



TRINITY HOUSE

Minutes for Publication of Lighthouse Board 15 **October 2020**

Held via WebEx

Present

Sir Alan Massey (Non-executive Chairman)

Captain Ian McNaught (Chief Executive)

Commodore Rob Dorey (Director of Operations)

Mr Ton Damen (Director of Business Services)

Commander Nigel Hare (Director of Navigational Requirements)

Mr David Ring (NED)

Mrs Valerie Owen (NED)

Mrs Margaret Amos (NED)

In attendance

Mr Russell Dunham (Legal Advisor - Minute Secretary)

1. INTRODUCTION

The Chairman welcomed those present.

1.1 Apologies

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

1.2 Declarations of Interest

There were no declarations of interest beyond those already declared in the Register of Members' Interests.

2. STRATEGY

2.1 DfT/ Parliamentary

Captain McNaught reported that he had met the Shipping Minister on 29 September, matters in respect of which are reported under item 2.5 below.

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Captain McNaught updated the Board on recent changes to TH's high-level contacts at DfT.

2.2 JSB

The Board discussed the proposed Agenda for the next meeting of the Joint Strategic Board (JSB) on 18 November. Topics for discussion would include, *inter alia*, the GLAs' Corporate Plans, the tri-GLA helicopter contract, ship procurement and RPI-X.

The Board agreed the JSB Agenda for 18 November, noting that the meeting would primarily be conducted by remote media due to the ongoing situation with COVID-19.

2.2.2 JSB Strategic Agenda Roadmap

The Board reviewed the JSB Strategic Agenda Roadmap. It noted that the Strategic Roadmap required updating to include COVID-19 as a tri-GLA issue for the JSB (Minute Note: This action arose from the Meeting of Lighthouse Board on 24 September 2020).

[Action: Board Secretary]

Subject to the inclusion of COVID-19, the Board agreed the JSB Strategic Agenda Roadmap noting that it would be discussed by the JSB at its meeting on 18 November (under Parts Two and Three of that meeting).

2.3 CEC Meeting Notes

The Board noted the Minutes of the GLAs' Chief Executives' Committee (CEC) meeting held on 18 September, a briefing in respect of which had been provided by Captain McNaught to the Board at its Meeting on 24 September.

Captain McNaught reported that inter-GLA cooperation and the delivery of significant work streams by the respective IGCs was very good. This had also been reflected in the quality of the submissions to the CEC by the respective IGCs. GRAD had also continued to engage very effectively through IGC5.

2.4 Corporate Plan 2021-26

Mr Damen presented the draft Corporate Plan 2021-26, which took account of the core assumptions agreed at the Board of 24 September.

Further work would be undertaken on refining the figures at the annual budget-planning meeting in January / February and the Board will be briefed accordingly.

Mr Damen highlighted that the notable reduction in Light Dues income (16% year to date – September) due to COVID-19 was of concern and an aspect the DfT were examining closely in the context of the GLAs' budgetary requirements, as set out in the Corporate Plan.

In response to enquiries from Mrs Amos and Mrs Owen, Mr Damen explained that within the inflationary financial assumptions the cost of marine gas oil fuel for the TH Vessel fleet was a significant variable as a result of the quantum purchased and the historic price variability.

It was also agreed that publishing a TH Corporate Plan that reflected a realistic RPI-X efficiency measure was consistent with TH's strategy and its understanding of Government policy, and was the right thing to do.

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The Board stated that it was content with the Corporate Plan 2021-26 and agreed its submission to the DfT on 31 October.

[Action: Mr Damen to arrange submission of Corporate Plan to DfT]

2.5 Annual Report and Accounts 2019/2020

Mr Damen presented the draft Annual Report and Accounts for the Year Ending 31 March 2020 to the Board. He reported there were some remaining matters to be addressed in conjunction with the NAO as part of the completion of the annual financial accounts for 2019/2020. These had been amplified further in the covering synopsis provided to the Board

The Board had a further brief discussion on the Royal Sovereign Lighthouse decommissioning project and the assessment of comparative indices in order to further inform the provision in the Accounts, noting that it was problematic to draw direct comparisons to the offshore energy sector in this regard. In addition, the costs typically associated with marine wreck removal were only partly informative due to the wide range of circumstances and complexity of such tasks. In calculating the estimated provision for the decommissioning project, it was assumed that the contractor would be provided with some operational flexibility as to when to conduct the works to minimise weather risk and associated cost exposure to ensure best value for money.

The Board commended the quality and attention to detail in the presentation of the draft Annual Report and Accounts for 2019/2020, noting that the Finance team had worked diligently in the preparation of the document during very challenging circumstances presented by COVID-19.

It was agreed that the Finance team should be apprised of the Board's appreciation for the work undertaken in preparing the document.

Mrs Amos reported that the ARAC had separately reviewed and commented on the Draft Annual Report and Accounts and was content with the approach that had been adopted.

Subject to resolution of the above matters, the Board agreed the draft Annual Report and Accounts for the Year Ended 31 March 2020.

[Action: Mr Damen to update the Board upon close out of remaining matters identified for the Annual Report and Accounts]

[Action: Mr Damen to apprise the Finance team of the Board's appreciation for the work undertaken in preparing the draft Annual Report and Accounts for the Year Ending 31 March 2020]

2.6 Vessel Replacement Update (Verbal)

Sir Alan invited the Board to discuss its current strategy with regard to the Vessel Replacement Project following recent developments with the procurement process, the stakeholder responses and consequent to the evolving political, economic and regulatory landscape in which the procurement would be conducted. In addition, to consider the steps that the Board should take from an assurance and governance perspective as regards TH's interface with the high-level stakeholders engaged in the process.

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The Board discussed and explored a number of themes in this regard. Matters included:-

- The output of discussion with the Shipping Minister on 29 September on the project. Captain McNaught briefly summarised the matters covered.
- Recent developments with the procurement following the decision to stop and restart the procurement process, along with the associated operational implications and potential legal risks.

The Board further noted that external factors might shape the direction of travel of the procurement process. The TH position would need to be carefully nuanced given the different stakeholders invested in its output. Mrs Owen, Mr Ring and Mrs Amos informed the discussion further with a number of important insights in this regard.

2.7 Executive and Directors Remuneration Committee Chairs' Update

The Board noted the verbal update report from the Chair of the Executive and Directors Remuneration Committee.

The Board agreed the proposed TH2040 / RemCom work programme / timetable.

2.8 Patricia Voyages

The Board noted the report in respect of the permanent cessation of the *Patricia Voyages* venture from 2021. The 2020 Voyages season had previously been cancelled due to COVID-19 and several other associated factors, which would necessitate the utilisation of Vessel time for core statutory obligations and in support of other commercial and other working initiatives during 2021/22.

3. PERFORMANCE

3.1 Health and Safety Manager's Report

Captain McNaught presented the Health and Safety Manager's report covering the period 1 September to 5 October 2020.

The Board reviewed the schedule of accidents, incidents and near misses.

3.2 Business Performance/KPIs

Mr Damen briefed the Board on the schedule of Key Performance Indicators for the period to 8 October 2020. The Board noted a general improving trend across the majority of the metrics, albeit COVID-19 had continued to impact in a number of areas including on Light Dues receipts, commercial income and underspends on lighthouse maintenance attributable to COVID-19 travel related restrictions.

3.3 Navigational Requirements Report

Commander Hare presented the Navigational Requirements report for the period 14 September to 5 October 2020 and updated the Board on the headline performance statistics in respect of AtoN casualties and AtoN availability. The latter in most instances exceeding IALA availability targets.

3.3.1 AtoN Availability Progress Report for the period 6 October 2017 to 5 October 2020

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The Board noted the AtoN Availability Progress Report for the period 6 October 2017 to 5 October 2020.

Mrs Owen observed that TH's continued ability to effectively deliver its statutory safety of navigation remit against the backdrop of the significant challenges caused by COVID-19 reflected a notable achievement. The Board concurred noting the collective effort of TH staff in ensuring the mariner was kept safe at sea whilst operating to a cost effective and efficient construct.

3.3.2 Casualty Return for the period 14 September to 5 October 2020

The Casualty Return for the period 14 September to 5 October was noted.

3.4 Designated Person Ashore - Report for the period 3 July to 2 October 2020

The Report from the Designated Person Ashore for the period 3 July to 2 October was noted.

3.5 Executive Directors' Report

The Board noted the Executive Directors Reports for the period under review.

In response to an enquiry by Captain McNaught, Commodore Dorey updated the Board on the expected timeline for the installation of the new deck crane on THV Alert. He explained that the installation work by SMS Lowestoft was due to begin at the end of October.

3.5.1 – 3.5.9 Annexes to Executive Directors' Report

The Board noted the schedules of key financial performance / measurement data for the period of review. The submission also incorporated the summary of current Procurement activity. Mr Damen gave a high-level summary update to the Board on these aspects.

3.6 Review of Headline Performance Objectives 2020-21

Deferred until November.

3.7 Review of Board Objectives separate from the HPOs

Deferred until November.

3.8 Review of NED's Objectives 2020-21

Deferred until November.

3.9 Setting of NED's Objectives 2020-21

Deferred until November.

3.10 Setting of NED's Objectives 2021-22

Deferred until November.

4. GOVERNANCE

4.1 Audit & Risk Assurance Committee (ARAC) Chair's Report

4.2 Draft ARAC Minutes of 21 September 2020

Mrs Amos briefed the Board on matters arising from the Audit and Risk Assurance Committee on 21 September. The meeting had dealt with a wide range of topics

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covering corporate governance, risk management, compliance and data / cyber security aspects, with key matters of particular note including:-

- The Head of Internal Audit's *substantial* annual audit opinion in respect of TH for 2020;
- The ongoing progress of the Integrated Internal Audit Plan. Some internal audits had been impacted by COVID-19 due to difficulties with auditors accessing TH Vessels to conduct audits;
- The arrangements for the Risk Management and Audit Planning Workshop in December and matters for discussion at the forum.
- The status of the security and compliance Dashboard. In particular, the work that had been undertaken by the IT Department in this regard consequent to the COVID-19 pandemic and transition to a temporary home working construct for a significant proportion of TH's workforce.

The Board noted the draft Minutes of the Audit & Risk Assurance Committee meeting held on 21 September 2020.

4.3 Report from the ARAC Chair on one or more of the Risk Descriptors from the Corporate Risk Register.

Noted.

5. ADMINISTRATION

5.1.1 Minutes of Previous Meetings

5.1.2 Minutes of Lighthouse Board 24 September 2020

The Minutes of the Lighthouse Board held on 24 September 2020 were agreed.

[Action: Board Secretary to arrange signature by Chairman]

5.1.3 Minutes for Publication of Lighthouse Board 24 September 2020

The Minutes for Publication of the Lighthouse Board held on 24 September 2020 were agreed.

[Action: Board Secretary to arrange publication on the TH website]

5.1.4 Minutes of Extraordinary Lighthouse Board 18 September 2020

The Minutes of the Extraordinary Lighthouse Board meeting held on 18 September were agreed.

5.2 Log of Actions / Matters Arising

The Board reviewed progress against the Log of Actions.

The current status of the respective existing actions on the Log of Actions is:-

22.05.20/19. Position noted. Ongoing. *Open*.

22.05.20/32. Position noted. Ongoing. *Open*.

22.07.20/5. Position noted. Ongoing. For discussion at Risk Workshop in November. *Open*.

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Strategy Session 2020/1. Ongoing. *Open*.

Strategy Session 2020/2. Ongoing. *Open*.

22.07.20/8. Position noted. **Closed**.

24.09.20/01. Position noted. **Closed**.

24.09.20/02. Ongoing. *Open*.

24.09.20/04. Position noted. **Closed**.

24.09.20/05. Position noted. **Closed**.

24.09.20/06. Ongoing. *Open*.

24.09.20/08. Ongoing. Part completed. *Open*.

24.09.20/10. Ongoing. *Open*.

24.09.20/11. Ongoing. Mr Dunham to check position with Board Secretary. *Open*.

24.09.20/12. Part completed. Mr Dunham to check position with Board Secretary. *Open*.

24.09.20/13. Part completed. Mr Dunham to check position with Board Secretary. *Open*.

24.09.20/14. Ongoing. Mr Dunham to check position with Board Secretary. *Open*.

The Board noted that 8 new matters / actions had been added to the List of Actions arising from its meeting on 15 October.

5.3 Policy Updates

5.3.1 Electronic Communications Media Policy

The Board Agreed the Electronic Communications Media Policy.

5.3.2 Financial Policy

The Board Agreed the Financial Policy.

5.3.3 Fraud and Bribery Policy

The Board Agreed the Fraud and Bribery Policy.

5.3.4 IT Security Policy Statement

The Board Agreed the IT Security Policy Statement.

5.3.5 Information Risk Policy

The Board Agreed the Information Risk Policy.

5.3.6 Light Dues Collection Policy

The Board Agreed the Light Dues Collection Policy.

5.3.7 Procurement and Inventory Policy

The Board Agreed the Procurement and Inventory Policy.

5.4 Review of Risk Registers

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5.4.1 Corporate Risk Register

Mr Dunham briefed the Board on the current status of the key risks included on the Corporate Risk Register. The Board noted the general continued upward trend of the risk relating to COVID-19 consequent to the increasing level of regional restrictions in Wales, London and Essex in which TH had important operational bases. The implementation of COVID-19 secure workplaces and associated health & safety and operational procedures continued to be a significant risk mitigation measure in this regard.

The Board agreed the Corporate Risk Register.

5.5 Any Other Business

5.5.1 Tri-GLA Battery Tender

The Board discussed the Tender Evaluation Report (T0453) in respect of a Framework Agreement for the supply of Batteries to the GLAs and its associated recommendation.

The Board **RESOLVED** that:-

- (i) The Framework Agreement for the supply of GLA batteries (Lot 1 & 2) be awarded in line with the Recommendation of the Tender Evaluation Report.

5.5.2. Forthcoming Retirements

The Board noted the forthcoming retirement of Mr David Ring from the Lighthouse Board in November.

Sir Alan stated the collective thanks of the Board to Mr Ring for the immense contribution that he had made to the work of the Board and for his invaluable professional insight on matters of strategic importance to TH.

5.6 Dates of Future Meetings

12 November 2020 - LHB

18 November 2020 - JSB

9 December 2020 - ARAC