

**HIAL Board Minutes – Wednesday 4<sup>th</sup> May 2022**  
**Sumburgh Airport, & Microsoft Teams Video call**

**Board Attendees:**

- (LJ) Lorna Jack (Chair)
- (IL) Inglis Lyon (Managing Director)
- (JW) Johanna Wallace (Finance & Commercial 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:**

- (AS) Andrea Sillars (HIAL Director of HR)
- (DS) Denise Sutherland (HIAL Head of Communications)
- (GCx) Gary Cox (Transport Scotland, Head of Aviation)
- (JC) Jackie Clark (HIAL Executive Assistant – Minutes)

**14:20 – 15:10**

- (KI) Keith Inglis (Head of Infrastructure) - **Virtual**

**Apologies:**

- (GCb) Gary Cobb (HIAL Chief Operating Officer)

**HIAL Board Meeting commenced at 13:30**

**Apologies**

Apologies were received from Gary Cobb.

The Chair advised the meeting is being recorded for the purpose of creating the minute and would then be destroyed. There were no objections.

**Declaration of Interest**

The Chair took as read the usual declarations of interest unless advised of any change.

JC advised before end of May she would be sending to the Board the annual Declarations of Directors Interest for review and update.

**Minutes and Matters Arising**

The Board minutes from the previous meeting on 1<sup>st</sup> March 2022 were noted having previously been approved by the Board and published on the HIAL website as per the agreement with Transport Scotland. The minutes from the 28<sup>th</sup> March 2022 Board meeting would be issued shortly for review and approval.

It was noted that three outstanding matters arising items had a completion date of June 2022.

Item 2 from January 22 was superseded by the ATMS governance paper that had been put forward to the March 22 board meeting.

**ACTION:** JC to circulate a copy of the table from within the March 22 ATMS Structure & Governance Board Paper and then close outstanding matters arising action Item 2 from January 22.

**Chairs Report**

The Chair had provided the following update at the DAL Board meeting. ([link to DAL Minute](#))

## Managing Directors Report

The MD had provided the following update at the DAL Board meeting. ([link to DAL minute](#))

### Company Risks

The Chair noted the Board had discussed company risks within the DAL Board earlier. ([Link to DAL](#))

#### Information withheld No 4

#### ACTION: Information withheld No 4

It was clarified for the benefit of new Board members that health and safety risks were operational and dealt with in the first instance within the SERB (Safety Environmental Review Board) and CROG (Corporate Review Oversight Group) at airport level.

**ACTION:** IL to arrange a spotlight session on safety for a future Board session.

### Business Case Approvals

#### **BC1270D – Inverness Surface Water Drainage**

IL provided the board with an overview of the board paper covering completed SEPA issues and the requirement for additional funds of £192,284 in 2022/23 capital year (in addition to £99,664 previously approved) to enable completion of the pre-construction stage (Gateway 4) and runway drainage investigatory works. SEPA have been informed that Phase 3 has been deferred until April 23 with minimal risk. It was noted that the additional funds of £192,284, were identified when the output of the consultant's gap analysis confirmed the requirement for five additional surveys.

It was noted that Appendix A mentioned in the Board paper was omitted from the Board pack and it would be circulated to the Board members for reference.

**ACTION:** JC to circulate to the Board a copy of appendix A which was mentioned in the board paper and a revised update of the figures showing the correct capital years to be circulated to the Board.

*Decision: The Board approved the additional spend of £192,284 on top of the previously approved amount of £99,664 to enable completion of the pre-construction stage (Gateway 4) and runway drainage investigatory works.*

### Papers for Approval

#### **Item A – Facilities Management**

#### **KI joined the call at 14:20**

KI took the Board through his presentation and his recommendation. Advising HIAL had circa twenty-five separate contracts for hard and soft facilities management including maintenance, testing and repairs, cleaning, waste, and ground maintenance. He was seeking approval to go out to tender for one contractor to manage all the facilities management contracts for all 11 HIAL airports. He went over the challenges of the current facilities arrangement, the benefits of going with one contractor, the current risks on day-to-day resource and how the cost for a single facilities management contract was budgeted based on current market rates.

The Chair asked whether HIAL would be legally bound to carry out an ICIA (Island Community Impact Assessment) as this appeared to be a change of policy and a centralising process. She asked the executive team to take this into account and how to deal with the mitigations arising from any report.

The Board asked questions on contract management and avoidance of creeping costs, risks on TUPE implications, and legal risks on precluding existing contractors from tender. KI explained the mobilisation period where the preferred bidder has an opportunity to review & verify HIAL assets for fixed cost maintenance before the contract is issued. KI explained the competitive tender process, how bidders would likely acquire subcontractor costs and his expectation of local contractors being successful on the remote communities/islands. **Information withheld No 4.** KI advised the tender was specific around timeframe and the service within that timeframe, adding no contractors are precluded due to location.

The Board were reminded that the awarding of the contract would come back to the Board for approval.

It was noted that the recruitment of a Contracts Manager is the decision of the management team from within the approved payroll budgets.

*Decision: The Board agreed to proceed with the tender of a single facilities management contract subject to the completion of an ICIA and having an alternative option 'Plan B' should the tender process and outcome become unaffordable.*

**ACTION:** KI to develop a report on costs of an alternative solution 'Plan B' on a contracts management software package.

**KI Left the call at 15:10.**

### **Item B – Framework Agreement**

GCx confirmed that there were no further changes to the framework document required and once approved by the HIAL board the framework document would be put to the ministers for sign off.

A recommendation was made to include a paragraph at the start of the framework document explaining HIAL's safety and governance.

**ACTION:** GCx to arrange for a paragraph to be included in the framework document which describes HIAL's safety and governance.

The Board discussed the requirement to review how the company performs within the guidance of the framework and the need to understand the difference between the accountable manager versus Managing Director responsibilities. It was confirmed that the old framework document continues until the new one is in place.

*Decision: Subject to the additional paragraph on safety and governance for inclusion in the framework document the Board approved the new framework agreement.*

### **Item C – Delegated Authorities**

*Decision: The Board approved the changes to the delegated authorities which included the addition of Stephen O'Mara*

### **Item D – Health Safety & Wellbeing Strategy**

AS provided a brief overview of the paper and advised the Health Safety & Wellbeing strategy would be reviewed annually and reflect issues raised through the staff survey. She added there was some work to be completed from the outcome of the Cranfield safety study which will be included in the strategy.

**Information withheld No 4.** AS advised several cultural issues are linked to ATMS and staff are struggling back at work post Covid.

There was an observation around the disconnect for staff around ongoing employee initiatives and the issue with implementing them.

The Board asked for the wording on Page 2 of the Health, Safety and Wellbeing Strategy to be amended from 'encourage our employees' to 'and part of your role is to'. There were concerns raised around wording of flexible working and the necessity to ensure there is not a division formed between flexible and non-flexible roles.

**ACTION:** AS to arrange for the wording to be amended on Page 2 of the strategy to read 'and part of your role is to' rather than 'encourage our employees'.

**ACTION:** AS to review the wording around how flexible working is emphasised.

**ACTION:** AS: Bring back to the August Board an engagement action plan forming issues raised from the Cranfield Safety Study and should be populated with data reported from the new HR system.

*Decision: Subject to the changes on wording and review of flexible working wording, the Board positively support the Health Safety and Wellbeing strategy.*

#### **Item F – Islay Recruitment and Retention Challenges**

AS provided an overview of the paper looking at a potential way to address the retention challenge. **Information withheld No 2.** AS advised, this was not a complete solution but would help retain current staff. Short term mitigations have been put in place with detachments from other airports. **Information withheld No 4**

**Information withheld No 4**

IL stated the organisation required flexibility outside of the pay policy to address these challenges.

*Decision: The Board did not approve the reallocation of an existing term and condition from one specific location to another. However, asked AS to look at bringing alternative options to the Board. If required, the Board agreed to meet via video call before the next board meeting on 29<sup>th</sup> June to review the alternative options* **Information withheld No 4**

GCx added that any new paper should detail how a lack of staffing impacts the airport, passenger's and existing staff. Include an explanation **Information withheld No 4**

**ACTION:** AS to prepare a new board paper to the Board on Islay Recruitment and Retention Issues before the 29<sup>th</sup> of June Boarding meeting.

#### **Item G – HR Annual Pay Award**

AS advised the paper was to provide the Board with an update of where discussions stood with the Trade Unions following the submission of the trade unions pay claim.

AS advised the Board that Prospect had valued their opportunity to sit down with the HIAL Board to specifically talk about air traffic control.

The Board noted the trade unions when submitting their pay claim **Information withheld No 4** HIAL had kept all staff in place throughout the pandemic.

AS provided the Board with an update on the current negotiations.

## Papers for Discussion

### **Item 8 – HIAL Security Focus Session**

The Board noted the paper and were reassured from the paper that it covered the issues raised in recent security complaints.

### **Item 3 – PER – and Polyfluoroalkyl Substances (PFAS)**

IL provided a brief overview of the paper highlighting the potential issues and risks at HIAL airports.

The Chair advised the paper had been well written and asked if a further update on PFAS could be included within the environmental update which comes to Board.

**ACTION:** IL to arrange for an update on PFAS to be included in the environmental update board paper.

### **Item 4 – Staff Survey Results**

The paper on the results of the Staff Survey was reviewed.

### **Information withheld No 4**

### **Item 5 – HIAL Pension Scheme**

*The Board noted both IL and JW's interest in the HIAL pension scheme but agreed there was no conflict arising in the update to be provided.*

IL updated the Board on three matters. **Information withheld No 4**

The Board were content with the update provided.

### **Item 6 – Complaint Investigations**

The Chair advised that there had been a thorough investigation of the complaint and noted the improvements made to the HIAL complaints policy.

**ACTION:** Following the investigation held, LJ to respond by letter to Fran Pacitti in reference to the Dundee complaint. A copy of the letter to be cc'd to the HIAL Board members.

### **Item 7 – Environmental Update**

Paper had been discussed in DAL meeting ([link to DAL minutes](#))

**The Board meeting concluded at 17.04 to meet with the local stakeholders.**

The Chair advised the Board that a member's only session would be held at 08.00 hours on the 5<sup>th</sup> of May followed by the remaining Board agenda.

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**HIAL Board Meeting concluded at 17:04**  
**Next Board Meeting 29<sup>th</sup>/30<sup>th</sup> June 2022, Dundee**

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