

**DAL Board Minutes**  
**Wednesday 25th August 2021 - VIA MICROSOFT TEAMS & Present Inverness**  
**Airport Courtyard by Marriott Hotel**

**Board Attendees:** (LJ) Lorna Jack (HIAL, Chair)  
(IL) Inglis Lyon (HIAL, Managing Director)  
(JW) Johanna Wallace (HIAL, Finance & Commercial Director)  
(EH) Eric Hollanders (Non-Executive Director) – virtual  
(JM) Jim McLaughlin (Non-Executive Director) - Virtual  
(CH) Chris Holliday (Non-Executive Director)  
(IT) Isabel Todenhoefer (Non-Executive Director)  
(LS) Loraine Strachan (Non-Executive Director)  
(GCg) Greg Colgan (Non-Executive Director) - virtual

**In Attendance:** (GCb) Gary Cobb (HIAL Chief Operating Officer)  
(GCx) Gary Cox (Transport Scotland)  
(GH) Gregor Hamilton (Dundee City Council) - virtual  
(DS) Denise Sutherland (HIAL, Head of Communications) - virtual  
(AS) Andrea Sillars (Director of Human Resources) - Virtual  
(JC) Jackie Clark (HIAL Executive Assistant, Minutes)

**DAL Board Meeting Commenced at 13:00**

**Apologies**

No apologies were received

The Chair informed the Board and attendees that the meeting was being recorded and would be deleted on completion of the minutes and no objections were received.

**Declarations of Interest**

GCg declared an interest as an employee of Dundee City Council.

GCg advised he is no longer a section 95 officer with the Tay City Deal however is the Chair of the Michelin Scotland Innovation Park, Dundee.

**Minutes**

The Board minutes from the previous meeting on 9<sup>th</sup> June 2021 were approved by the Board.

**Matters Arising**

The Chair noted that Item 1 and Item 6 on the matters arising report had completion dates amended to October 21.

The Chair reviewed the dates on the items carried over. IL advised the strategic business development plan will be addressed after the discussions on the PSO had concluded.

It was agreed the three remaining carried over actions formed either part of the ATMS programme or were ongoing and could be removed from the list.

### **Chair's Report**

The Chair advised for the record that she had been re-appointed as Highlands and Islands Airports Limited Chair for a second term running from February 2022 to January 2025.

The Chair and IL have had eight virtual meetings with some of the new/returned MSPs and existing MPs since the new Scottish parliament. Meetings with the remaining MPs/MSPs are being pencilled in as and when diary commitments allow. Discussions were positive about how HIAL has operated through the pandemic, and HIAL's work on the public service obligations (PSOs) and the sustainable aviation test environment (SATE). It was noted that the island representatives are still very much against the ATMS programme.

The Chair was introduced to the new transport minister in June and met him in person at the SATE event held in Kirkwall on 12<sup>th</sup> August. A briefing on the ATMS programme was provided to the transport minister by IL and LJ in August.

The Chair and IL met with the Cabinet Secretary for Rural Affairs and Islands, Mairi Gougeon (MG) in August and discussed the ATMS project amongst other matters. Local authority calls continue monthly with good relationships with local authority leaders on everything except ATMS.

A meeting with the Chair and Chief Executive of Loganair was held and a paper will be discussed at the HIAL board on winter support. They highlighted the impact on Loganair with the past industrial action, the one day strike.

The Chair and GCx have started the process through the Public Appointments team on recruitment for a non-executive director to replace JM when he finishes his term on 1 March 2022.

The Chair advised it was a privilege to represent HIAL and attend the SATE event in Kirkwall. It was an opportunity to meet several colleagues who gave a positive message appreciating HIAL as an employer through the pandemic.

### **Managing Director's Report**

IL advised the board that Prospect had been on calls with all of the airports and the feedback was there might be possible future strike day/s.

**(Redacted)**

A question was raised on where environmental areas fit in the budget. GCx advised there is no separate budget for environmental, it is safety first and foremost and then HIAL will prioritise their capital plan based on the outcome of their environment plan and other project work.

### **Audit Committee Update**

LS briefed the Board on what was discussed at the Audit Committee earlier in the day. Wylie Bissett (WB) presented on two internal audits. 1. Fraud awareness and control with a substantial conclusion and an action for the Audit Committee to review the Schedule of Policies and understand the intervals for policy renewal. 2. Procurement with a weak conclusion and an action to look at resource and to review the procurement expenditure limits procedure.

WB commented they were impressed with the Audit tracker facility which is helpful for them to see the progress on items recommended.

The risk report has now been split into separate HIAL and DAL reports with Cyber remaining high on the risk register.

There had been no fraud or whistleblowing reported and a discussion was had on the IABP investment.

<b>Corporate Risks</b>
------------------------

### **Item 1 – Risks & Safety Update**

GCb advised that if everyone was happy with the way the pack was produced then it would be the format going forward. GCb explained the lessons learnt slide and how it had occurred and the mitigations in place for tightening up the change management procedures.

GCb explained the data in the risk appetite, direction of travel per risk, key indicators and top 10 risk slides.

A discussion was had on how risks are measured if the risk rate is higher than ten. **(Redacted)**

As a result a treatment plan showing action required would need to be put in place and be time limited to ensure the level of risk stayed controlled.

The Board noted that the risk appetite is a work in progress and work continues on scoring and what level of scoring is an acceptable level to carry.

GCg added that there is a link between risk and audit and assurance. If risks remain on the risk register that are a high risk, internal audit should be directed at those risks and the Board would look to take assurance from the outcome of the internal audit work.

**Business Cases and Papers for Approval by the Board**

**BC1134B – Meteorological Equipment Replacement**

GCB advised in order to remain compliant new met equipment is required at the airport. The current equipment is out of date.

A question was asked if this cost is in the 21/22 capital plan. It was confirmed that it was part of HIALs overall capital plan for 21/22

The Board asked that greater clarity be reflected within reports to identify if capital spend is within the current or future years' capital plan.

A question was asked if any priority had been assigned within the capital plan. It was advised that the current capital plan has limited priorities and this item sits as regulatory critical.

The Board requested that the capital plan include a priority list to help identify which capital is absolute.

**ACTION:** A priority list to be included in the Capital plan - IL

*Decision: The Board approved the spend of £177,795 for met equipment for DND subject to the affordability within HIAL's 21/22 capital plan and £166,964 for BRR.*

**Items for discussion by the Board**

**Item A – Environmental Update**

GCB went over the environmental paper. IL suggested the Board have a half day discussion on all the different environmental areas. It was agreed that this should happen and it was best directed after benchmarking HIAL's own carbon footprint data.

**ACTION:** IL/JC to arrange a half day board meeting before calendar year end to discuss environmental topics, with someone to facilitate it.

**Item B – Tayside Aviation Charging**

The Board discussed the paper and the options brought forward on the paper and a further option put forward by GH.

**ACTION:** LJ to write to Tayside Aviation and advise outcome of the Board discussion and that the Board had requested further work by the team before concluding.

**(Redacted)**

<b>Items for note by the Board</b>
------------------------------------

**Item 1 – Commercial Update**

Noted

**Item 2 – Operations Update**

Noted

**Item 3 – Monthly Accounts - June 21**

Noted

**Item 4 – Annual Accounts y/e 31/03/21**

**ACTION:** GCg to be added to report as a nominated director.

**AOB**

A question was asked about the renewal of the PSO. GCx advised Michael Bratcher (MB) was preparing advice to ministers on the options for the funding contribution towards the PSO. GH confirmed similar conversations were happening at Dundee Council and he had a meeting with MB and UK Government in the coming week to discuss.

A question was raised in regards to the gap of 6 months between the period covered by the going concern letter (12 months after signing of accounts, i.e. 10/2022) and the end-date of the subsidy letter from Transport Scotland (12 months after FYE, i.e. 04/2022).

**ACTION:** GCx/JW to look at the pandemic letter also issued by TS and discuss and arrange cover for the six month difference.

The Board noted and recorded their wish to congratulate Tayside Aviation who received excellent grades in all three assessment categories from an inspection by the Education Scotland HM Inspectors of Education in June 21.

The Chair advised the next board meeting will be held in Edinburgh.

**DAL Board meeting concluded at 14:42**

\*\*\*

**Date of the next meeting: 6<sup>th</sup> October, 21**