

DAL Board Minutes
Wednesday 2nd March 2022 The Kirkwall Hotel, Kirkwall

Board Attendees: (LJ) Lorna Jack (HIAL, Chair)
(IL) Inglis Lyon (HIAL, Managing Director) - **Virtual**
(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) - **Virtual**
(IT) Isabel Todenhoefer (Non-Executive Director)
(LC) Lynne Clow (Non-Executive Director)
(GCg) Greg Colgan (Non-Executive Director) - **Virtual**

In Attendance: (GCb) Gary Cobb (HIAL Chief Operating Officer)
(GCx) Gary Cox (Transport Scotland) - **Virtual**
(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)

DAL Board Meeting Commenced at 09:22

The Chair introduced and welcomed Lynne Clow to the Dundee Board.

Apologies

There were no apologies.

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

GCg declared an interest as an employee of Dundee City Council and as Chair of MSIP.
CH declared he will join the Board of Air Service Training (AST) Perth later in March 2022.

Minutes

The Board minutes from the previous meeting on 9th December 2021 were noted, having previously been approved and published on the HIAL website as per the agreement with Transport Scotland.

Matters Arising

An update was provided on two outstanding matters.

Item A – Environmental Update – GH advised the Board that the maximum number of attendees for the Dundee climate leadership group had been reached. However there were

two further groups where the airport interest could be represented. The Dundee Sustainability Network (DSN) and the Tourism Leadership Group (TLG) which has an environmental sub-group.

ACTION: IL to review and decide who is best placed to represent Dundee Airport on either or both the DSN and TLG groups.

Item 2 – Operations Update - Dundee Investment Report. The report has been completed and is ready to forward to GCg.

ACTION: GCb to send Dundee Investment Report to JC who will forward to GCg.

Chair's Report

The Chair advised a Board meeting was held on 25th January 2022 to discuss the future direction of the ATMS programme. Prior to this meeting she had briefed GCg on the revised direction. The Chair met that same week with the newly appointed Transport Minister Jenny Gilruth for a briefing on the ATMS programme.

Meetings held with the local councils to discuss all airport related business continue regularly. The Chair advised she had met personally with Alistair Carmichael MP who had been positive about colleagues in Kirkwall and was pleased to hear of the new direction of the ATMS programme.

The Chair updated the Board on a specific complaint about Dundee Airport security which had been escalated to Transport Scotland (TS). TS in response had asked the HIAL Board to review its complaints process regarding internal escalation steps and to review the application of security processes following this complaint.

ACTION: DS to review internal escalation of complaints process and circulate revised policy document to Board for review.

ACTION: Executive team to provide information to the Board at May meeting re assurance on security screening processes and colleague training.

Managing Director's Report

The Managing Director (MD) advised there were seven windfarm developments awaiting establishment in the Inverness area. Work is progressing on the commercial aspects as well as mitigations and the MD suggested that windfarm developers agreeing to HIAL's terms and conditions should be part of the planning application.

ACTION: IL to circulate a copy of draft windfarm financial model report to Board members and to bring to a future board the agreed final windfarm financial model.

The pilot project to run the Southern States PSO for sustainable aviation fuel is presently not able to go ahead.

Information withheld No 4

Sessions were had with Transport Scotland (TS) on the Aviation Strategy and part of the discussion was around consolidating operations across all Airfields. It was noted that HIAL and HITRANS contributed a joint submission on the Aviation Strategy to TS.

The Managing Director advised that the trade unions accepted the revised strategic direction of the ATMS programme.

The Infrastructure team will receive extra resource to help with projects. A meeting is scheduled on 10th March to discuss freeports **Information withheld No 1.** Tayside Aviation has changed hands and a meeting with the new owner, TS and HIAL is to be arranged.

The Chair added that OIC had raised their freeport concept at the previous evenings stakeholder session and invited HIAL's involvement. She added that it is important for HIAL to be fair and consistent in considering involvement in any freeport bid that includes one of our airports.

Audit Committee Update

LS advised that IT had joined the Audit Committee in March 2022.

The external audit plan for year 2022/23 has been agreed and some new items have been added as potential areas of risk to be focussed on by the auditors, including the correct allocation of capital spend on ATMS programme. Work has progressed on the items outstanding on the audit tracker with all the top-level recommendations being cleared. There were changes to the Scottish Public Finance Manual on Internal Audit Checks which had no effect on HIAL. There were no fraud and whistleblowing incidents and AS advised the recommended retraining for staff on this had now been started. An update on IABP land sale was provided. The Audit Committee agreed to a one-year extension of the Wylie Bisset (WB) contract. The Audit committee discussed considering an in-house Internal Audit Team. It was observed that the outcome of an internal audit on risk management was different from that of the SCS review. Consistency could be further enhanced by ensuring the scope of audits is reviewed through that lens and carefully considered

Wylie Bisset have been asked to present the ATMS audit results to the Audit Committee at the next meeting.

LS asked Board members who have attended a SERB or CROG meeting to provide her with any observations or comments which can be brought to the Audit Committee.

LS added there was work to be completed to look at how strategic and sensitive risks are captured on the risk register.

Corporate Risks

Item 1 – Risks & Safety Update

Gcb provided an overview of the risk slides, highlighting areas identified within lessons learned and added there was no movement within Dundee Airports top ten risks.

Items for Approval

Item 1 – 2022/23 Budget

JW provided an overview of the 22/23 budget and added that the income included was prudent and based on cautious route recovery. A discussion was had on this conservative approach and the Chair encouraged it, drawing a difference between budget setting and what income targets the team might go after.

CGg added there were some big events occurring in Dundee in 2022 which possibly would benefit Dundee Airport income.

JW added a reforecast would be completed later in the financial year.

Decision: The Board approved the Dundee 2022/23 Budget

Items for Discussion by the Board

Item A – Environmental Update

Gcb advised two main pieces of work were ongoing. Climate change risk and the impact on the airport and how to make DAL buildings more sustainable.

GC added an environmental strategy workshop will be held for the Board and a date is to be scheduled in diaries.

ACTION: IL/JC to look at diaries for a date for the environmental strategy workshop.

Item B – ATMS Update

The Chair advised she had provided GCg an update the previous day. There were no further discussions.

Item C – Tay Cities Deal - Verbal

GH advised there were two projects within the Tay Cities Deal which were relevant to Dundee Airport. **Information withheld No 4**

GH provided the Board with an update on the Aviation Academy and the ambitions of the new owner of Tayside Aviation.

Items for note by the Board

Item 1 – Commercial Update

Noted

Item 2 – Operations Update

Noted

Item 3 – Monthly accounts – June 2021

Noted

AOB

GCg advised his new PA is Irene Duncan

DAL Board meeting concluded at 10:36

Date of the next meeting: 4th May 2022, Sumburgh

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