



TRINITY HOUSE

Minutes of Trinity House Lighthouse Board

24 September 2024 – Tower Hill

Present

Captain Lance Batchelor (Chair)

Rear Admiral Iain Lower (Deputy Master/ Chief Executive) (CEO)

Captain Andy Holt (Director of Operations) (DOps)

Commander Nigel Hare (Director of Navigational Requirements) (DNR)

Mr Ton Damen (Director of Business Services) (DBS)

Mrs Valerie Owen (NED) (VO)

Mr Alan Moore (NED) (AM)

Present (non-voting)

Mrs Natalie Gull (Director of People & Culture) (DPC)

Mr Damien Oliver (Director of Major Projects) (DMP)

In attendance

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

Ms Jessica Willan (Head of Safety & Environment) (JW) (items 1-2.3)

1. ADMINISTRATION

1.1 Welcome by Chair

The Chair welcomed those present to the meeting.

1.2 Apologies

Mr Curtis Juman (NED) (CJ)

1.3 Declarations of Interest

The Board noted that CJ has joined the Board of Hyde Housing as of 1st September. He is also a director of three of its subsidiaries.

The CEO has stepped down from Kinsetu and is a member of the IALA Transitional Council.

[Action: Secretary to update register of interests]

1.4 Minutes of Lighthouse Board - 16th July 2024

Approved as a full and accurate record.

1.5 Log of Actions/Matters Arising

Reviewed and noted. Regarding Action 13- the Directors' RemCom will be scheduled to follow the submission of the Pay Business Case to DfT.

2. PERFORMANCE, STRATEGY & VALUES

2.1 Chief Executive's Report and Risk Review

The CEO presented his report. The CEO's desired outcomes from the meeting today are to discuss Corporate Plan Key Assumptions and the Financial Overview; to note the route for the Futures Afloat Business Case towards IPDC; to review the new Strategy graphics; to approve the Pay Remit Business Case 2024-25 for submission; to approve the request to sign up to the Armed Forces Covenant; to approve the Gender Pay Gap Report for publication; and to approve the Organisational Values.

2.1.1 CRR Report and Dashboard

The Board received the Corporate Risk Register (CRR) dashboard and noted the new emerging risks.

The Board noted the recent decision by Irish Lights to withdraw from the Aviation Services Project (ASP) and to pursue their own contract for their helicopter requirements. Therefore, the ASP will be a joint TH-NLB agreement with one helicopter in the north and one in the south of Great Britain.

Mercury – a study has been conducted looking at mercury vapour and residual impact in Lighthouses. The final report is expected soon.

The recruitment and retention risk is increasing. Several other risks are stable.

The risk associated with Climate Change Adaptation and Harwich Sea Wall repairs was noted. A study is ongoing to understand the risk to the Harwich Pier caused by climate change-induced storm surges.

The fleet availability risk (technical) is currently a flat trend, but fleet availability is still affected by crewing. The risk is still high but is stable.

Swansea wood dust risk and solutions will be added as an emerging risk.

[Action: DBS to reposition risks B (Fleet availability(technical)) and L (Futures Afloat) to the bullseye of the dashboard]

The Board felt that there was a disconnect between the CRR and the underlying Organisational and Departmental risk registers. The CEO is planning to have a deep dive with the ExCo and SMT.

2.2 Designated Person Ashore Report

DPA Report is included in the H&S Report.

2.3 Health & Safety Committee Report

JW reported that the inaugural meeting of the new H&S Committee had taken place. The priorities to have emerged from the meeting were:

- Improvements to investigations and feedback processes,
- Control of work (addressing findings of the non-conformity from the MCA's recent audit).

The Board discussed the known failings in these areas identified by both internal and external (MCA) audits. There has been a continuing failing in incident investigations and closure. The MCA NCN will sharpen our focus on this problem which was picked up on the annual MCA DoC Audit on THV Alert.

Work is ongoing to improve resourcing in the H&S Team. A new H&S Manager has recently been appointed and will join on 1 December.

An H&S Advisor job-share has been appointed and will commence in November.

The H&S Department will then be up to strength.

AM observed a change in the culture of the organisation with operational departments feeling that they are in control of their own safety and taking ownership of it. The H&S Team is seen, rightly, as playing a supporting role.

The Board discussed the Swansea wood dust problem. JW explained discussions with Natural Resources Wales (the permitting authority for the licence for processing operations on this site) and Non Conformance Notes issued by them to the occupier, and provided a full update of ongoing work streams to address the problem.

The Board noted that the reports of the environmental health consultant indicate that this is not posing a danger to the health of our workforce due to the large size of the airborne particles and the main impact is on operations at the depot.

2.4 TH Strategy and Values

The CEO presented the product of recent work being done on the Strategy and presented the latest iteration of the 'Strategy Placemat' outlining the Mission and Vision for the Board's consideration. The graphic depicting this was also articulated in its draft form. The time horizon for the Strategy has been adjusted to 2035.

A new logo for the Strategy and tag line "Lighting the Way Towards 2035" has been developed.

A mnemonic of WAVE has been developed to describe the Values:

- Work together.
- Achieve excellence.

Value each other.
Evolve with ambition.

The Board **APPROVED** the Values.

DNR described the thinking behind the graphic and the messaging. The Board discussed the graphic in general, liking the content but offering advice on the current design, believing it requires more work to make it more eye-catching.

DNR confirmed that it was still in development and these comments were welcome and timely.

A second poster displays “the Benefits” of the Strategy. This will be included in the Strategy document linked to the Strategic Choices i.e.

Deliver Safely.
Profile and partners.
Sustainable future.
Organisational fitness.

The CEO will test the Strategy with middle managers at a specially convened meeting in London in early October.

The Strategy will be completed in a few weeks. Elements of it are included in the Corporate Plan.

The Board discussed increasing commercial income and felt that it belonged under ‘Sustainable Future’.

2.5 Sustainability Update

Baselining work is ongoing into Environmental, Sustainability & Governance in the organisation. This will inform the Sustainability Plan.

The Board felt that the baselining report should distinguish between that which is mandatory and that which is nice to have, appropriate to an organisation of our size.

2.6 KPI Report

Board received the KPI report, and it was noted.

2.7 ARAC Meeting 13 September Report

Deferred until October Lighthouse Board when CJ is expected to be present.

2.8 Business Services Directorate

2.8.1 Business Services Directorate update including YTD financial results

Report noted.

2.8.2 Financial Appendices A – August YTD Financial Position.

Report noted.

2.8.3 Annual Report and Accounts Update

The Board noted progress with the production of the Annual Report and Accounts 2023/24.

2.8.4 Corporate Plan – Key Assumptions and Financial Outline

DBS presented an overview of the Department's proposed key assumptions for the 2025-30 Corporate Plan including elements such as Staffing costs, Non-Staff (revex,) Energy and Routine Capital Costs. The Board discussed the elements of Organisational fitness and the dependencies with wider cost drivers, capital and outstanding works. In particular, the Board supported the inclusion of a TH reward attractiveness investment beyond the 2024-25 Pay Business Case currently pursued.

DOPs outlined the approach to Capital Projects; capital projects will be prioritised based on identified engineering and AtoN failure / resilience risks. One of the major changes in capital planning will be to reflect separation of the main modernisations into three categories (Navigation, Civil and "Supporting facilities" (electrics, lights, heating, alarms)) which in future will be covered under separate capital projects instead of the previous practice of covering these elements into a single larger modernisation project.

In practice, in the future this will change the profiling to around one major modernisation per year and six or seven smaller system improvements. This will see resources being used in a more efficient manner complemented by increased use of external contractors.

The Board is seeking further assurance and understanding to ensure that the transition to the risk-based prioritisation for capital spend will not lead to the quality of the operational estate deteriorating as a result of the focus on the 'urgent' matters.

[Action DOPs to report to the Board on actions being taken to ensure that the risk based prioritisation for capital spend will not lead to deterioration in the quality of the operational estate].

Capital items of particular consideration by the Board relating to the 2025-2030 horizon include:

- The inclusion of the climate change mitigation of the Harwich Seawall repairs.
- The Harwich Pier is not included in the Plan. An ongoing study is looking at the predicted frequency and impact of storm surges as a result of climate change in order to understand the mitigations required. There is a risk that this will require capital within the 5 year period which is currently not included.
- The ongoing VFM, financial and operational benefits of the innovation in buoy technology to replace the major floating aids. TH Examiners will continue to review the future requirements on a periodic basis.
- Refurbishment of three pillar rock helipads. These are initial estimates with more clarity expected in the coming years.

For Futures Afloat, the 2025-2030 Corporate Plan will be fully aligned with the key assumptions in the Outline Business Case being pursued and alternative funding proposals considered by the Department.

2.9 Navigational Requirements

There have been 4 wrecks since the last Board meeting.

The directorate is still down one staff member following the departure of the Inspector of Seamarks. This may impact on the Local AtoN inspection rates.

2.9.1 Navigational Requirements Report

The Board noted the report.

2.10 Operations Directorate

2.10.1 Operations Directorate Update

The new Head of Marine Assets has joined the Service.

A new Marine Superintendent has also been recruited and will start in October.

2.10.3 Portfolio Committee Report

The new Portfolio Committee has been established to streamline the project approvals process.

2.10.4 Royal Sovereign Phase 2 Update

Board received the report, and it was noted.

2.11 People and Culture

2.11.1 People and Culture Directorate Update and Update on Values

Board received the report, and it was noted.

2.11.2 Pay Remit Business Case 2024/25

DPC presented the Pay Business Case.

The Business Case needs to be submitted by 1 October.

The Board discussed its objectives in terms of alignment of pay scales with industry and NLB pay scales.

The Board recommended making the risks faced by the organisation by recruitment and retention difficulties more prominent in the business case and also to emphasise the fact that our salaries are not paid out of Exchequer funding. It would also benefit from more case studies.

DBS advised that Board that the Business Case is affordable.

The Board **APPROVED** the Business Case subject to final adjustments including strengthening of the Executive Summary. In doing so the Board noted DBS' concerns that the Business Case is not positively focused on retention and recruitment of middle and senior managers.

2.11.3 Gender Pay Gap Report 2024

The Report shows an improving trend in the Gender Pay Gap which indicates that the Action Plan is working.

The Board **APPROVED** the Gender Pay Gap Report 2024 for publication.

2.11.4 Armed Forces Covenant

The Board received a paper recommending that TH should sign up to the Armed Forces Covenant. The Board **RESOLVED** that TH in its capacity as a GLA should sign the Covenant.

The next step will be for the CEO to propose that the Court accepts it so TH can sign up.

[Action: CEO to recommend to the Corporate Board and Court that TH should sign the Armed Forces Covenant]

2.12 Futures Afloat

2.12.1 Futures Afloat Update and Plan on a Page

Board received the report. Report noted.

2.12.2 Route to IPDC.

The Futures Afloat team has been very busy over the summer months.

The Addendum to the OBC has been thoroughly reviewed. The Addendum deals with the specific concerns of the DfT IPDC and in particular addresses:

- Why two ships now?
- What would be wrong with anything other than two ships?
- Benefits and disbenefits of one ship versus two ships procurement.
- Lessons learnt in relations to the commercial strategy.
- Affordability showing how the GLF can afford to pay back the loan.

Further work is required on how TH can smooth the affordability position for the DfT in the timeline context of the next spending review. Further work is focussing on:

- Working closely with the National Shipbuilding Office.
- Improvements to project governance.

The Board is anxious to impress on the DfT the fact that this is not discretionary spending and is absolutely necessary for the future delivery of the statutory function.

The Board discussed the Affordability argument, of how to offset the CapEx affordability.

The GLF Accountant has developed a suggestion of a way to broach the affordability challenge which seems to be quite compelling and involves spending the cash surplus (net of the strategic reserve) in the GLF.

The Board **RESOLVED** to support the GLF as a funding route cognisant of the likely effect on light dues and maintenance of the required reserve level.

AM raised the outstanding question about the Builders Refund Guarantee. DMP intends to return to the Board with a recommendation on the risk appetite for the BRG.

Germane to this, the Board noted the recent announcement of bankruptcy of a British shipyard in Belfast.

2.13 IALA Update Report

Due to change of status and the UK becoming the Member State of the new Inter Governmental Organization, TH and NLB will seek joint accreditation as the UK's representatives at Council.

The UK has offered to host World AtoN Day 2025 in London, with Trinity House as a venue.

3. ANY OTHER BUSINESS

The next Maritime Leaders Forum will focus on Artificial Intelligence on 11 November at Trinity House.

NEDs questioned the priority being given to Europa Point Visitor Centre re-development.

4. Dates of Forthcoming Meetings

- LHB 24th October
- ARAC 16th December

[Action: Secretary to look to reschedule the January LHB to accommodate VO]

Record of Decisions.

1. The Board APPROVED the Values.
2. The Board APPROVED the Pay Business Case subject to final adjustments including strengthening of the Executive Summary.
3. The Board APPROVED the Gender Pay Gap Report 2024 for publication.
4. The Board RESOLVED to support the GLF as a funding route as part of Futures Afloat.
5. The Board RESOLVED that TH in its capacity as a GLA should sign the Armed Forces Covenant.
6. The Board RESOLVED to support the GLF as a funding route for the new vessels cognisant of the likely effect on light dues and maintenance of the required reserve level.