

MINUTES OF PAHL BOARD MEETING (OPSCO)

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|---------------|----------------|---------------------|-----------------|----------------|
| DATE: | 22 August 2017 | TIMINGS: | PLANNED: | ACTUAL: |
| | | START: | 0900hrs | 0900hrs |
| | | FINISH: | 1300hrs | 1315hrs |
| VENUE: | Boardroom | RELEASED ON: | 29 August 2017 | |

| | | | |
|------------------------------|-----------------------|-----------------------|------------------------|
| DATE OF NEXT MEETING: | PLANNED VENUE: | PLANNED START: | PLANNED FINISH: |
| Tuesday 26 September 2017 | Prestwick | 0900hrs | 1300hrs |

| NO | MINUTES FORMAT: | PARTICIPANTS: | IN ATTENDANCE: |
|-----|------------------------------|----------------------------|----------------------------------|
| | Quorum | Andrew Miller (AM) – Chair | Gary Cox (GC) (Observer, TS) |
| 1. | Declaration of Interests | Gordon Arthur (GA) | Derek Banks (DB) |
| 2. | Chair's Remarks | Ken Dalton (KD) | Moragh Hastie (MH) |
| 3. | Minutes of Previous Meetings | Tony Davis (TD) | Richard Jenner (RJ) |
| 4. | Feedback from Subcommittees | Jayne MacLennan (JMac) | Jules Matteoni (JM) |
| 5. | Executive Report | Ron Smith (RS) | Sonia Rafferty (SR) |
| 6. | Finance Report | | Mike Stewart (MS) |
| 7. | Statutory Accounts | | |
| 8. | Matter(s) for Approval | | |
| 9. | Car Parking | | |
| 10. | Spaceport Update | | |
| 11. | Date of Next Meeting | | APOLOGIES: |
| 12. | AOCB | | John Nicolls (JN) (Observer, TS) |

QUORUM

The chair confirmed that notice of the meeting had been given to the directors in accordance with the articles of association of the Company (the 'Articles').

The chair noted that a quorum was present in terms of the Articles and so it was competent to proceed with the business of the meeting.

1. DECLARATION OF INTERESTS

1.1 The non-executive directors declared that they had no interest in the business of the meeting that they were required to declare under section 177 of the Companies Act 2006.

2. CHAIR'S INTRODUCTORY REMARKS

2.1 AM welcomed everyone to the meeting.

3. MINUTES OF PREVIOUS MEETING

3.1 Action 29.12 – Data Protection changes had been discussed with Scottish Canals and Visit Scotland. SR had been updated. Data protection training would be arranged for NXDs and EDs.

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- 3.2 [REDACTED] FOISA 33 (1)(b) commercial interests of the company
- 3.3 [REDACTED] FOISA (30)(b)(ii) prejudice to effective conduct of public affairs
- 3.4 All other actions were closed or covered later in the agenda.
- 3.5 The minutes from the previous meeting were accepted as read and an accurate record of proceedings.

4. FEEDBACK FROM THE SUB COMMITTEES

Safety Assurance Committee (SAC)

- 4.1 TD updated the group on the SAC meeting held on 25 July. Items discussed included improvements to reporting and potential duplication with the Airport Assurance Group (AAG). It had been suggested that AAG and SAC meet once per year.
- 4.2 The committee discussed the section of roof in the railway station. It was agreed that a report would be compiled and be brought back to the board as costs would be outside the budget. ACTION 30.01: JM
- 4.3 The board discussed the long-term aim for the railway station and agreed it would depend on AGD. JMac/DB to discuss CP6 2019/20 offline. ACTION 30.02: JMac/DB
- 4.4 The SAC committee was to agree the definitions for accidents and incidents for clarity. ACTION 30.03: JM
- 4.5 ATC resilience was an HR Remuneration Committee matter and would be added to the agenda for discussion. ACTION 30.04: SR
- 4.6 It was agreed that the committee would feedback verbally to the board after each meeting, but an evaluation report would be compiled at the end of the financial year and could form part of the annual report (for this and the other board sub committees).

HR Remuneration Committee

- 4.7 JMac updated the group on the HRRC meeting held on 8 August. Items discussed included TORs, gender balance (50:50 by 2020), diversity. It was noted that a diversity report was sent to Scottish Government on an annual basis.
- 4.8 Register of related issues/interested parties to have for the future.
- 4.9 It was noted that the headcount had increased, but was still within budget.
- 4.10 There was an increase in long term sickness (10).
- 4.11 Formal board development/training had been identified and in some cases initial bookings had been made.
- 4.12 A business case was being worked on for occupational health nurse as our current arrangement was adequate for the future.
- 4.13 Further work is required to improve the quality of the EDRs.
- 4.14 An extraordinary meeting of the committee would be scheduled for ATC Resilience.

5. EXECUTIVE REPORT

- 5.1 RS tabled the top five items from the previously circulated report.
- [REDACTED] FOISA 33 (1)(b) commercial interests of the company

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5.2

[REDACTED]

[REDACTED] FOISA 33 (1)(b) commercial interests of the company

5.3

[REDACTED]

5.4

[REDACTED]

5.5

[REDACTED]

[REDACTED] FOISA 33 (1)(b) commercial interests of the company

5.6

[REDACTED]

[REDACTED] FOISA 33 (1)(b) commercial interests of the company

5.7

[REDACTED]

Police Service Agreement

5.8 The PSA had been negotiated and accepted.

[REDACTED] FOISA 33 (1)(b) commercial interests of the company

5.9

[REDACTED]

5.10

[REDACTED]

5.11

[REDACTED]

5.12

[REDACTED]

5.13

[REDACTED]

Audit Scotland

5.14 Following the meeting with AS it was confirmed that GPA audit would form part of the wider TS audit report. Feedback on what would be contained in the report had been received and a small amendment to the wording had been taken on board and the report would be updated accordingly.

5.15 It was further noted that the RECC would be provided with the information from AS directly and that GPA may be called for evidence at a future committee.

[REDACTED] FOISA 33 (1)(b) commercial interests of the company

5.16

[REDACTED]

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6. FINANCE REPORT

- 6.1 The report covering to the end of July had been previously circulated and the board was asked if they had any questions.
- 6.2 GA asked what was known about the car park revenue. The board was advised car parking was accounted for at the time of payment rather than the date of the booking and it was thought this would balance out over the year. DB advised that the finance team would work with the third-party sellers to reconcile and match payments to activity.
- 6.3 The board agreed that no budget adjustments should be made in-year, but the forecast may be changed.
- 6.4 [REDACTED] FOISA 33
(1)(b) commercial interests of the company
- 6.5 The board reminded the executive to keep control of costs.
- 6.6 Heating & Lighting: analysis being done on sub stations to ascertain where the highest electrical usage exists. A status report to be compiled. ACTION 30.10: JM

7. STATUTORY ACCOUNTS

- 7.1 Action 29.02 – DB advised that the process for signing off the accounts had been historical and suggested that the directors on the subsidiary companies be changed to RS and DB and OpsCo directors would sign off the PAHL accounts and recommend the TS HoldCo accounts to the TS HoldCo board based on the audit and report by KPMG.
- 7.2 The OpsCo would only recommend the HoldCo sign off the 2016/17 accounts, subject to them making their own decision and then be laid in front of the minister.
- 7.3 It was agreed that DB would change the directorships as previously agreed in 7.1. ACTION 30.11: DB
- 7.4 It was agreed to provide details of contracts that exceed 12 months in line with the proposed SG loan arrangement. ACTION 30.12: DB
- 7.5 The board asked that the revised accounts be circulated to the NXDs to approve by written procedure. ACTION 30.13: DB
- 7.6 An extraordinary HoldCo would be convened as part of the accounts process to ensure these were submitted to Companies House by the 31 December deadline. ACTION 30.14: AM

8. MATTERS FOR APPROVAL

ATC Resilience Plan

- 8.1 The matter had been discussed at the NXD session held prior to the board meeting. It was agreed that the slides from the presentation be circulated to those board members unable to attend the NXD session. ACTION 30.15: JM
- 8.2 The ATC resilience plan was discussed and it was agreed this would be a matter for the HR Rem Com for discussion, agreement and approval.

Terms of Reference for Executive Sessions

- 8.3 It was felt that BDO had misunderstood the purpose of the executive session and there was no need to have formal agenda and minutes. This would be fed back to BDO. ACTION 30.16: DB

Publication of Board Minutes

- 8.4 The board discussed and approved the proposed format for publishing the board minutes.

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Tier One Divert Status

8.5 The board agreed that the executive should take this forward but any agreement would be subject to board approval. RS Confirmed that a meeting with the DfT had been arranged for 18 September at GPA.

9. CAR PARKING

9.1 Previously discussed at paragraph 6.2.

10. [REDACTED] FOISA 33 (1)(b) commercial interests of the company

10.1 [REDACTED]

10.2 [REDACTED]

10.3 [REDACTED]

10.4 [REDACTED]

10.5 [REDACTED]

10.6 [REDACTED]

10.7 [REDACTED]

10.8 [REDACTED]

11. DATE OF FUTURE MEETINGS

11.1 The date of the next OpsCo board meeting was noted as Tuesday 26 September 2017 from 0900hrs.

11.2 Other committee meeting dates were noted as follows:

- Audit & Risk Committee 12-Sep-17 (11)
- Capital & Investment Committee 12-Sep-17 (2)
- Safety Assurance Committee 25-Sep-17 (3)
- HoldCo Board 13-Nov (20)
- HR RemCom 15-Nov-17 (11)

12. AOCB

12.1 GC advised that he would circulate a list of who TS was seeing at the word routes conference. ACTION 30.17: GC

12.2 The format of the NXD Induction programme was agreed.

12.3 A mapping exercise was being carried out by [REDACTED] FOISA 33 (1)(b) commercial interests of the company and resources for data protection and records management would be required. It was agreed that the board would require approving all new posts if they are not budgeted/covered by delegated authority.

12.4 There were no other matters for discussion and the meeting closed at 1315hrs.

