

Corporate Operating Plan

April 2023-March 2024

Our Mission, Ambition and Values

Our mission is to enable air connectivity and support lifeline services for the communities we serve through a network of safe and sustainable airports.

This is reinforced by our ambition to become a net zero regional airport group.

Our Values

Our values underpin everything we do and how we do it. They define who we are; our expectations of each other and ourselves; how we interact with each other and how we interact with our customers, communities, and other stakeholders. A strong values-driven culture that supports the delivery of our strategic priorities is key to our long-term success.



We work collaboratively to build trust in our expertise; we do not work in silos of self-interest.



We always listen and respond to customers and colleagues; we do not ignore the needs of others.



We always look to make things better in the future; we do not accept the status quo.



We always take responsibility for our actions; we do not expect others to cover for us.



We always try to deliver the very best we can; we do not and will not accept anything less.

Introduction

We published our Strategy and Covid-19 Recovery Plan for 2021-26 in February 2021. This was built on an extensive programme of consultation with our people, partners and stakeholders, and a subsequent review of our priorities and objectives in 2020 in the wake of the Covid-19 pandemic.

Early in 2022, the financial aftermath of the pandemic became keenly felt and the combination of global energy and supply challenges has presented a fiscal situation the like of which we have not seen in our lifetime.

In that context the Scottish Government published its resource spending review on 31 May 2022. This set out the high-level parameters for resource spend for future Scottish budgets up to 2026-27. These indicative budgets show a decrease in available funding for HIAL over the next three to four years and present a significant future funding challenge for the company. The pressure this creates for the company is further compounded by increasing inflation and rising cost challenges.

The Board and Senior Management Team reviewed our strategic goals and priorities in that context. It was agreed that the focus should be on delivering our core activities and ensuring we continue to provide a safe regional airport network that supports vital air connectivity and lifeline services. Following a full colleague, partner and stakeholder engagement programme, a revised Strategic Plan was approved by the Board in February 2023. The Strategic Plan 2023-28 details our revised goals and strategic priorities to help us maintain safe and sustainable airports for generations to come.

This is our first annual operating plan for the period April 2023 to March 2024 which has been structured

to show the actions we will take to achieve the six priorities in our new Strategic Plan:

- **Deliver a safe and sustainable airport operating model to meet the needs of our customers, communities and colleagues**
- **Realign our infrastructure investment to meet available resource**
- **Increase our commercial revenue and develop new revenue streams**
- **Reduce our environmental impact**
- **Develop our workforce to deliver a flexible modern business model**
- **Work in partnership for a sustainable future**

We will regularly review our actions to ensure they can be delivered within the total funding we have available. Some of the actions detailed in this plan are wide-reaching and as such may span more than one financial year. Therefore, some activities will be rolled forward into future operating plans for completion.

Delivering this operating plan requires the input of all our operational and support colleagues and we look forward to continued support as we deliver on our objectives.



Inglis Lyon
Managing Director, HIAL

Monitoring and reporting on progress

Progress reports on the actions detailed in this Corporate Operating Plan will be prepared each quarter to provide performance information to effectively manage our activities going forward.

These progress reports will be monitored by the Senior Management Team as part of their planning and performance role. The reporting process will give our senior managers a greater insight of the delivery of our strategic activities and provide effective management of our activities going forward.

The quarterly performance reports will also be presented to the HIAL Board for scrutiny. Progress will also be reported annually in HIAL's Annual Report and Accounts.

Strategic Priorities



Deliver a safe and sustainable airport operating model to meet the needs of our customers, local communities and our colleagues

Main Priority
 Linked to Priority

SMT Member/
Project Sponsor

Deliver a safe and sustainable airport operating model to meet local needs
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	Director of Airport Operations	Linked to other Strategic Priorities				
Identify and evaluate core operating services at each of our 11 airports. Determine a baseline framework for a local delivery model which meets our customer and community requirements.	Director of Airport Operations					
Scrutinise business and operating costs against existing budgets. Explore, identify, and capture cost reductions as part of a regular schedule of finance reviews to ensure priorities can be delivered within the total funding we have available.	Director of Finance					
Review HIAL's Safety Management System (SMS) to make it more accessible for colleagues. Ensure the system information supports the management of both operational and strategic risks, safety and compliance.	Director of Airport Operations					
Implement a revised air traffic services staffing structure that defines the air traffic resource and resilience requirements to deliver a safe and optimal level of service across all 11 airports.	Head of Air Navigation Services					



Realign our infrastructure investment to meet available resource

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	Director of Corporate & Operational Support	Linked to other Strategic Priorities				
Define and implement a new facilities management service that provides best value and a consistent level of service across all HIAL airports and ensures we maintain our buildings and airport infrastructure to meet our business requirements and customer needs.	Head of Infrastructure Services					
Undertake a strategic review of HIAL's property portfolio to help determine current and future investment to meet business and customer requirements.	Head of Infrastructure Services					
Develop a fully integrated technology modernisation plan that builds on our smart technology programme. Provide data and infrastructure information to better manage our airport operational environments and enrich our customer experience.	ICT Manager					

Strategic Priorities



Increase our commercial revenue and develop new revenue streams

Main Priority
 Linked to Priority

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	Head of Business Development	Linked to other Strategic Priorities				
Review our current cost recovery mechanisms and implement a revised revenue structure.	Head of Business Development					
Undertake a full review of the HIAL and DAL conditions of use and airport charges to support route retention and maximise income, including the incorporation of sustainability and environmental charges or incentives.	Head of Business Development					
Explore alternative aeronautical and non-aeronautical commercial opportunities to support the transition to net-zero. Develop a commercial revenue model to investigate, review and grow future income streams.	Head of Business Development					



Reduce our environmental impact

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	Director of Corporate & Operational Support	Linked to other Strategic Priorities				
Continue our scoping works to determine the range of renewable energy opportunities, including wind, solar and rain harvesting projects. We will develop a transition plan to move to renewable energy across the HIAL estate.	Head of Sustainability & Environment					
Undertake a review of the impact of future climate change on infrastructure across the HIAL estate to help us identify priority areas to maintain safe and sustainable airport operations.	Head of Sustainability & Environment					
Develop an airside programme to reduce carbon emissions at all our airports by replacing all non-renewable powered handling equipment with a range of environmentally friendly alternatives, including electric, hybrid and emission regulation compliant vehicles.	Head of Sustainability & Environment					

Strategic Priorities



Develop our workforce to deliver a flexible modern business model

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 Linked to Priority

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	Director of HR	Linked to other Strategic Priorities				
Refresh the 2020 business case for the pay and grading review and implementation of a standardised pay structure and simplified scheme of allowances.	Director of HR					
Complete an assessment to determine common principles for efficient organisational rosters that comply with working time regulations.	Director of HR					
Publish the Equality, Diversity and Inclusion Strategy. Develop an action plan to promote a workplace culture where equality and respect are valued and evident for all colleagues across the HIAL group.	Director of HR					



Work in partnership for a sustainable future

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	Head of Communications	Linked to other Strategic Priorities				
Develop and implement an enhanced Engagement Policy and associated guidance to ensure an effective engagement framework and plans are in place at a board, corporate, and local level for our colleagues, partners, stakeholders, trade unions and influencers.	Head of Communications					
Ensure a formal community engagement forum is in place at HIAL Airports to ensure a consistent, but tailored approach for a structured exchange of information and input from local stakeholders on matters relating to individual airports. Review existing communication and transportation partnership groups as potential forums to avoid duplication.	Head of Communications					
Develop a programme of customer feedback surveys across our airports to help inform operational and commercial decision making. During 2023/34 undertake passenger satisfaction surveys at all HIAL airports, excluding Inverness who take part in regular surveys as a member of the Airport Service Quality (ASQ) Award programme.	Head of Communications					

