

DAL Board Minutes
Wednesday 6th October 2021 – Hotel Du Vin, Edinburgh

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 Todenhoefer (Non-Executive Director)
(JM) Jim McLaughlin (Non-Executive Director) - **VIRTUAL**
(GCg) Greg Colgan (Non-Executive Director) - **VIRTUAL**

In Attendance: (GCb) Gary Cobb (HIAL Chief Operating Officer)
(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)
(SD) Shelly Donaldson (HIAL EA - Minutes) - **VIRTUAL**

DAL Board Meeting Commenced at 15:00

Apologies

There were no apologies.

The Chair informed the Board and attendees that the meeting was being recorded and would be deleted on completion of the minutes, no objections were received.

Approval and signing of DAL accounts

LS informed the board that at the Audit Committee on Friday 1st October the Committee were content with the DAL accounts. The accounts were approved by the Board and signed by the Chair and Managing Director.

Declarations of Interest

GCg declared an interest as an employee of Dundee City Council.

GCg declared an interest as Chair of MSIP.

Minutes

The Board minutes from the previous meeting on 25th August 2021 were noted, having previously been approved and published on the HIAL website as per the agreement with Transport Scotland.

Matters Arising

Regarding the matters arising from the last meeting on August 25th, most were completed with two being carried over to the December meeting. With regard to the items carried over, the Chair asked members for a quicker turnaround on approval of the meeting minutes to enable HIAL to meet the Transport Scotland timeline for publishing on the website within two weeks of a meeting. The other items were either completed or were for future meetings. EH had a question on EGNOS for the 11 HIAL owned airports and GCb gave a brief update on this.

Chair's Report

The Chair updated that the non-executive director post that JM currently holds has now been advertised and asked members to share widely. It was noted that JM will remain in post until 28th February 2022, when his contract concludes. The Chair is keen to see this post filled by an individual with a strong HR background and a real understanding of the issues facing the communities in the HIAL operating area. She looks forward to receiving applications from individuals with a genuine passion for aviation and maintaining air connectivity for the communities we serve.

The Chair confirmed changes to the Audit Committee and the ATMS Sub Group. EH will move from the ATMS Sub Committee to the Audit Committee and CH vice versa. The next Audit Committee meeting is in December therefore this new arrangement would come into effect on November 1st. The Chair thanked both for serving on their current Committees and the Board wished them well in their new roles.

The regular Local Authority catch-up calls continue, however representatives from Shetland Islands Council have not been able to attend the last few. The Chair will pick up directly with them. The programme of MSP and MP meetings also continue with positive discussions undertaken regarding Covid recovery.

The MD and the Chair had a discussion with the Transport Minister yesterday on ATMS. The Chair briefed DAL members on the HIAL discussions so far on the plan to move the ATMS programme forward. She added that she would pick up separately with GCg following the HIAL board discussion session on the programme.

Managing Director's Report

The Managing Director updated the Board on work undertaken on sustainable aviation fuel linked to COP26 in November. The MD had meetings with BP and other stakeholders to discuss the environmental issues, which included looking at a variety of measures for the short and long term.

The MD mentioned the Windracers project currently underway in Orkney, with Royal Mail trialling a UAV to deliver the mail from Kirkwall airport to North Ronaldsay.

The MD briefed the Board on positive airport business development in Stornoway, his recent visit to Dundee and discussions had with Loganair regarding winter charging and support, as well as the discussions to date with the trade union on the ATMS programme.

Audit Committee Update

LS provided the Board with an update on the Audit Committee meeting which was held that morning. Wylie Bissett presented two audit reports on Business Continuity and Capital Accounting, both of which had a 'strong' rating. Good progress on the audit tracker was also reported.

The Audit Committee discussed the process of risk management and how the overall risk rating relating to a project should be presented in the risk register. There were no changes to The Scottish Public Finance Manual since the last Audit Committee meeting. There was an action to review the manual, looking at the relevance to the business, making sure that we comply and a review of the required frequency of reporting to the Audit Committee.

There were no incidents of fraud or whistle blowing reported and there was an action to consider a more proactive approach with this reporting.

The Committee reviewed the IABP accounts. **(Redacted)**

LS reported good progress and feedback on the procurement report and advised that this was a work in progress.

The Chair thanked LS and the Committee for their work.

Corporate Risks

Item 1 – Risks & Safety Update

Gcb summarised the paper, noting the new format and gave an explanation on some of the slides. He explained that particular attention will be paid on safeguarding and understanding the scope of projects and ran through the treatment plan. EH had a suggestion on the risk treatment plan to replace the scoring level after a mitigating action with the change in risk level achieved by implementing the mitigating action. From the way it is presented now, one might infer that the mitigating actions occur sequentially and that there may be an interdependence between them. This is not per se the case. The format will be adapted.

In terms of the risks, Gcb advised that the recruitment risk involving Tiree had been addressed.

In regard to the departmental resilience risk, the single points of failure have been identified and the team are working out mitigations which will come to the Board in December within a structural paper.

ACTION: Structural paper For the Dec Board: GCb – 22.11.21 (Paper deadline)

GCb updated on the tier 1 audits undertaken and advised he would like to do the tier 1 audit in DND by the end of the year.

LJ queried why, within the incident overview, that the majority are in relation to air traffic services (ATS) and also asked whether the ability to fund the business and being reliant on Transport Scotland should appear on the risk register.

JW suggested getting time with Transport Scotland to discuss the risk register and the team were tasked to have a look at this.

ACTION: To discuss the risk register with TS (Redacted): JW / GCb – 22.11.21

GCb informed that ATS came quite high in the incident overview due to their strict reporting requirements, but that there was nothing untoward.

Items for discussion by the Board

Item A – Environmental Update

The Chair raised a concern on the sustainability strategy being published in October without the Board signing it off. GCb advised that the majority of the work links to the corporate strategy but agreed to bring this to the December board for approval, holding back the publishing until that had been done.

ACTION: The Sustainability Strategy to come to the board in Dec for approval prior to publishing: GCb/ Julie Bhatti – 22.11.21

Items for note by the Board

Item 1 – Commercial Update

JW provided a summary of the paper updating that Loganair have announced new routes, including the proposed Sumburgh to London City route, which will go via Dundee, for Sept 2022. Dundee's passenger numbers are improving on the London City route.

In regard to the PSO, GCg provided an update. **(Redacted)**

Item 2 – Operations Update

There was nothing to update, there were no questions and the paper was noted.

Item 3 – Monthly accounts – June 2021

JW advised there was no update to the paper and that the income is improving. The paper was noted.

AOB

The Board reviewed the proposed dates for the Board meetings in 2022 and these were approved by members.

POST BOARD NOTE – The February 2022 meeting may need to be earlier or later depending on the Transport Scotland Investment Board.

DAL Board meeting concluded at 16:00

Date of the next meeting: 08th December 2021