

DAL Board Minutes

Wednesday 4th May 2022 Sumburgh Airport and Microsoft Teams

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

In Attendance:

(GCx) Gary Cox (Transport Scotland)
(GH) Gregor Hamilton (Dundee City Council) - **Virtual**
(DS) Denise Sutherland (HIAL, Head of Communications)
(AS) Andrea Sillars (Director of Human Resources)
(JC) Jackie Clark (HIAL EA - Minutes)

Apologies

(GCb) Gary Cobb (HIAL Chief Operating Officer)

DAL Board Meeting Commenced at 09:22

Apologies

Apologies were received from Gary Cobb.

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

There were no changes to the previously recorded declarations of interest.

Minutes

The Board minutes from the previous meeting on 2nd March 2022 were noted, having previously been approved and published on the HIAL website as per the agreement with Transport Scotland.

Matters Arising

The Chair advised outstanding matters from the 2nd March 2022, item 2 was now complete, and item 3 was for discussion on the HIAL agenda later in the afternoon.

Chair's Report

The Chair advised she was bringing to the next board a revised HIAL Code of Conduct.

The Board strategy day which was scheduled for November is being brought forward to September and will be held in Edinburgh.

The Chair reported on the meetings that she and the Managing Director had held with Scottish elected representatives on the change of direction for ATMS and the positive feedback received.

The Chair and Managing Director visited Stornoway and met with the local authority leader and Chair of Transport Committee who were positive about the ATMS changes and the about the planned HIAL land developments.

The Chair and Managing Director visited Kirkwall for the SATE (Sustainable Aviation Test Environment) phase 1 close off which included several of the project partners including UKRI.

The Chair met with Peter Simpson from Loganair **Information withheld No 1.**

Managing Director's Report

The Managing Director (MD) advised the freeports bids were due in mid-June. The Inverness Airport/IABP bid is near completion and HIAL have been asked to join the Orkney bid which is a late entrant. The MD asked the board for delegated authority to finalise the submission alongside the other bid partners.

GH advised that Forth Ports will be progressing a bid for the Firth of Forth but that it excludes Dundee.

The Board noted ILs interest as a director of IABP and recognised that there was no conflict of interest.

Decision: The Board agreed IL had delegated authority to finalise the freeport bids.

The MD reminded the Board of HIAL trying to capitalise on the sustainable aviation fuel supply chain between Prestwick and Isle of Grain which Transport Scotland did not permit due to a lack of funding and issues over the origin of the fuel. He advised the Board that a letter had been written from The Jet Zero Council to the UK Government urging them to contribute to the installation of a sustainable aviation fuel plant. Following meetings held with helicopter and fixed wing operators in Aberdeen there is a desire to get something in place to help them decarbonise their north sea operations. The MD recommended putting a paper together over the next six months for the Scottish Government that talks about the size of the demand in Scotland for sustainable aviation fuel. **Information withheld No 4.**

Information withheld No 4

The MD reminded the Board that Prospect were attending the Petitions Committee today to provide their evidence on how they came to a compromise solution on ATMS. HIAL have been invited to give evidence on the 18th May 2022.

Having taken on a secondee from Ricardo whilst the recruitment continues for the Head of Environmental the work continues with the aim to bring the environmental strategy to the Board in June.

The MD advised sessions had been arranged with Ekos to help build a model which shows HIAL's economic value to local economies.

The company insurances have all been renewed with savings made. It was noted that in IL's view this would be the last year in which cyber insurance could be secured.

Information withheld No 4

Audit Committee Update

There was no update from the Audit Committee as the meeting is being held later in the afternoon.

Corporate Risks

Item 1 – Risks & Safety Update

IL directed the Board to the list of twelve strategic high-level risks identified in the paper and asked if the Board was content that these risks accurately reflected the organisation's top risks. If so, he would ask the team to review and rescore the risks. Due to the high volume of red risks now on the risk register, Brett Dorney, Aertai, who carried out a risk assessment for HIAL, has been asked to present to the Board and management team on risks and risk appetite.

ACTION: Setup sessions for scoring and finalising the top twelve high level strategic risks for the organisation as agreed by the Board with the addition of a wider finance risk.

ACTION: IL to setup risk and risk appetite session for management and Board members with Brett Dorney.

IL advised that there were several workstreams in place to look at reducing the increase in runway incursions and he would report back at the next Board

A session has been held on defining risk descriptors. **Information withheld No 4.** Once complete the risk descriptors will be circulated to the Board.

ACTION: IL to complete the list of risk descriptors then circulate to Board.

Information withheld No 4

The Board requested that the cybercrime spotlight session from Police Scotland be brought forward to the next Board meeting in June and advised that cybersecurity is a subject that

should be reviewed regularly at Board meetings. If June is not achievable for Police Scotland then the Head of ICT is to provide a written update to the Board at their next meeting in June. GCg added that the public sector was reporting an expected increase in cybercrime.

GCg was concerned to see staff retention as a high risk and asked if the DAL Board were content with the steps being taken to reduce and mitigate the risk, as there were no listed mitigations in the summary. He added as a DAL Board member he needed reassurance that mitigations were being implemented.

IL repeated that he was not content that the top scoring risks accurately reflected the risks to the business and that the sessions for reviewing the strategic risks would reset the scoring. The Chair added she would like to see HR data that articulated the staff retention risk included in any future reflection on this risk.

AS advised that each airport has a risk profile which include mitigating measures at a local level however the Board report is a summary of the risks and mitigations have not been comprehensively included.

ACTION: GCb to ensure all mitigations are included in the Board risk report under the appendix Mitigations measures for top 10 risks

ACTION: GCb/**Information withheld No 2** to provide the data used which set staff retention as the number one Operational risk for Dundee

ACTION: GCb to discuss with GCg how he will be reassured those mitigations for DAL corporate risks are being applied.

ACTION: JC to discuss with the Head of ICT about getting the cybercrime spotlight session brought to the June board. If not achievable then an updated report from the Head of ICT and the cybercrime spotlight at December board.

ACTION: JC to add cybersecurity as a regular subject for discussion at future board meetings.

EH advised he would share with IL his comments made on the risks report and suggested that the environment risk be split showing environmental business solution and environmental compliance separately.

ACTION: GCb to respond to EH comments on risks and circulate findings to Board members.

Items for note by the Board

Item A – DAL Monthly accounts

The Chair questioned the difference in percentage for fuel profitability in DAL accounts compared to the Group accounts.

ACTION: JW to review the fuel profitability figures in both accounts for correctness.

Item B – Operations Update

IL advised workshops independently chaired have been setup to help the team expose weakness in regulatory compliance monitoring.

The Board asked a question on what was driving the change behind the Dundee runway going from a Code 2 to a Code 3 and asked if there was any risk of the CAA (Civil Aviation Authority) not issuing a special condition.

ACTION: IL to review the Dundee Runway code Safety Case and advise on the requirement for the change and any risks around the CAA not issuing a special condition. To be circulated around DAL board members when complete.

Item C – Environmental Update

The Board noted the progress

Item D – Compliance & Accountable Manager Update

IL advised that work was ongoing to look at HIAL’s short-term engineering issues and he advised longer term, HIAL would go out to tender for their engineering services.

Item E – Audit Committee Minutes 28.02.22

The Board noted the progress.

AOB

Information withheld No 4

For the benefit of GCg and GH the Chair advised this was JW’s last board meeting before leaving HIAL. JW was thanked by DAL Board members for her contribution to the organisation.

DAL Board meeting concluded at 12:50

Date of the next meeting: 29th 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

