



TRINITY HOUSE

Minutes of Lighthouse Board

13th October 2022 at Trinity House, Tower Hill

Present

Vice-Admiral Sir Alan Massey (Chair)

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)

Mr Alan Moore (NED)

Dr Margaret Amos (NED) (Via Webex)

In attendance

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

Ms Natalie Gull (Board Advisor – People & Culture)

Ms Lesley Cotton (Pay and Rewards Specialist)

Dr Alan Grant (Head of GRAD) (Items 2.1 and 2.4)

1. PRELIMINARIES

1.1 Introduction

The Chair welcomed those present to the meeting and in particular Ms Cotton and Ms Gull.

Ms Gull and Ms Cotton introduced themselves, providing a brief summary of their career histories and achievements.

1.2 Apologies

None.

1.3 Declarations of Interest

None.

1.4 Chief Executive's Report

Capt. McNaught reported on the steep increases in the cost of fuel and electricity and the challenges these are presenting the organisation with. Rising commodity prices have also started to impact moorings costs. These and other increases are reflected in the draft Corporate Plan. Capt. McNaught also spoke about work ongoing with budget managers to reduce operating costs and find efficiencies necessary to address the high inflationary economic environment.

Economic conditions will also have an effect on running costs and on major projects which may result in the need to raise more from Light Dues, although this will be a Ministerial decision.

Pressures on recruitment, retention and staff well-being continue, and Ms Gull and Ms Cotton will present a paper to the Board today.

Slow progress has been made with the Vessel Replacement and Royal Sovereign Projects and will be reported below by Commodore Dorey. As time passes it becomes more and more difficult to meet BSL with an old ship, and the need to replace PATRICIA gets more pressing.

The Chair and Chief Executive have an upcoming meeting with the DfT on 1st November at which these and other issues will be discussed and also progress with NED recruitment – the candidate pack has been submitted to the DfT for Ministerial approval..

The Deputy Master will be asking the Court to re-appoint Sir Alan Massey as Lighthouse Board Chair at Court on 18th October (this is not a DfT nomination and is a Court appointment).

VC5 has recently concluded successfully on the East Coast.

2. **STRATEGY**

2.1 JSB - Lines to Take

Joined by Dr Alan Grant.

The meeting received a paper by the Board Secretary and discussed each of the main items to shape TH's contributions to the forthcoming JSB meeting on 9-10 November.

Corporate Plans

- The Board discussed the importance of the GLAs having a co-ordinated approach and common story. In particular they need to agree in principle on their approach on fuel, energy, headcount and sustainability.
- The Board agreed that TH should seek the other GLAs' views about these things at JSB and for the CEO to raise at the Chief Executives Committee meeting that afternoon.

Aviation Service Contract

- TH's objective is to focus on getting the same service as we currently have but with better recoverability of lost days. The Board advocates contracting for availability.
- TH would very much welcome IL's involvement, providing it is achievable without delaying procurement of the new contract.
- The Board discussed ways in which the aircraft could be managed to reduce emissions and the extent to which environmental factors should be targeted in the procurement exercise.

Ship Procurement

- The Board agreed with the line to take, to continue regular exchange of information.

Framework Document

TH should guard against any suggested changes to the FD that would increase central government influence over GLA policies or activities, unless these could be foreseen to result in greater net financial or operational benefits to TH.

Effectiveness Dashboard

TH should advocate a solution that maximises our own operational effectiveness and flexibility, while minimising risk and maintaining tri-GLA benefits and value for money.

Tri-GLA AtoN Strategy

Introduced by Commander Hare and Dr Grant who proposed renaming the Strategy as “Strategic Themes” rather than AtoN Strategy because its scope is now much wider and more aspirational.

[Post meeting note – at a meeting of the Chief Executives immediately after the Board it was agreed that the strategy should be amended to reflect a broader scope, but that it should nonetheless still refer primarily to those aspects that will directly affect Aids to Navigation. Accordingly, the title will remain ‘2040 – Navigating the Future’.]

The Board asked Dr Grant to thank GRAD’s Lydia Hyde (Principal Systems Engineer) for her work on drafting the document.

2.2 TH2040 Update

The Board received a paper from Ms Cotton and Ms Gull. A confidential discussion followed.

The aim will be to submit the Business Case to the DfT by 1st December.

The Board resolved to approve the recommendations in the paper.

2.3 Updated TH Strategy

Cdr. Hare described his ongoing work on developing the TH Strategy, incorporating comments from colleagues, in particular from the Strategy Day in July. The Strategy also outlines the Tri-GLA context, very much in line with the Tri-GLA AtoN Strategy/Strategic Themes.

Cdr. Hare outlined the structure and content of the document including a review of the existing strategy.

He proposes to circulate a further draft of the strategy to the Board and its advisors, to take comments, to then to hold a workshop with the SMT to develop the roadmaps. The SMT will then be invited to draft the resulting business case for approval by the Board. Commander Hare expects the business case to be ready by Easter 2023.

[Action: Cdr Hare - circulate a further draft of the strategy to the Board and its advisors, to take comments, hold a workshop with the SMT to develop the roadmaps]

Cdr. Hare also confirmed that the ‘Values’ have been circulated to the Diversity Working Group for review, as these are designed to be in common with the Corporate Department.

2.4 Corporate Plan

The Board received a paper from Mr Damen on the Corporate Plan highlights.

TH will be asking for significantly more over the next 5 years, largely due to higher vessel fuel and energy costs. Some of the increase is due to Royal Sovereign decommissioning, which will be committed when the contract is signed, but not necessarily spent as the contract will allow for a 3-year performance window. The other main drivers are vessel fuel and electricity and other inflationary pressures.

Regarding the Builders Refund Guarantee for the ship build contract, the Board agreed to include a minimum contingency figure in the Corporate Plan.

The Board discussed the importance of presenting a compelling case to the DfT for the additional funding sought in the Plan. TH needs to explain how it will maintain outputs whilst making savings and maximising commercial revenues within resourcing constraints. In relation to this the Board discussed the general policy on condition-based and preventive maintenance and its place in making savings.

Mr Damen was asked to emphasise TH's intent to pursue increased savings and efficiencies in the Corporate Plan and review the ability to deliver considering TH's record of persistent underspending.

[Action: Mr Damen- emphasise savings and efficiencies in the Corporate Plan and review the ability to deliver considering TH's record of persistent underspending]

The Board agreed the need to conduct a wide-ranging review, linked to the TH Strategy, to look at how the organisation is meeting the aspirations of the strategy; re-assess our business processes, effectiveness and efficiencies; and optimise our resources to maintain TH's capability, relevance and influence into the future.

[Action: Chief Executive – develop the scope of the review looking at the organisation is meeting its strategic aspirations]

The Board agreed that in order to retain credibility in submitting the Corporate Plan, it would be essential to ensure that we spend all of our sanctioned funding this year.

The Board also noted that OWEC will not appear in TH's Corporate Plan, but in GRAD's plan.

3. PERFORMANCE

3.1 H&S Managers' Report

Introduced by Capt. McNaught.

The Board discussed the CDM Audit Summary and noted that the full report will need to be reviewed.

Mrs Owen noted the excellent presentation on CDM in practice given by Field Operations staff when the Visiting Committee visited various East Coast lighthouses last week.

The Board discussed the priorities of the H&S Team.

The Board requested the H&S Manager to include more detail on follow-up actions to reported incidents in his reports.

[Action: HSM to add more on follow up to incidents in the H&S report]

3.2 Business Performance (KPIs)

All are 'green' except for TH Capital Excluding Risk, Running Costs, Value for Money Savings, Percentage of Work Completed for BSL - all of which are showing 'red'.

3.3 Navigational Requirements Report for the period 2 September – 5 October

Casualties occurred at two buoy stations. One casualty had been bought forward from the previous period and has been rectified. One casualty is awaiting rectification.

There have been no significant casualties or wrecks during the period.

3.3.1 Availability Progress Report – 6 October 2019 – 5 October 2022

Noted.

3.3.2 Casualty Return – 2 September – 5 October

Noted.

3.4 Financial Report consisting of Appx 1a Management Accounts, 2 Variance, 3 Capital

Report noted.

3.5 Projects Highlights Reports

3.5.1 Project Highlights Dashboard

Noted.

3.5.2 Royal Sovereign Highlights

Mr Damen explained that the budget cost includes an amount for contingency. The FBC is now nearly ready for submission to DfT for approval. If approved, we will aim to sign the contract this year.

The Board asked whether, in view of the high cost of the contract, the decommissioning genuinely needs to be done. Commodore Dorey confirmed that this is the case, and further delay will merely increase costs.

3.5.3 VRP Highlights

Discussions are ongoing with potential tenders and the DfT.

Cdre Dorey provided a confidential update.

In response to the Chair's direct question, Cdre Dorey confirmed that the vessel specification described the minimum operational requirement, and that it contained no 'gold plating'.

[Action: Cdre. Dorey to provide a summary of the timelines of approvals and events going forward]

3.6 OWEC Update

TH will maintain a stake in OWEC but will only supply a contribution in kind if the ship is already in the area and its fuel costs are paid. Our involvement will be on the basis of an MOU, and not a formal contract for services.

3.7 DPA Report

Noted.

3.8 Annual Report and Accounts

The Draft Annual Report and Accounts had been circulated in advance of the meeting. Mr Damen will consider comments received from the Board. The accounts now include staff litigation as a contingency cost.

The Board APPROVED the Annual Report and Accounts subject to final adjustments being made.

3.9 Mid-year review of out-turn

Presented by Mr Damen and noted by the Board.

Key information includes:

Pay - underspend,

Non-pay - overspend, mainly due to fuel and electricity costs, also due to THV ALERT overhaul,
Increased commercial contribution
Routine capital - underspend, mainly due to long lead times on marine capital.
Royal Sovereign Decommissioning - underspend, due to phasing of expected execution of project.

3.10 GRAD

Dr Grant presented the GRAD report and answered questions on it. The report focussed on difficulties with recruitment to the department, drafting of the Tri-GLA AtoN Strategy, ongoing workstreams in relation to Resilient PNT and Anthorn. In relation to the Anthorn mast, confirmation of DfT funding is still awaited.

[Action: CEO/Board Secretary to seek legal advice on the appropriateness of funding eLoran in the manner being proposed]

4. GOVERNANCE

4.1 Corporate Risk Register Dashboard

Noted.
This will be included in the Corporate Plan.

4.2 Risk Register Status Report

Noted.

4.3 Risk Prioritisation ITN System

The Board received a paper introducing a system for prioritising corporate risks based on an assessment of their importance, tractability and neglectedness. The Board agreed with the recommendation to hold a full discussion on risk prioritisation according to this system at its next meeting.

[Action: Secretary- Schedule for discussion on risk prioritisation at November Lighthouse Board]

4.4 Annual summary of management system policy updates

Noted.

5. ADMINISTRATION

5.1 Minutes of Previous Meetings

5.1.1 Minutes of Lighthouse Board 14 September 2022

Approved.

[Action: Chair/Secretary to produce minutes for publication]

5.1.2 Minutes of ARAC 14 September

Noted.

5.2 Log of Actions/Matters Arising

[Action: Chair/Secretary to review out of committee]

5.3 Board Evaluation

The Board Secretary was asked to circulate the evaluation report to the Board again and to request suggestions on ways in which to address adversities, then to discuss further with the Chair.

[Action: Board Secretary to circulate the evaluation report to the Board again and to request suggestions on ways in which to address adversities, then to discuss further with the Chair]

5.4 NED Recruitment Update

The Chair reported on progress with the process to recruit a new NED to replace Dr Amos when she steps down in May 2023.

The candidate pack including person specification and timeline has been sent to the DfT for Ministerial approval.

6. ANY OTHER BUSINESS

6.1 FOI Request Statement

The Board RESOLVED to accept the ARAC's recommendation to remove the reference to voluntary compliance with the spirit of the Freedom of Information Act on TH's website.

[Action: Board Secretary to arrange for the removal of the reference to voluntary compliance with the spirit of the Freedom of Information Act on TH's website]

6.2 Dovercourt Cottages Sale

The Board RESOLVED to accept the recommendation to agree in principle to the disposal of Nos 35, 37, 39 & 41 Fronks Road in their entirety as four individual units. Noting that the final decision on precise terms of disposal of each cottage (once acceptable offers have been received), will be reserved to the Board and subject to the provisions of the GLA-DfT framework Agreement.

7. Date of Forthcoming Meetings

- 13 Oct – CEC
- 23 Nov – LHB (Swansea)
- 9-10 Nov – JSB (Dun Laoghaire)
- 14 Nov – Staff Awards (London)