting Feedback 8th December

The Chair provided a summary of the Multilateral Meeting which was a very productive meeting, at which the Corporate Plans of all three GLAs were scrutinised and approved. The CEO confirmed that the Ministerial sanction letter for 2023-24 is expected shortly.

At the meeting, the DfT noted that in order to fund the GLA Corporate Plans, which reflected the recent, sharp uplift in inflation along with cost growth in some major capital programmes, there might have to be a further, significant increase in Light Dues.

The Chair had also attended the Lights Finance Committee on 24th January. It had been proposed that in order to maintain the GLF cash reserve at or above its minimum level, there would have to be a 4p rise in Light Dues from the 1st April 2023, potentially with further, more modest rises in future years. There were also calls for there to be a review of the tonnage cap; and an increase in the £15m GLF reserve.

The LAC understood the reasons for the increase in Light Dues, and was supportive of the tonnage cap study but was not supportive of any increase in the GLF reserve.

The LAC also felt that shipowners should not have to pay for the extra costs caused by delays to the two ship build projects (NLB and TH) if the delay has resulted from excessive bureaucracy.

At the LFC, the LAC Chair expressed concern that these delays risked rendering THV PATRICIA unsafe, thus militating against the safety of navigation in general.

2.3 Draft JSB Minutes 9-10 November 2022

Introduced by the CEO.

Noted.

2.4 CEC Meeting Notes 13-14 October 2022

Introduced by CEO.

Noted.

3. PERFORMANCE

3.1 H&S Manager's Report

Presented by CEO.

The Board noted continuing issues with the incorrect wearing of PPE on the Harwich Pier.

Commodore Dorey commented on the follow-up to the CDM audit and the corrective measures already in place, along with those further measures recommended to address the audit findings.

With regard to pool vehicles, the Executive Committee had discussed the root cause analysis.

There has been another incident at Swansea with wood dust from a neighbouring tenant. The mutual landlord has stated that it is addressing this recurrent problem as a priority.

The Board discussed a NIPIT relating to a minor collision of THV PATRICIA with a light vessel and the circumstances surrounding this. Commodore Dorey confirmed that an investigation had been conducted.

On PPE, Commodore Dorey has prepared a letter to SVS to raise the issue of incorrect PPE in particular. He has also visited vessels alongside to discuss the matter with their commanding officers.

More generally, the Board discussed the measures proposed by the Pier Safety Working Group, which are going to be implemented soon. The Board also discussed the level of tolerance of transgressions that will apply to all staff in accordance with Fair Safety Culture and in a consistent way.

The Board discussed the potential mismatch between what the NEDs are expecting and what the executive directors are delivering in terms of Health and Safety. This item was first raised at the December ARAC and is aiming to get to the root cause of safety issues. Knowing who has ownership of maintenance routines and assets is central to this.

Commodore Dorey explained that the internal audits were very thorough, with TH investing considerable time in them, and therefore prepared us well for external audits (where we have a good track record). Additionally, internal audits expressly target areas where there are known or suspected problems.

3.2 Business Performance (KPIs)

The KPI report portrays three reds and one yellow.

- Yellow – Running costs are predicted to be 4% overspent at year end with ship fuel and electricity costs as the main drivers.
- Red – TH Capital Excluding Risks is set to be underspent at year end but work is being done to reduce the amount of underspend.
- Red – Value for money savings -The adverse variance is largely due to the difficult economic conditions experienced in the markets that TH operates in, making value for money savings difficult to identify.
- Red – Percentage of work completed for BSL (TH) - This is behind due to poor weather and additional visits required to rectify communications issues on floating AtoNs, thus reducing the time available to carry out statutory maintenance. THV GALATEA's DD&R was also extended, further impacting time.

The Board also noted that the KPI report was correct for the month of December 2022 and in some important respects the figures had been superseded by the Financial Out-turn report (Agenda item 3.4).

3.3 Navigational Requirements Report for the period 14 November 2022 – 17 January 2023

Commander Hare reported that this had been a quiet period in terms of wrecks.

A motor cruiser was assessed recently off Broadstairs. The vessel broke up and no further action was required.

3.3.1 Availability Progress Report 18 January 2020 – 17 January 2023

For publication

Noted.

3.3.2 Casualty Return 14 November 2022 – 17 January 2023

Noted.

3.4 Financial Report consisting of Appx 1a, Management Accounts, 2 Variance, 3 Capital and Financial Out turn report.

Presented by Mr Damen.

The Out-turn report described how TH is on course to deliver a successful 2022-2023 delivery year, meeting IALA standards, risk response criteria and Board objectives for deliverables such as local lights inspections, major projects and offshore renewables developments whilst at the same time dealing with the consequences of the Ukraine war, VRP delays, the fuel crisis and talent loss due to reward constraints.

Report noted.

3.5 Projects Reports

3.5.1 Project Highlights Report

Presented by Commodore Dorey.

Lynmouth and Farne modernisation have both been delivered, below budget.

The Engineering and Operations Department is experiencing some serious man-power challenges with recent resignations, retirements and illnesses. Work will be done to assess resource constraints in the year ahead.

3.5.2 Royal Sovereign Decommissioning

A pre-action challenge has been received from lawyers for one party which was deemed non-compliant. We are working with our lawyers to defend this challenge.

3.5.3 Vessel Replacement Project Update

TH project staff have already developed lines of approach for negotiation meetings and will formulate these into success criteria and red lines for approval by the Board.

[Action: Commodore Dorey – Develop VRP success criteria and red lines for agreement with the Steering Group and approval by the Board]

3.6 Budget Bid 2023 – 2024

Mr Damen presented a paper requesting the Board's approval to the Executive's approach to budgeting in the next financial year (2023-24) which will include an element of over-programming along with adjustments to pay forecasting, in order to avoid the risk of underspending.

3.7 Update on Benchmarking Exercise on Comparison of Whole Life Costs of THV GALATEA and NLV PHAROS

Commodore Dorey confirmed that differences in running costs are not materially different for both ships, and observed differences are principally due to the way that financial and budget reporting is done. More work will be done on this during the IGC Forum.

3.8 Pay and Conditions Business Case Update

Presented by Ms Gull.

Business Case 1 was submitted to DfT on 12th December. The Business Case was accepted by DfT Centre and is expected to be signed off at the end of this week, with the sanction request going forward to the Minister in February.

Discussions with Trades Unions – Unite, Prospect, Nautilus - are ongoing. Prospect have notified TH that they intend to ballot in February for strike action or other actions short of strike (e.g. no overtime worked) throughout March to August. The Board discussed the potential operational and other consequences of strike action.

Business Case 2 will be based on developing strength and depth for our workforce and introducing a competency framework shoreside, with pathways for SVS to come into shoreside jobs. Business Case 2 will contain a substantial element of *transformation* which will enable TH to bid for an above-baseline pay increase in the next pay remit. Business Case 2 will be further developed in summer 2023 after pay remit guidance is released.

The Executive RemCom met the same morning and approved a number of new and fixed term positions to assist HR with Business Case 2.

3.9 DPA Report

Noted.

4. GOVERNANCE

4.1 Risk Registers

4.1.1 Corporate Risk Register Dashboard

Noted. Upward trends on: -

- Ship Resources Risk
- New Vessel Project Risk
- Industrial Action Risk
- Geopolitical turmoil and supply chain disruption Risk

[Action: Board Secretary - Change Royal Sovereign Risk to an upward trend]

4.1.2 Report on Current Status of Risk Registers

Noted.

[Action: Board Secretary - Amend (xiv) to say Marine Superintendent instead of Vessel Captains]

4.1.3 Corporate Risk Register – High Level Register

Noted.

4.1.4 Draft Report on Board Effectiveness To assist Chair / CEO at meeting with Minister on 7th February

The report had been circulated in advance. Report noted.

5. ADMINISTRATION

5.1 Minutes of Previous Meetings

5.1.1 Minutes of Lighthouse Board 23 November 2022

Approved.

[Action: Board Secretary - Arrange another LHB meeting at Swansea/St Just]

5.2 Log of Actions/Matters Arising

The Board reviewed the log of outstanding actions from previous meetings and asked the Board Secretary to make various updates to it.

With regard to action 14 – The Board decided not to do a staff survey before the end of this financial year and asked Ms Gull to look at whether it is desirable continuing with the current survey company. Mrs Gull will share the staff survey results and follow up action plan with the Board for information

[Action: Ms Gull - To look at whether it is desirable continuing with the current survey company and to share the staff survey results and follow up action plan with the Board for information]

5.3 ARAC Chair's Report

The ARAC Chair was not present to deliver her report verbally.

5.3.1 ARAC Minutes 7th December 2022

Noted.

5.4 ARAC Terms of Reference

Approved.

5.5 Updated Audit Plan

Noted.

5.6 NED Recruitment Update

TH submitted papers to the DfT on 14th December for onward submission to the Minister. TH has been advised that there is expected to be a delay of up to three months to the recruitment.

Dr Amos has agreed to stay on for up to three months after the end of her tenure in May, if required, with virtual attendance at meetings.

5.7 Deputy Master's Succession

The Nomination Committee has been convened by the Wardens and the recruitment process will commence with the Committee's first meeting, aimed for next month.

The DM's retirement date has been confirmed as 31st December 2023.

6. ANY OTHER BUSINESS

The Board noted the recent retirement of the GIAA Head of internal Audit, and wished to recognise their appreciation of his support and help over the years.

London International Shipping week will be 11-15 September 2023. THV GALATEA will be moored alongside HMS BELFAST as venue for a range of users, fully supported by DfT.

There will be a specific TH event on THV GALATEA on Wednesday 13th September.

The NEDs intend to re-instigate liaison meetings with the DfT which have lapsed during and since COVID.

[Action: Chair to raise re-instigation of NED/DfT liaison meetings with Maritime Director]

The Board noted the forthcoming retirement of the NLB Chair.

[Action: DM to write to NLB Chair prior to his retirement]

7. DATES OF FORTHCOMING MEETINGS

- 30-31 January IGC Forum
- 31 January – 1 February LHB/SMT Strategy Discussion
- 20 February LHB RemCom (Remotely) 1400-1600
- 8 March Nom/Gov. Committee
- 8 March ARAC
- 16 March LHB