



TRINITY HOUSE

Minutes of Trinity House Lighthouse Board

26 March 2024 - Trinity House, London

Present

Mr Lance Batchelor (LB) (Chair)

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

Mr Curtis Juman (CJ) (NED)

Mrs Valerie Owen (VO) (NED)

Mr Alan Moore (AM) (NED)

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

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

Mrs Natalie Gull (DPC) (Director of People & Culture) (Non-Voting)

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

Captain Andy Holt (DOps) (Director of Operations)

In attendance

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

Part 1

1. PRELIMINARIES

1.1 Welcome

The Chair welcomed the Board to the meeting and thanked his predecessor Sir Alan Massey for his four years' service on the Board, the improvements he was responsible for and the sound foundations he laid.

The Board members introduced themselves and highlighted their other roles and career highlights for the benefit of the several new Board members for whom today was their first Board meeting.

The Chair's approach will be to focus on the strategic, not the tactical. He will encourage open, lively, robust debate which must be delivered courteously and professionally.

1.2 Apologies

None.

1.3 Declarations of Interest

The Secretary requested Board members to complete annual Declarations of Interest.

[Action: Board]

1.4 Minutes of Lighthouse Board on the 24th January 2024

The Minutes were approved and signed.

1.5 Log of Actions

No 17 - Patricia Reliability – This action was put on hold by the CEO due to the recent departure of the previous DOps and will now be pursued as a priority by the new DOps and reported at the next meeting.

DOps confirmed that he is examining reliability across the TH fleet including by benchmarking across the wider GLA fleet. In the context of an audit into Coordinated Fleet Management this issue will be discussed at the Chief Executives' Committee in April.

CJ said that Fleet reliability is related to organisational resilience into which the Business Continuity Plan (BCP) fits. The Board agreed that the BCP should be reviewed and tested to reassure the new leadership team that it has a robust crisis response organisation in place. DNR highlighted that the BCP had been activated twice within the last 12 months for the Needles Lighthouse helicopter and the Wolf Rock collision incidents.

[Action: To review and test the BCP by the end of May. DBS]

Actions relating to Health and Safety will be combined and consolidated.

[Action: Board Secretary]

Governance Actions will be combined and consolidated.

[Action: Board Secretary]

There was then a wider conversation on governance which the Board agreed needed to be addressed but at the appropriate juncture having regard to other priorities.

No 20 – The NEDs will be meeting DfT officials this afternoon. They will raise the pay business case, vessel replacement and also explore the working relationship between DfT and TH.

1.6 Matters Arising

The Framework Agreement is being reviewed.

The Maritime Minister visited TH, London last week. In a positive engagement, Lord Davies of Gower was updated on TH's current operations and the plan for the future including initiatives in people in particular the Pay Business Case, the journey to Net Zero, R&D and vessel replacement.

The new Director Maritime DfT Lola Fadina will be meeting the CEO the week commencing 22nd April.

2. **PERFORMANCE**

2.1 Chief Executive's Report

The CEO noted his predecessor, Captain McNaught's, generosity in arranging such a comprehensive handover. Summarising his first month, he commented that he had been made universally welcome and was impressed and heartened by a culture of commitment and loyalty to Trinity House, the GLA and its mission. He highlighted the following initial priorities:

1. Stabilise staff turnover to sustainable levels.
2. Improve ship availability.
3. Reduce variance in the annual budgetary outturn.
4. Improve H&S governance, training and communications.

The CEO then introduced the draft 2024/25 Organisational Objectives explaining the logic that underpinned them and their relationship with the draft Strategy and its supporting 'plans' such as for People and Public Relations.

In discussion, VO questioned whether the objectives were ambitious enough and whether they were sufficiently SMART, particularly on health and safety

A discussion followed on the culture of safety, the role of the H&S team, recent improvements to management of safety and initiatives focussed on increasing the visibility of safety from 'Board to the ship and shop floor'. AM agreed to support the Head of HSE in refreshing the H&S Plan.

CG also recommended raising the visibility of wellbeing/caring for staff.

[Action: By the beginning of the new financial year:

Exec to refine the Organisational Objectives to ensure each one is 'SMART'].

RESOLVED: -Subject to further refinement by the Executive Committee the Board was content to endorse the 24/25 Organisational Objectives to be operationalised through the SMT.

2.2 Health and Safety Manager's Report

Noted and discussed.

The Board noted that the H&S Team is in the process of developing a plan to complete Fire Safety inspections of lighthouses in the most expeditious way possible.

Related to the discussion in the previous section, DPC clarified that the People Strategy included a section on wellbeing, work is ongoing to tie that in with the management of H&S.

The Board requested H&S statistics be broken down further to understand the effectiveness of H&S governance, training and comms at sub-departmental level.

[Action: Exec to ensure that H&S Management Information to be further refined to provide visibility down to sub-departmental level by the next Lighthouse Board.]

The CEO observed that *THV Galatea* Port Watch for example was clearly more proactive at reporting near misses than others and that this not only warranted further investigation but that it also provided the leadership with an opportunity to recognise good health and safety practice where and when they found it.

The Board noted the cumulative year on year “all employee accidents” trend is increasing and asked the Executive Committee to address this. The CEO will include this key measure within the 24/25 organisational objectives AM said the organisation still needed to move to a more mature safety culture and the key to this was leadership. The CEO agreed and suggested that as part of the desire to further improve H&S that it be the subject of a future deep dive.

2.3 Designated Person Ashore (DPA) Report

Noted.

The Board Secretary explained that this was a critical report from the DPA directly to the Board instigated across the industry as best practice. In essence, a robust ‘shop floor to Board’ link to ensure that critical issues are not filtered out.

DNR noted, in particular for the new members of the Board, that the DPA report provides a valuable window into our ongoing compliance with the various audits required by the Maritime and Coastguard Agency (MCA) for the operation of our vessels. DNR noted, for example, that should the MCA decide to revoke our Document of Compliance, our vessels would be required to remain alongside until the issue identified in audit was resolved. The DPA report is, therefore, an important bellwether.

It was noted that any non-conformities raised by the DPA are also discussed by the ARAC.

[Action: For consideration at the next ARAC, DOPs to explore with the DPA whether a more comprehensive report would benefit the Board’s understanding of the risk to compliance.]

2.4 Business Performance (KPIs)

DBS presented the year to date KPI report.

DNR noted for the new Board members a nuance of IALA availability reporting that results from the recommended rolling three-year statistical assessment period. This method of recording availability means that the fault with Hurst Point light that resulted in Cat 1 directional light availability being reduced for a

short period will now be reflected in KPI reports for the next two and a half years.

DNR explained that for 2024-25 the IALA 3 year rolling average KPIs will be compiled as a 3 month rolling average to improve understanding of these important statutory leading indicators, to provide more relevant data and assist with operational planning. *Mean Time Between Failure (MTBF)* and *Mean Time To Restore (MTTR)* will also be introduced to better measure effectiveness.

The Board sought clarity on the prioritisation between the Statutory and the Non-statutory commercial Buoy Servicing List (BSL) which is, in accordance with the MSA 1995, to be completed within spare capacity.

It was noted that the BSL target is traditionally set at 100% in line with the requirement for TH to fulfil its statutory responsibilities before pursuing commercial endeavour within spare operational capacity.

The Board also discussed the implications of a failure to meet the statutory BSL whilst running a non-pay Opex underspend and continuing with commercial buoy work.

[Action: DOps to review the planning and prioritisation processes between the Statutory BSL and Commercial BSL to ensure the correct balance between the statutory requirement and spare capacity, by September 2024].

[Action: DBS to introduce a rolling 3 month IALA KPI, MTBF KPI and MTTR KPI for 2024-25 from 1 April 2024]

2.5 Business Services Update on Progress against 2023-24 HPOs

As a follow-up to the briefing paper DBS made a short presentation on Accounting Period 11's expected financial outturn covering the following:

- The outturn for period 11 shows an underspend, of which the majority is for Royal Sovereign which will be spent in 2024-25. TH was required to seek the full funding security to enable the Royal Sovereign contract signing with the main contractor and combined with the contractual 3-year performance window this funding underspend was anticipated.
- Staff cost underspend is driven by; vacancies (which improved to 20 heads against budgeted establishment but varied by up to 30 open positions throughout the year), the Pay Business Case assumptions and budgeting at the top of competencies. Delivering the Pay Business Case combined with other strengthening measures such as a budgeted

vacancy factor will address the recurring annual underspend in the staff budget.

- Non-staff underspend was comprised of.
 - Fuel and electricity underspend predominately due to high budgeted prices for MGO and electricity which, fortunately, did not materialise to the extent predicted.
 - Other non-staff underspend captured not using the risk reserve and not delivering the full BSL and Clean Buoy Programme as budgeted for, due to vessel downtime.
 - During 2023/24 TH experienced a number of inflationary pressures which have been offset by the BSL and Clean Buoy savings. Bar these circumstances TH would have overspent on the core non-staff budget programme. A number of cost deep dives are scheduled in 2024-25 to provide better insight in the future cost trajectory. Taking these inflationary pressures into account – full delivery of the BSL and normalised ship availability could have resulted in a significant overspend in this area.
 - Due to staff resource constraints the previous 2023-24 Board direction to over-programme had minimal impact in-year. The result is that most ‘over-programmed’ activities are now part of the 2024-25 Budget.
 - Capital under-delivery, especially marine, remains uncertain with a significant variance forecasted against the budget with a number of projects due during March 2023-24. This has all the hallmarks of underspend and is likely to result in carrying over capital into 2024-25.

2.5.1 Business Services Directorate update on progress against 2023-24 HPOs and summary of prospective Organisational Objectives for 2024-25

The Board reminded itself of the sanctioned Corporate Plan 2024-2029 approved by the Board at its October 2023 meeting. The Board endorsed the 2024-25 detailed budget proposed by the Executive.

Improvements for 2024-25 cover:

- New delegations for the full DfT sanction by allocating every pound to a responsible Director and direct report
- Strengthened personal objectives for Directors and SMT to reduce budget variance to <5%,

- Focus on closing the ‘delivery gap’ and mitigating the operational and financial impact of an underspend to inform the , 2025-2030 Corporate Plan,
- The 2023-24 over-programming activities such as Bartholomew Ledge Repairs, Harwich Pier and Seawall survey are now part of the 2024-25 allocated budget.

2.6 People & Culture Directorate Report

The Board noted the report provided by DPC, with the top three areas of focus being Pay and Reward, Organisational Fitness, Communications & Engagement.

Pay & Reward

DPC made a presentation on the Pay Remit Business Case.

The Board discussed the delays with approvals of the Business Case and how to tackle that particular challenge. The CEO explained that he was keen to avoid a prolonged, iterative approach via e-mail with colleagues in Government and that he was seeking a face-to-face session with the Cabinet Office and Treasury alongside the DfT.

Subject to the NED meeting with DfT that afternoon, the Board resolved that the Chair should write to the Maritime Minister to request him to intervene to speed up the process of approvals and to follow up on the Minister’s recent visit to Trinity House where the point was made that such high turnover is harming the organisation and risking delivery of the statutory function.

[Action: CEO to draft a letter for the Chair’s signature to the Maritime Minister to solicit support on the Pay BC]

[Post meeting note by CEO – the negotiation with CO/HMT is active so, whilst the letter has been drafted, it is recommended it be sent only if negotiations stall.]

Organisational Fitness

The Board resolved to approve the Board Competency Matrix subject to referencing the Nolan Principles under ‘mindset’.

**[Action: To include the Nolan Principles within the Competency Matrix.
DPC]**

2.7 Vessel Replacement – Futures Afloat.

DMP presented a series of papers which collectively set out a new approach to vessel replacement under the title 'Futures Afloat'. This new Programme will address the need to replace *THV Patricia* and subsequently *THV Galatea*. It seeks to learn the lessons from previous unsuccessful attempts to replace *THV Patricia* and maximise the benefits that arise from the replacement of both ships.

The new governance model for the Programme clarifies responsibility and accountability, the constitution of a new CEO-chaired Programme Board and relationships with key stakeholders such as DfT, NSO and the GLAs.

DMP also presented the SRO Delegations letter for approval, designating him as the Senior Responsible Owner (SRO), through which accountability for the Programme will flow. The delegation letter will be co-signed by the CEO and the Lighthouse Board Chair. Consideration will also be given to securing delegation signature from the DfT.

The Lighthouse Board sought clarification on its role in the new governance approach. It was explained that the Lighthouse Board's endorsement and support will be required at key decision points such as business case approval, before the Programme can proceed to the next approval point. The Board would also be kept informed as to the Programme's progress. The Court, noting its interest in this Programme, will also be kept informed on progress.

This new approach comprehensively addresses the three main areas of concern that DfT has when it comes to vessel replacement in Trinity House. They are:

- Governance
- Commercial approach (including Contract)
- Finance

The Outline Business Case will address these points. The draft Outline Business Case will be presented in outline to an extraordinary meeting of the Lighthouse Board at the end of April.

[Action: Board Secretary to arrange an extraordinary virtual meeting to discuss the OBC before submission.]

[Action: DMP to circulate TORs for the various committees in the governance structure in time for the next formal Lighthouse Board]

CJ requested clarification on vessel full life costs, including levies and climate change.

[Action: DMP to provide full life vessel costs]

2.8 THV Patricia Reliability

DOPs reported on the current reliability of the ship.

A discussion followed about the content of the report. The CEO observed that the management information on availability did not yet reflect capability, impact and mitigation.

[Action: DOPs to review the content of the report and submit an updated report at the next Lighthouse Board meeting.]

The Board resolved that it needed to see a comprehensive organisational contingency plan for *THV Patricia* which could be used to underpin the timeline for permanent replacement.

[Action: DOPs to develop a contingency plan for unavailability of THV Patricia]

2.9 Navigational Requirements Report including Availability Progress Report and Casualty Return

Presented by DNR.

In the period 17th January to 19th March individual Examiners or the Navigation (Examiner) Manager, considered 114 items including 34 where the risk assessed was such that marking was decided as being necessary or required altering.

No incidents have been reported resulting from a failure of either TH aids to navigation, local aids to navigation or those exhibited from an offshore structure.

There have been no requests as a result of local AtoN inspections for Examiners to reconsider any marking previously specified.

Wrecks during this period included a 17 metre fishing vessel named "*Siarach III*" that sank on 20 January 2024, approximately 2nm south of the East Rutts reef, south of Plymouth. Considering surrounding depths DNR had formed the opinion that no TH action was deemed necessary.

Report noted.

3. STRATEGY

3.1 TH Strategy update

The CEO updated the Board that he was working through the draft Strategy and would return to the next Board with a 'plan to plan'.

3.2 Organisational Objectives 2024-25

Discussed under agenda item 2.1 above. Endorsed subject to refinement.

3.3 GLA Marine Navigation Plan

DNR presented the Tri-GLA Marine Navigation Plan.

Noting that the other GLAs have signed-off on it the Board discussed the Plan and its interplay with TH's Strategy.

DBS raised a concern that the plan did not reflect organisational capacity, resource limitations or skills and was therefore too aspirational. The Board acknowledged DBS' points but considered that in all other respects the GMNP was a step forward and in addition that it provided some useful hooks for the draft strategy.

The Board approved the plan.

4. GOVERNANCE

4.1 Board Development Objectives

Discussed in relation to the People and Culture update.

4.2 Corporate Risk Register Dashboard

CJ reported on the discussions at ARAC the previous week in respect of the risk registers.

The CEO stated that he wishes to convene Risk and H&S deep-dives with the SMT.

[Action: Board Secretary to schedule risk and H&S deep dives with the SMT]

The *THV Patricia* availability risk should be amended to say, "Fleet Availability".

[Action: DBS]

5. Any Other Business

A Lighthouse Board RemCom will be held in April.

5.1 Swansea Bay Buoys Section 203 transfer

The Board received a paper from DNR recommending that the consent of the Secretary of State be sought to transfer the Ledge Buoy and the Grounds Buoy to ABP under Section 203 of the Merchant Shipping Act 1995 and, subject thereto, that the Ledge Buoy and the Grounds Buoy be transferred accordingly.

Recommendation approved.

5.2 D-Day 80 Commemorations

The CEO outlined plans to commemorate TH's involvement in the D-Day landings and the liberation of Europe 80 years ago.

6. Dates of Forthcoming Meetings

- CEC 3-4 April (Irish Lights)
- JSB 1-2 May (Irish Lights)
- Court 14 May
- Lighthouse Board 30 May
- Trinitytide 4 June
- Employee Awards 13 July

Record of Decisions

1. Organisational Objectives 2024-25 subject to refinement **APPROVED.**
2. **RESOLVED** that the Chair would write to the Maritime Minister to highlight the detrimental impact of delays to the pay business case.
3. Board approved the use of a New Board competency matrix template **APPROVED.**
4. Vessel replacement Governance,, narrative, IPDC submission, SRO Delegation, and re-branding to 'Futures Afloat' **APPROVED.**
5. **RESOLVED** to convene an extraordinary 'virtual' LHB meeting to discuss OBC- 30th April.
6. Tri-GLA Marine Navigation Plan **APPROVED.**
7. **RESOLVED** to hold Risk and H&S Deep dives with the SMT.
8. Recommendation to seek SoS consent to transfer the Ledge Buoy and the Grounds Buoy to ABP under Section 203 of the Merchant Shipping Act 1995 and, subject thereto, that the Ledge Buoy and the Grounds Buoy be transferred accordingly - transfer planned for 19 April **APPROVED**

