

**MINUTES OF THE DUNDEE AIRPORT LTD (“DAL”) BOARD
HELD AT HIAL HEAD OFFICE, INVERNESS ON TUESDAY 17th DECEMBER
2019 AT 11:00**

Board Attendees: (LJ) Lorna Jack (Chair)
(IL) Inglis Lyon (Managing Director)
(GB) Gillian Bruton (Finance Director)
(DS) David Savile (Non-Executive Director)
(TW) Tim Whittome (Non-Executive Director)
(JM) Jim McLaughlin (Non-Executive Director)
(LS) Loraine Strachan (Non-Executive Director)
(EH) Eric Hollanders (Non-Executive Director)
(DM) David Martin (Non-Executive Director)

In Attendance: (GF) George Farquhar (Interim Head of Airport Operations & Support)
(DSu) Denise Sutherland (Head of Communications)
(GC) Gary Cox (Transport Scotland)
(SD) Shelly Donaldson (Personal Assistant – Minutes)

The DAL Board Meeting commenced at 11:00

Apologies

There were no apologies.

LJ welcomed everyone to the meeting and the Board members each introduced themselves to the new non-executive directors. LJ wished JM Congratulations, whose time on the Board has been extended for two years.

Declarations of Interest

David Martin declared an interest as CEO of Dundee City Council.

TW declared an interest as an occasional customer of Dundee airport.

Minutes and Matters Arising

The Board noted the minutes previously approved via email that were now on the HIAL website. Reference the matters arising, discussions had been had with John Reid, MD of Michelin, who is content to present to the Board in February or host the Board for a visit in January 2020. The Board were keen to have a visit to Michelin which will be arranged.

Action: To arrange a Board visit to Michelin in early 2020 for as many Board members as possible. [SD & DM - 26 Feb 2020]

Chair's Report

Meeting had been held with the new non-executive directors to begin the induction process and LJ thanked HIAL's Learning and Development Manager for her hard work. The appointments of the new non-executive directors are being reviewed as a Best Practice case study.

Discussions were had with Loganair regarding various issues, **(Redacted)**.

Managing Director's Report

There was an update on the current situation with the ATC dispute, the latest offer provided by HIAL was outlined and is now out to ballot, with a result expected January 3rd 2020. **(Redacted)**.

The ATMS Business case has been presented to the investment Board at Scottish Government and it is understood that the case was approved with funding being provided 2020 once the budgets have been announced. The next step is to merge the ATS business as usual, with the ATMS Programme and once the budget has been received the tender process will begin.

There had been meetings regarding the IABP, business at Wick and a meeting regarding pensions with various organisations to discuss the pension schemes in the public sector of Scotland **(Redacted)**.

Tayside Aviation have revised their position in regards to the dispute over charges and have agreed to pay the fees. Dundee airport is now able to remain open on Saturdays. Tayside Aviation have requested a written agreement going forward. LJ recorded thanks to IL, DM and GH for their hard work on getting this resolved.

Main Discussion - Dundee Radar and Aviation Academy

A general background was given to the Board in regard to Dundee airport and the PSO flight from Dundee to London city. Loganair intend to run a day flight to Belfast city. DM reported a good relationship with City who have stated willingness to aid with route development and reported that Dundee is one of the busiest airports in Scotland in terms of GA traffic. The Tay Cities deal has seen a delay due to the political climate and is due to be finalised and of January 2020.

The letter from Transport Scotland, within the papers, confirms the commitment **(Redacted)**. There is acknowledgement of the challenges and an aim to develop niche opportunities at Dundee. The PSO has been confirmed for the next 2 years and will then be reviewed once more.

The main challenge facing Dundee is that there are adequate alternatives for scheduled flights, such as Edinburgh and Aberdeen. The airport infrastructure is also inadequate; a small airfield, the runway is too narrow to accommodate the larger aircraft and no surveillance. **(Redacted)**.

The Board asked that DAL obtain hard evidence that the Dundee catchment area wants the services proposed and that Dundee airport can play a unique role within the community. **(Redacted)**.

The Board are committed to keeping Dundee airport open and will show full support over the next two years for the PSO. The Board still haven't seen much detail of the plans to make the proposed routes successful and the expected 40k passenger numbers were queried.

There was discussion around introducing radar & controlled airspace and a clear vision for the Dundee airport of 2026. DAL's ambition is to operate a mixed use airport and will look at future options, the Board supported this idea.

DSu joined the meeting at 11:50.

In order to get funding for the projects proposed, business cases will require approval. These will outline a lot of the detail sought by the Board and DM expressed that he would like HIAL and Dundee City Council to work together on this.

(Redacted).

DAL would need to invest in the radar to get to the full 150k passenger numbers proposed but was deemed unnecessary for the initial 40k. **(Redacted)**.

The initial costs of implementing radar is substantial, but to maintain and manage control of controlled airspace would require more air traffic controllers and this in turn would see running costs increase considerably. But if the Board adopted the suggestion of the mixed purpose function, this would require radar and controlled airspace anyway.

(Redacted).

DECISION: The Board were content to give full support for the PSO and to work with the airline to increase passenger numbers to 40k by year 2.

Action: The Board will monitor passenger numbers on the Dundee PSO route, this to be added as an agenda item for each Board Meeting. [SD – going forward]

Action: To provide a business development plan. [DM – 26 Feb 2020]

*Action: A time limited study to be conducted over 2 months, to see what ATC looks like **(Redacted)**. To run alongside a CAA external piece of work on airspace change. [IL – Apr 2020]*

Action: To look at the Osprey report to look at what can be taken forward from the proposal. [IL & GF – Mar 2020]

Action: IL & DM to work together to clarify the future vision for Dundee. [IL & DM – 1 Apr 2020]

Action: HIALs Head of Business Development to identify other possible airline partners for routes for DND. [LJo – 1 Apr 2020]

Aviation Academy for Scotland

GH and JM visited the Norwich Aviation Academy, operated by Pennant, a few weeks ago. It was a former hanger that was owned by Norfolk County Council, which was turned into an Aviation academy by Norse to focus on the engineering side of activities.

ASP (Aviation Skills Partnership) will provide the Aviation training activity through a partnership with KLM, who provide the aircraft. **(Redacted)**.

The principle lessons learned from the visit were outlined. The starting point for the business case is looking at demand, what outputs are hoped to be achieved in terms of the different careers in aviation, this will determine what can be delivered.

The Aviation Academy for Scotland project is a two centre project. Partners in Perth College UHI and Air Services Training will oversee Perth centre and Tayside Aviation providing training for the Dundee centre. **(Redacted)**.

The Board were asked to consider a joint venture with DCC to fund the Dundee centre and for Tayside Aviation to provide the training service. **(Redacted)**.

DECISION: The Board were content for the options around the Aviation academy for Scotland to be explored and DM will bring a proposal to the Feb Board.

Action: A proposal for a DCC/DAL partnership for the Aviation Academy for Scotland for the Feb Board meeting, taking into consideration a framework and different companies. [DM – 26 Feb 2020]

FINANCE – DAL / HIAL Conditions of use

The paper was outlined. The 3% increase was approved by the Board previously for HIAL and DAL. The Aviramp charges have now also been added as well as an increase over the next two years from 60p per PRM passenger to 77p, this is based on the number of passengers' projections for every passenger, over the next 3 years. Following Board approval, this document will be published on the HIAL website for implementation April 1st 2020.

In addition to this 3%, DAL has increased GA charges and the charge from Tayside Aviation.

DECISION: The Board approved the Conditions of use and for publication on the website, to go into effect April 1st 2020.

Items for note by the board

Item 9 – DAL Monthly Accounts

The Board noted this paper

AOB

LJ wished everyone a Merry Christmas and thanked them for this year.

The DAL Board meeting concluded at 14:00

Date of next meeting – 12th February in Edinburgh.