

MINUTES OF PAHL BOARD MEETING (OPSCO)

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DATE:	25 July 2017	TIMINGS:	PLANNED:	ACTUAL:
		START:	0900hrs	0900hrs
		FINISH:	1300hrs	1230hrs
VENUE:	Boardroom	RELEASED ON:	1 August 2017	

DATE OF NEXT MEETING:	PLANNED VENUE:	PLANNED START:	PLANNED FINISH:
Tuesday 22 August 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)	John Nicolls (JN) (Observer, TS)
2.	Chair's Remarks	Ken Dalton (KD)	Derek Banks (DB)
3.	Minutes of Previous Meetings	Tony Davis (TD)	Moragh Hastie (MH)
4.	Feedback from Subcommittees	Jayne MacLennan (JMac)	Richard Jenner (RJ)
5.	Executive Report	Ron Smith (RS)	Jules Matteoni (JM)
6.	Finance Report		Sonia Rafferty (SR)
7.	Matter(s) for Approval		Mike Stewart (MS)
8.	Stakeholder Analysis		
9.	Spaceport Update		APOLOGIES:
10.	Date of Next Meeting		
11.	AOCB		

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 and thanked everyone for their input to the pre-board session and advised that there would be two additional items for discussion.

3. MINUTES OF PREVIOUS MEETING

3.1 The dates in paragraph 7.7 should read 19 to 30 June and the notes would be amended to reflect this.

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- 3.2 It was noted that the content of paragraph 4.7 did not specifically relate to the Safety and Assurance Committee (SAC). The board was advised that Odgers had been appointed to carry out the NXD recruitment exercise.
- 3.3 Action 28.3 – It was noted that providing the information was not as straightforward as had been anticipated and that the matter would be discussed at the SAC scheduled for later in the afternoon.
- 3.4 Action 28.5 – RS outlined the background and progress with the Heathrow logistics hub bid. A copy of the draft had been made available to the board at the meeting.
- 3.5 Action 28.13 – It was agreed that action 13 should remain ongoing until we were further into the bid process for UKSA funding.
- 3.6 The minutes from the previous meeting were accepted as read and an accurate record of proceedings.

4. FEEDBACK FROM THE SUB COMMITTEES

Capital & Investment Committee (CIC)

- 4.1 KD tabled the key items for discussion from the meeting of 28 June. Items discussed included a proposed update on processes, differentiating between capital expenditure (capex) and maintenance and repairs. KD advised that there was no contingency built into the budget and the committee had suggested they would like to see around 10% built into the budgets, dependent on type of project. KD advised that a five year capex planning/maintenance plan would be presented to the next meeting of the CIC and would be brought to the December board for approval. **ACTION 1: DB**
- 4.2 KD sought approval for RS's delegated authority to remain at £125k and to allow a 20% or £20k (whichever was lower) increased costs without the need for further approval from the board.
- 4.3 The board agreed to the suggestions, subject to review of how it was working.

Audit & Risk Committee

- 4.4 KD advised that the extraordinary meeting had been chaired by Susan Dunn and discussion had been around the statutory accounts. The main issue had been how to present the recurring and non-recurring items.
- 4.5 [REDACTED] FOISA 33 (1)(b) commercial interests of the company
- 4.6 The board discussed how they could sign off the statutory accounts for those companies where they were not directors. DB agreed to review the articles of association and the process for signing off the accounts. **ACTION 2: DB**
- 4.7 The audit report was to be issued to the board members for information. **ACTION 3: DB**
- 4.8 It was noted that the accounts may require signing off by written procedure.

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

[REDACTED]

[REDACTED]

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[REDACTED] FOISA 31 (1) national security & defence

[REDACTED] FOISA 33 (1)(b) commercial interests and the economy

Audit Scotland

5.10 Audit Scotland had arranged a meeting with GPA for 27 July. The terms of reference had been set out in the executive report (para 84). Transport Scotland asked that they be kept involved.

ACTION 7: DB

Airspace Redesign

5.11 The airspace redesign consultation was taking place. There had been 59 attendees across the three consultation events and no negative comments received. A copy of the legally required airspace redesign consultation document had been made available for board members.

New Business Opportunities

5.12 GA advised that it was important to get a deal over the line and everyone should be putting all their efforts in to this, with the aim to land some new business in the next three to six months.

5.13 It was suggested that a group be convened to focus heavily on business development. It was suggested TD headed up a weekly telephone call/meeting. The board discussed if the group report to the CIC or the OpsCo board.

[REDACTED] FOISA 33 (1)(b) commercial interests and the economy

5.14 GA suggested it was vitally important that board members support the executive team and what they could do to add value in order to get additional flights.

Executive Report

5.15 The board asked that the report focus on revenue, reducing costs and compliance.

ATS (ANSP) Audit

5.16 The audit report would be circulated to the board for information once it had been review by the Safety Assurance Committee (SAC). **ACTION 8: JM**

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Wildlife

5.17 The executive team was engaging with a new contractor to conduct a detailed survey of the area and ascertain costs. It was anticipated costs may be around £20k.

6. FINANCE REPORT

- 6.1 DB tabled the contents of the previously circulated report covering to the end of June.
- 6.2 The main items discussed were the car park revenue and heating and lighting costs. Both items would be looked at in more detail and analysed and monitored over the next few months.
- 6.3 It was agreed to present the review of car parking revenue at the next board meeting. **ACTION 9: DB**
- 6.4 It was noted that heating and lighting may require further review.

7. MATTERS FOR APPROVAL

Statutory Accounts

- 7.1 The matter had previously been discussed under agenda item 4.ii (see paragraphs 4.4 – 4.9).
- 7.2 It was agreed that KD/DB would discuss the process for signing off the accounts. **ACTION 10: KD/DB**
- 7.3 It was noted that the tax credit information had been received and would be added into the accounts. **ACTION 11: DB**
- 7.4 The accounts may require signing off by written procedure to ensure they could go through HoldCo board and parliament before being submitted to Companies House by 31 December 2017. The process, including the parliamentary process, could take two to three months.

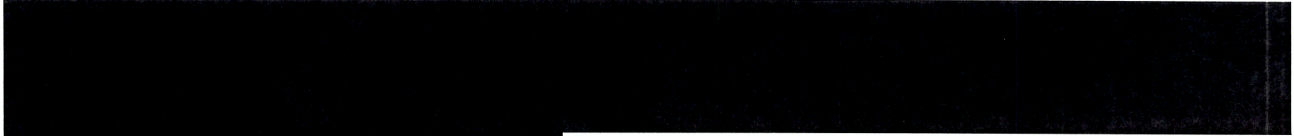

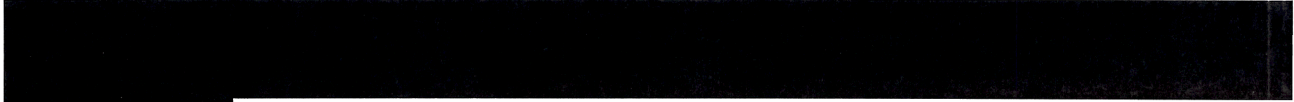
Data Protection

- 7.5 SR tabled the background to the report. The board's approval was being sought to proceed with the recommendations set out by NCC Group, independent auditors.
- 7.6 A review of our data protection practices had been carried out by NCC Group in advance of the new data protection rules coming into effect in May 2018.
- 7.7 NCC Group had made several recommendations. The executive team had reviewed these and recommended that the first task would be to appoint someone carry out a mapping exercise to baseline the existing issues.
- 7.8 It was agreed that AM would ask Scottish Canals and Visit Scotland how they were dealing with the changes. **ACTION 12: AM**
- 7.9 TD suggested that we consider data retention alongside this exercise. Identify what we have to protect, what others have to protect and aim to retain only what is required.
- 7.10 A records management plan would be developed for November. **ACTION 13: SR**
- 7.11 JN advised that he would be happy to facilitate contact with the appropriate person at Scottish Government. **ACTION 14: SR/JN**
- 7.12 The board agreed that this exercise required to be carried out to meet the deadline of May 2018.

Freedom of Information



- 7.13 SR tabled the background to the report.
- 7.14 The board's guidance was being sought on the principles we should take in publishing board minutes and appealing the information commissioner's (IC) decision.

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7.15	The options were to submit minutes and redact all sensitive information, or appeal the decision and resubmit new costs.	
7.16	Two examples of minutes were tabled from other government owned organisations.	
7.17	 FOISA 30(b)(ii) prejudice to effective conduct of public affairs	
7.18	 FOISA (30)(b)(ii) prejudice to effective conduct of public affairs	
7.19	AM reported that it was important that the business maintains an appropriate means of monitoring and measuring performance.	
8.	STAKEHOLDER ANALYSIS	
8.1	The board discussed the report which would be a living breathing document. Key stakeholders would change as priorities changed or issues arose.	
8.2	The board agreed that we should focus on what we need and from whom. The list should include customers, community, shareholders, cluster, partners, media and suppliers. Important to achieve our outcomes and why. Those who will help turn our business around, can influence discussion and help us achieve the focus on revenue, reducing costs and compliance.	
8.3	It was suggested proactively identifying key future stakeholder engagement opportunities over a quarterly period to allow board members to identify any gaps or suggestions on who to meet.	
8.4	Design a regular monthly/quarterly update to stakeholders was to be completed for the next board meeting. ACTION 17: KS	
9.	SPACEPORT UPDATE	
9.1	The content of the previously circulated report was noted.	
9.2	KD confirmed that he was no longer a shareholder for AECOM.	
10.	DATE OF FUTURE MEETINGS	
10.1	The date of the next OpsCo board meeting was noted as Tuesday 22 August 2017 from 0900hrs.	
10.2	Other committee meeting dates were noted as follows: <ul style="list-style-type: none"><li data-bbox="193 1648 831 1682">• Safety Assurance Committee 25-Jul-17 (2)<li data-bbox="193 1693 751 1727">• HR RemCom Meeting 8-Aug-17 (10)<li data-bbox="193 1738 791 1771">• Audit & Risk Committee 12-Sep-17 (11)<li data-bbox="193 1783 887 1816">• Capital & Investment Committee 12-Sep-17 (2)	
11.	AOCB	
11.1	 FOISA 33(1)(b) commercial interests and the company	

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- 11.2 TS has appointed appropriate legal and financial advisers.
- 11.3 JN confirmed that NXDs and EDs would be involved, but responsibility lay with Scottish Government.
- 11.4 
FOISA 33(1)(b) commercial interest and the economy
- 11.5 
FOISA 33(1)(b) commercial interest and the economy
- 11.6 There were no other matters for discussion and the meeting closed at 1230hrs.