

## **PE1804/KK**

Cabinet Secretary for Transport, Infrastructure and Connectivity submission of 17 March 2021

Thank you for your letter of 25 February 2021 about Petition PE1804 in relation to Highlands and Islands Airports Limited's (HIAL) Air Traffic Management 2030 Strategy (ATMS). Taking each of the Committee's queries in turn:

- Whether any members of the HIAL Board have knowledge or experience of living in rural, remote or island communities;

Scottish Ministers appoint the Chair and Non-Executive Directors of the HIAL Board. Their role is to provide constructive challenge to the management of the company to ensure that it is run in line with Ministerial expectations and policies. Part of the appointment process is ensuring that, collectively, the Board has the skills and knowledge necessary to effectively carry out its functions.

Board Members are appointed based on their abilities and an appointment is not dependent on where a candidate lives or has lived previously. Residents of island communities are free to apply to become Members of the HIAL Board if they wish. It is not appropriate to limit the candidate pool for Board membership by imposing requirements for where candidates can come from. An understanding of the role of transport, including aviation, in maintaining the economic and social integrity of the Highlands and Islands is a requirement for all Board Members.

At each appointment round we review the skills and knowledge that the Board collectively possesses to ensure that it can provide effective oversight of the company. This review includes both the skills and knowledge that the current board possess as well as the skills and knowledge that we believe the Board collectively requires to be effective. The ATMS Project has developed over time and therefore the skills and knowledge of the Board also need to develop to maintain effective oversight.

At the last Non-Executive Director appointment round in 2019, we recognised that the Board would require additional skills and knowledge as the ATMS Project progresses. We assessed, in consultation with HIAL's Chair, that additional skills and experience in relation to managing change and overseeing large IT projects would be needed by the Board to ensure that effective oversight of the Project was maintained as it progressed. As well as amending the Skills Matrix, to deliver this, we added an additional Non-Executive Director post to ensure that the Board has the full skills and knowledge necessary to effectively carry out its role.

- Details on the proposed commuting policy, including any feedback received so far. The Committee is particularly keen to understand if concerns that flights and accommodation, provided to ease commuting, would be taxed have been addressed;

The commuting policy is currently subject to consultation with the trade union. HIAL has received initial feedback from Prospect on the draft policy and discussions continue.

- Whether any of the planned £5.5m contingency budget has been spent so far;

The total approved budget for the project is £48.4 million. Of that, £37.4 million relates to capital costs containing a contingency element of £5.5 million. £13.7 million relates to revenue costs containing a contingency element of £1.3 million. The total contingency element for the project as a whole is £6.8 million. Spend to date on the project comes to £6.5 million. No part of the contingency element of the budget has been spent to date.

- While acknowledging that HIAL is confident that the CAA will adopt Automatic Dependent Surveillance Broadcast (ADS-B) as a method of surveillance going forward, is there a back-up plan should this not be the case. If so, has this back-up plan been costed?

The back-up plan to ADS-B would be primary and secondary radar and would require a full tender exercise.

**MICHAEL MATHESON**