

DAL Board Minutes
Wednesday 31st August 2022 Microsoft Teams

Board Attendees: (LJ) Lorna Jack (HIAL, Chair)
(IL) Inglis Lyon (HIAL, Managing Director)
(LS) Loraine Strachan (Non-Executive Director)
(EH) Eric Hollanders (Non-Executive Director)
(CH) Chris Holliday (Non-Executive Director)
(IT) Isabel Todenhoefer (Non-Executive Director)
(LC) Lynne Clow (Non-Executive Director)
(GCg) Greg Colgan (Non-Executive Director)

In Attendance: (GC) Gary Cox (Head of Aviation, Transport Scotland)
(GH) Gregor Hamilton (Dundee City Council)
(DS) Denise Sutherland (HIAL, Head of Communications)
(AS) Andrea Sillars (Director of Human Resources)
(DM) Darren MacLeod (HIAL Acting Director of Corporate Operations)
(GF) Geordie Farquhar (HIAL, Director of Operational Support)
(JC) Jackie Clark (HIAL EA - Minutes)

13:40 – 14:00 (LJo) Lynda Johnston (HIAL, Head of Business Development)
(DH) David Holden (HIAL, SATE Project Manager)

DAL Board Meeting Commenced at 13:30

The Chair welcomed everyone to the meeting.

Apologies

No apologies were received.

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

Declarations of Interest

The Chair took as read the usual declarations of interest. The Chair advised from the 1st of September she will take on the role of Honorary Consul of the Netherlands for Scotland.

Minutes

The Board minutes from the previous meeting on 30th June 2022 were noted, having previously been approved and published on the HIAL website as per the agreement with Transport Scotland.

Matters Arising

It was noted that the outstanding matters from the 30th of June 2022 had been completed or had a future date. IL advised an environmental strategy workshop would take place in quarter one of 2023 and that an updated paper on EGNOS would come to the October Board.

ACTION: Updated paper on EGNOS to be brought to the October board.

Spotlight Session

LJo & DH joined the meeting at 13:42

LJo & DH joined the meeting to provide the board with an update on the SATE (Sustainable Aviation Test Environment) project, focussing on the ongoing work on the exploitation side of the project.

LJo advised that two new staff members had now joined the SATE team and were both based in Orkney.

DH explained the approach being taken to exploit the opportunities that SATE has provided HIAL. There are three main benefits being explored 1. Direct commercial benefits, which will provide income to HIAL 2. Significant social and economic benefits to the Highlands and Islands through opportunities to fly different aircrafts to more locations and from inward investment opportunities 3. Meeting sustainability targets for the UK government, Scottish government and HIAL.

The board was updated on the main projects which are funded by UKRI and new activity which would be subject to funding from other sources.

With SATE funding secured DH advised that there was opportunity to form more strategic partnerships with mutual benefits.

LJo advised the team had received excellent feedback from the monitoring officer at the close out meeting for Phase 1.

LJo advised the Board that a meeting had already taken place with a potential partner, Scottish Enterprise, and GCg added that Scottish Enterprise has asked HIAL to join a steering group which they chair; where HIAL will represent a Scotland view rather than a Highland and Islands view.

Board members asked some questions on commercial and business development, and the initial setting of future fees. DH advised he could not provide a definitive answer presently, however the SATE team is now better informed on how to attract more activity to aviation

and the airports. He added that the new aircrafts, from a technical point, do not require the same amount of airport infrastructure. Future fees are being considered for inclusion within a partners funding /payment schedule and will be benched marked against the usual rate of using a hanger for a commercial operation.

Board members were interested to hear how HIAL was engaging with the local communities and advising on the benefits from SATE. DH provided an update on current communications and advised that it was important that communication should accurately reflect what is being investigated.

The Chair thanked LJo and DH for joining the board and for the providing an update of the SATE project.

LJo and DH left the call at 14:08

Chair's Report

The Chair advised a full Chair's update was available to read within the [HIAL Board minutes](#) held on the 24th of August however she would cover again areas that related to Dundee Airport.

Jenny Gilruth, Minister for Transport visited the SATE project at Kirkwall in August
Information withheld No 4.

For the benefit of the Dundee Board members, the Chair provided an update on the scenarios the executive team had produced as requested by the Board over a 5-year period, based on the spending review figures provided by Transport Scotland. **Information withheld No 4.** The outcome from the HIAL Board was for the Chair to write to the Minister advising the actions required to balance the books and the freedoms required to do this.

Information withheld No 4.

Managing Director's Report

The MD advised the primary aim on the pay remit is to avoid industrial dispute. Following conversations with the Trade Unions and HIAL colleagues the maximum offer for a pay award
Information withheld No 4.

ATMS (Air Traffic Management Strategy) will proceed with Phase one for Island recruitment and Phase two will align with the 5-year deal agreed with the Unions.

Audit Committee Update

LS highlighted areas from the Audit Committee held on 22 August. Discussions at the meeting included the Wylie Bisset (WB) internal plan for the remainder of the year and the areas to

receive an audit. Two audits by WB were presented at the Audit Committee. Data Protection Information Governance which had an outcome of Substantial and the Annual Report summarising all the internal audits which had some conclusions not yet finalised due to staff changes during the year within the Finance team.

A timetable for the signing of the Annual Accounts was approved. LS highlighted the discussion the Audit Committee had had on the Going Concern assumption and the new Framework Agreement which is waiting on the Minister to sign.

No whistleblowing was reported. A new area for the Audit Committee was to review all HIAL policies to ensure they are up to date with the first to be reviewed being the HR Policy documents.

Corporate Risks

Item 1 – Risks & Safety Update

GF provided an overview of the risk slides highlighting that work is ongoing on the strategic risk categories. A key area of focus is on Lessons Learnt and ensuring the correct platform is in place to share lessons with the whole organisation. GF updated on the Tayside Aviation risks.

Items for note by the Board

Item A – Finance Update

The Board noted the paper

Item B – Environmental Update

The Board noted the paper

Item C – Commercial Update

The Board noted the paper

Item D – Operational Update

The Board noted the paper

AOB

GH advised in light of the changes on ATMS, the Tay Cities Deal business case to improve surveillance at Dundee Airport could now be moved forward. The expenditure from the Tay City deal is due to commence in 2024.

ACTION: IL to review the business case for Dundee surveillance in relation to the Tay Cities deal and the changes required due to the closure of the ATMS project.

DAL Board meeting concluded at 14:37

Date of the next meeting: 27th October 2022, Virtual

No	Reason for Redaction
1	Withheld for reasons of commercial interests
2	Withheld as the information constitutes personal data
3	Withheld as disclosure of the information will endanger the physical or mental health or safety of an individual
4	Withheld as disclosure will prejudice the effective conduct of public affairs