

**MINUTES OF THE 218 TH MEETING OF HIGHLANDS & ISLANDS AIRPORTS LTD ("HIAL")
BOARD HELD AT Inverness on 27th April 2015**

Present	Mr Grenville Johnston	Chairman
	Mr Inglis Lyon	Managing Director
	Ms Gillian Bruton	Finance Director
	Ms Lorna Jack	Non-Executive Director
	Mr Jim McLaughlin	Non-Executive Director
	Mr David Savile	Non-Executive Director
	Mr Tim Whittome	Non- Executive Director

In Attendance	Mr Mark Stuart	Director of Operations
	Mr Gary Cox	Transport Scotland

Please Note: Information has been redacted where it is subject to one or more exemptions under FOISA

Item 1 – Apologies

There were no apologies received.

Item 2 – Minutes of the Previous Meeting

Following some minor changes noted, the minutes of the meeting held on February 17th were accepted as a true reflection of the meeting.

Item 3 – Matters Arising from the Minutes

Ms Jack raised the matter of the position of the pension protection fund. No further information had been obtained so far.

The Chair stated that he had had a meeting in the middle of March with the Minister for Transport and he read out a letter from Mr McKay following the meeting in which it stated that, in summary, Mr McKay had welcomed the new route developments and as regards Dundee Airport he stated that he accepted that attracting passengers remained a challenge.

Redacted Minute.

The Chair noted that the old dormant company, Inverness Airport Terminal Ltd (IATL) had been restructured during March and Ms Bruton commented that some old balances had been netted off with a 10p balance left to keep the company in existence so as to maintain the company name for the future.

The establishment report was reviewed and the question of a having % turnover target was discussed.

Item 4 – Corporate

4.1 Risk Management

Mr Stuart gave an overview of some of the key risks within the airfield environment. Redacted minute. He noted that a new Airport Security Manager, Mr James Mockeridge, was now in place and was undergoing training. He noted that he also has a candidate for the Terminal Operations Manager

to replace Lesley Still. **Redacted Minute.** A new Business Manager has now accepted the position and is due to start on 20 May 2015. The subject of funding for PhaseII was discussed and it was noted that Ms Bruton would be checking with Transport Scotland that the funding was confirmed to enable HIAL to go to tender. **Action Ms Bruton to confirm that funding was in place for the Phase II capital works of circa £2m in 15/16.**

Mr Stuart also discussed the Out of Hours Indemnity provided to operators and explained that this indemnity was designed to allow private aircraft to use airports when they were shut. The operator needs to pay £37.60 and sign a form. They then have to provide prior notice in accordance with the air navigation order. There was no weight limit on incoming aircraft. This indemnity was available at Campbeltown, Wick and Tiree. HIAL had recently been reviewing the out of hour's indemnity and the existence of risks surrounding these orders and a legal opinion had been sought. Mr Savile asked how many users were there of the indemnity. **Action: Mr Stuart to bring information to the next board meeting.** The board went on to discuss the pros and cons of HIAL continuing with the out of hour's indemnity process. The recent Tiree air crash, the large number of ferry flights into Wick, the Hebridean Airlines exemption for non-scheduled commercial traffic and local social and economic needs were all discussed in relation to out of hour's indemnities. Mr Whittome mentioned that he was a beneficiary of the scheme and noted that in the early days there had been a weight limit and he had been interested to hear at the ROG that that larger aircraft were now using it. It was noted that HIAL cannot indemnify us against death and personal injury. Ms Jack asked if the Landing Fees covered the cost of the insurance premiums. The reputational risk to HIAL was discussed and it was agreed that the reputational risk was enormous. The discussion continued and Ms Jack commented that she did not want HIAL to be busy fools and whilst we wanted to encourage economic development we needed to make sure the OOI and associated costs were not irrecoverable.

Redacted Minute. Mr J McLaughlin requested that Ms Taylor attend the next audit committee and provide a spotlight paper on the work that she was doing in the Information and Data Records Management area, in particular to attend to the recommendations of the published Internal Audit paper.

Mr Lyon then went on to summarise the fantastic staff performance that he had witnessed during the recent AMSL strike and how his team had risen to the occasion. He made particular reference to Ms Lynda Johnson and Mr Donald Morrison at New Horizons on their 24/7 attendance to all the HIAL corporate communication needs. Mr Lyon then said that all staff would be thanked for all their hard work. A letter would also be sent to all involved by the Chairman and the Board to say thank you. **Action Letter to be sent by Chairman and the Board to the staff involved.**

The Board then congratulated Mr Lyon and his team for managing the operations so successfully during the strike.

4.2 Safety Management

Mr Stuart noted that he is now looking at the low level reporting issues. He is having a safety site created on the intranet site which people can use. The board noted the position.

4.3 Operational Report

The Chair asked if quality was still an issue with the new Fire Appliances. Mr Lyon replied that he is planning to meet with senior management as pressure needs to be kept on the supplier ITURI. He noted, however, that ITURI have been making all the changes requested.

The Board noted the Scottish Fire and Rescue Service projects which had been set up and will bring operational and financial benefits to the AFS and SFRS. **Action The Board requested financial numbers to support the financial benefits achieved.**

The Board then discussed the ATCO vacancies once more.

4.4 Regulatory Report

Mr Stuart commented that HIAL was further ahead than before. The NAVAID's were now in a good position. All satellite procedures are now in place waiting signoff. The Board noted the position.

4.5 Environment

Redacted Minute

The board noted the position.

4.6 ASM

My Lyon said that Loganair have written to the DFT. A dialogue is also underway with all airports. The Board noted the position.

Item 5 – Business

5.1 Commercial Update

Mr Lyon noted that an additional rotation from Aberdeen to Stornoway is under discussion. The Board noted the position.

5.2 Inverness Airport Business Park Update

Redacted Minute

5.3 Sumburgh Airport

The chair noted that he had visited Sumburgh airport and had attended the airport users committee. There was nothing out of the ordinary to report.

5.4 Shetland Island Council Settlement (SIC)

Redacted Minute. SIC will have to decide how it wants to proceed. The Balfour Beatty case is still sisted.

Item 6 – Finance and Legal

6.1 Monthly Accounts

Mrs Bruton gave a brief overview of the company finances. Ms Jack asked if a reforecast of the 15/16 payroll would be carried out following the AMSL settlement and Ms Bruton confirmed that this would be carried out in due course. Ms Jack asked if the 15/16 budget had been approved and Ms Bruton responded to say that a draft approval letter had been received for review.

6.2 Glasgow PSO Replacement Aircraft

Mr Lyon noted that a number of offers had been received.

6.3 Procurement Update

The Board noted the position.

Item 7 – Human Resources

7.1 HIAL Pension Scheme Update

The Board noted then position.

Item 8 – AOB

No items were noted

Item 9 Dates of Next Meeting

The next meeting will be held on June 30th in Edinburgh and the next Audit Committee will be held on 19th May.

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