HIAL Board Minutes – Thursday 30.06.2022
Dundee Airport & Microsoft Teams Video call

Board Attendees:	(LJ)	Lorna Jack (Chair)
	(IL)	Inglis Lyon (Managing Director)
	(LS)	Loraine Strachan (Non-Executive Director)
	(CH)	Chris Holliday (Non-Executive Director)
	(IT)	Isabel Todenhoefer (Non-Executive Director)
	(EH)	Eric Hollanders (Non-Executive Director) - **Virtual**
	(LC)	Lynne Clow (Non-Executive Director)
In Attendance:	(GCb)	Gary Cobb (HIAL Chief Operating Officer)
	(AS)	Andrea Sillars (HIAL Director of HR)
	(DS)	Denise Sutherland (HIAL Head of Communications)
	(MB)	Michael Bratcher (Transport Scotland, Aviation Policy)
	(JC)	Jackie Clark (HIAL EA – Minutes)
11:00 – 12:00	(DM)	Darren MacLeod (HIAL Head of ICT)

HIAL Board Meeting recommenced at 09:00

Company Risks

GCb provided an overview of the company risks. In response to a question DM advised that the decrease in cyber security risk is due to updating obsolete hardware and the appointment of the Data Protection officer. Part of the induction course for the Data Protection Officer is to meet with the Board members.

DM advised that he was working with Wylie Bisset on the recommendations from the audit Wylie Bisset had carried out on Data Protection.

On the risk appetite slide, amendments were requested on Cyber security and Environmental. GCb to update accordingly.

ACTION: GCb to make amendments to Risk Appetite reference report on the Cyber Security line and split the Environmental line into two categories to cover NZ opportunities and regulatory compliance as Open and averse respectively.

GCb advised that work continues on action plans for risks above the risk appetite with risk severity descriptors completed and circulated.

ACTION: EH to send available dates to GCb for meeting on a deep dive into risk severity descriptors with EH reporting back to Board members on assurance received.

AS updated the Board on the difference between the staff retention risk rating which is reported at airport level and what is the captured within corporate HR strategic risk.

The Chair reminded the Board to keep an eye on the PFAS risk which is both an environmental and financial risk.

The strategic risks are an overview, and it was suggested that a full session for Board members to go through each of these risks should be scheduled.

ACTION: GCb to circulate the full detail of strategic risks to Board members and arrange a time for the Board to discuss.

IL advised some work was required to ensure the commercial and environmental categories are assessed in the context of the ATMS Programme strategic risk.

Papers for Discussion

Item A – Environmental Update
GCb advised the new Head of Sustainability will join the company in September. He provided an overview of the board paper and advised the sampling was complete at Tiree for the PFAS and that discussions were now being held with SEPA.

IL advised that the scope for the climate change risk assessment and decarbonisation of buildings was ongoing with Jacobs, and we were awaiting comments and costs.

GCb advised that the Scope one to three for CO_2 emissions was complete. He added the BCRP reviews the visibility of climate change on each of our projects.

ACTION: DS to prepare one page infographic summary from the Ricardo report for each of the benchmarks for CO_2 emissions for each airport

The Chair said it was important that our local communities were aware of the work HIAL has done so far on Net Zero/CO2 reduction.

ACTION: IL to arrange for all the work progressed on Net Zero to be pulled together and communicated to local stakeholders.

Item B – HIAL Pension Scheme
Information Withheld No 4

ACTION: Information Withheld No 4

Item C – Capital Project Phasing & Item D - Prioritised Capital Plan
GCb explained the paper and how savings can be made by phasing multiple projects at one location together rather than within available budget years.

It was suggested that any projects that can be grouped together for the same location should be put forward as a business case to the Board showing costs and savings and, if affordable, it can be progressed.

MB confirmed it was not possible to take budget from one year to another year as TS did not have the budget for this.

With project priorities changing the team are working on building into the project prioritisation tool an efficiency factor score based on capital prioritisation which provides an efficiency score when items are grouped together.

Decision: The Board encouraged multiple projects be brought forward to the Board for visibility and for a new criteria to be added to the project prioritisation tool which would show savings on alternative priority choices on multi-year projects.

MB explained the additional funding mentioned within the prioritisation capital paper and how unspent capital is paid back to TS and added as a credit to HIAL's capital funding account. He added that this is confirmed in an email exchange with the HIAL finance team on overage to be repaid.

The Board were comfortable with a 10% overspend on the capital prioritisation plan as past experience shows this can be managed relatively easily against the budget

Information Withheld No 4

Item F – HIAL Staffing Proposals
AS provided an overview of the paper highlighting the way airports have raised a business case for staffing and covering the competing priorities. AS added that the posts required for the airports are not additional posts but are the level of staffing required for the airport to function. This is presently being covered by overtime.

A**CTION:** For the paper coming to the Board in August it was requested that the payroll detail be broken down by strategic area.

Item G – Q4 HIAL Corporate Operating Plan
DS updated the Board on how the organisation performed against the 2021/22 corporate operating plan adding that it was a significant achievement to have 77% of the objectives completed or on target, given this is the first year of the new system and the challenges associated with the pandemic and recovery process.   Four objectives were not delivered within the set timescales and these will continue to be monitored and reported on until completed. IL added that year 2022/23 will prove more challenging due to budget constraints.

 The Board asked how the performance results were fed back into the SLT/SMT. IL advised it was part of their objectives and reviewed through appraisals.

The Chair thanked the team on behalf of the Board for a job well done on the delivery of the first corporate operating plan.

Item H – Draft Sustainability Strategy
The Board provided feedback on the draft Strategy which will be reviewed by the SMT team. The report will be redrafted and taken back to Board. Any Board member who had yet to provide feedback should have it back to JC by Monday 4th July.

Papers for Note

Item 01 – AMSL Operations Update
Noted
Item 02 – HIAL Operations Update
Noted
Item 03 – Commercial Update
Noted – **Information Withheld No 4**
ACTION: Information Withheld No 4
ACTION: Circulate monthly passenger numbers on routes to board members.
Item 04 – SATE Update
IL advised that he would be looking for support from the Board on creative solutions to drive forward any commercial opportunities. **Information Withheld No 4.**
Item 05 – IABP Update
The Board noted IL's interest as a IABP Board member.

The Board noted the paper.
Item 06 – Draft Audit Committee Minutes 05.05.22
Noted
Item 07 – HIAL Investors in People

Spotlight Session

Gordy MacDonald, Cybercrime Protection, Incident Support and Training Officer, Police Scotland presented on Cyber Threats to Business. He thanked the Board for the invite to present on this topic. He explained his role within the Police Service of Scotland is mandated by the Scottish Governments *Strategic Framework for a Cyber Resilient Scotland* which sets out what needs to be done to make Scotland digitally secure and more digitally resilient and which is aligned to the UK National Cyber Strategy. This is a challenge which requires a joint effort from all to raise the awareness of the cyber threat and particularly to help prepare people, organisations, and businesses to deal with cyber risks and to respond and recover from such an event as quickly as possible.

The presentation covered the need to defend individuals and the business against phishing, creating strong passwords, securing devices and reporting incidents. It highlighted the threats, vulnerability and risks for organisations. The presentation explained how attacks can occur through compromised business emails, spear phishing, ransomware, DDoS and website defacement, which can happen through hacktivists, insider threat, organised crime and espionage. Exercise in a box was recommended to help test the organisation's cyber security standing and staff awareness.

The Chair asked that the presentation materials be circulated to the Board. She thanked Police Scotland for a very practical and helpful session.

ACTION: JC to circulate to Board the Police Scotland presentation

AOB

LC volunteered to be the Board Champion to support the delivery of the Gaelic language Plan.

For the strategy session in September the Chair asked the board members to advise her if there was any particular business they wanted added to the agenda for discussion.

The Chair advised that today was Gary Cobb's last board meeting as he was leaving HIAL for pastures new. She thanked Gary for the fresh ideas he brought to the organisation, and he will be particularly remembered for the work he did on Capital Prioritisation and risks. The Board wished GCb all the best for the future

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HIAL Board Meeting concluded at 12:17
Next Board Meeting 24th August, Stornoway

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