

FOR PUBLICATION

**HIAL Board Minutes – Wednesday 27<sup>th</sup> August 2025**

**Meeting Held Stornoway Airport**

<b>Board Attendees:</b>	(LJ)	Lorna Jack (Chair)
	(IT)	Isabel Todenhoefer (Non-Executive Director)
	(CH)	Chris Holliday (Non-Executive Director)
	(LC)	Lynne Clow (Non-Executive Director)
	(LS)	Loraine Strachan (Non-Executive Director)
	(PK)	Paul Kelsall (HIAL, Chief Executive Officer)
	(JM)	Jamie Manson (HIAL, Chief Financial Officer)
<b>In Attendance:</b>	(SS)	Stuart Strachan (Head of Aviation, Transport Scotland)
	(JC)	Jackie Clark (HIAL Executive Assistant – Minutes)

**HIAL Board Meeting commenced at 09:30**

The Chair welcomed everyone to the meeting.

**Item 1. Apologies, Declaration of Interest and Minutes**

**Apologies**

There were no apologies received.

**Declarations of Interest**

The Chair took as read the usual declarations of interest unless advised of any change.

**Board Minutes**

The minutes of the meeting held 25<sup>th</sup> June 2025 were approved subject to a minor change to a suggested redaction.

The minutes from the meeting held 4<sup>th</sup> August 2025 were not approved. These will be brought back to the October board meeting after amendments have been made.

**Item 2. Chair's Report**

The Chair updated the Board on the meetings she had attended recently. This included her meeting with the Transport Scotland CEO where the discussion was around Pay & Grading, 35 hour week and concerns around the **withheld information No 4** and an update was provided on the **withheld information no 4** process. Following a discussion on passenger numbers, the Chair advised the Board that this should be a regular topic for the Board to discuss and review the long term trends of passenger numbers at all airports.

**ACTION:** Build into the commercial data in the board pack, long term trends (over five years) on passenger numbers at all HIAL airports

The Chair updated the Board on the recruitment process for her successor and LS successor. The recruitment pack is almost complete and will be published on the public appointments website the following week. The Chair asked Board members to help spread the word on the recruitment. Dates have been set for interviews with the NXD to be in place by 1<sup>st</sup> December 25 and the Chair by 1<sup>st</sup> February 26.



The Chair noted the visit by the transport minister to Kirkwall Airport and the First Minister to Sumburgh and thanked the teams for their work.

### **Item 3. Audit Committee (AC) Update**

LS briefed the Board on the topics discussed at the AC meeting held on 19<sup>th</sup> August, 25.

The key items covered were the Governance Statement and Going Concern Statement for the annual accounts, the oversight audit by the CAA where HIAL received positive feedback, an update on IABP matters, and an update on the investigative report on procurement contract management.

LS advised the draft annual accounts for 2024/25 would be reviewed by the Audit Committee on 19<sup>th</sup> September and thereafter a copy circulated to the Board for comment.

### **Item 4. Safety, Security and Environmental Committee (SSEC)**

CH briefed the Board on the topics covered at the SSEC meeting held on 26<sup>th</sup> August 25. CH added it had been a more dynamic and effective meeting as it had been held in person rather than via teams.

The keys discussions were around the draft report on last year's safety performance, the safety plan, reporting on slips trips and falls, compliance and training and high level CAT A incidents. He advised the risk picture was stable, environmental was in a good place and there was excellent rating from a CAA cyber audit.

CH advised HIAL had been approached about the possibility of HIAL donating retired security equipment to the dft for ports around the UK. The Board were not against the idea however stated it must be with the SPFM rules.

**ACTION:** Produce a list of end of life assets which could be donated and their net book value if any and share with board when ready.

### **Item 5. People Committee (PC) Update**

The Board were updated on PC business as follows:

#### **P&G**

LC advised she wanted to highlight risks of the P&G project to the Board before decisions were made. She advised the people committee had extensively reviewed pay & grading, including discussions about **withheld information No 4**. The current proposal is considered **withheld information No 4**. The proposal now includes the annual pay claim, 35 hr week, public holidays, and annual leave changes. Pay & grading aims to address inequality and the gender gap; it improves working practices and standardises rosters. An update on the impact to frontline workers was given. The people committee support the proposal, **withheld information No 4**. Communicating to staff on pay & grading is important, with visible leadership available to address any concerns raised by staff.

#### **AS joined the call @10:55**

The board asked for AS's view on pay & grading, e-rosters, and the 35-hour week, and how they connect to the current consultation, considering that e-rosters and the 35-hour week are being managed separately.

AS provided an update and advised on the current trade union decision requesting a pause in discussions on the 35hr week and e-rosters.



The Board discussed the 3 year NCR clause within the trade unions annual pay remit letter and **withheld information No4.**

The Board discussed the unions ask of no further reduction in the number of operational positions **withheld information No 4.**

***Decision:** The board are focussed on getting pay & grading though this financial year **withheld information No 4.***

**ACTION:** withheld information No 4.

**ACTION:** Provide a report for the board on the details of how the comms plan will be managed for the P&G and other people projects

#### Item 6. Target Operating Model & VES

**Withheld Information No 4**

***Decision:** Withheld Information No 4*

**DM joined the call @12.35**

The Board discussed the issue around subsidy control for Inverness Airport from 2027 and commented there is a need to add subsidy control as a risk and measure it through the strategic risk register.

**ACTION:** The Board to be provided with guidance from Transport Scotland on the subsidy control issues for Inverness Airport from 2027.

**ACTION:** Add subsidy control to the risk register.

**Withheld Information No 4**

**ACTIONS:** Withheld information No 4

**Withheld Information No 4.**

**ACTION:** Produce a report that provides the Board reassurance about the regionalisation structure.

**AS left the call at 13:03**

**The Board broke for lunch at 13:03 and reconvened at 13:25**

#### **Item 7. Business Case for Approval**

BC1520 – UK Border Force Modifications

The Board noted this was a requirement for international flights.

***Decision:** The board approved the spend of **withheld information no 1** within financial year 2025/26.*

BC1506 – Dundee Runway & Taxiway Extension Works



The Board noted the runway was in need of repair and it was not feasible to repair during the winter. There were concerns raised on the future funding of the PSO however the runway was also used by private aircrafts.

***Decision:** The Board approved the extension work subject to approval from Transport Scotland. Work should not progress until TS approval is received.*

### **Item 8. Board Reporting Pack**

The Board reviewed the reporting pack, and the following was noted:

#### **1. Matters Arising**

Data has been received from RDC and is being analysed on Loganair route planning, and a report will be available at Octobers board meeting.

AG is working on the Inverness Airport Business Plan and a further update will be provided at Octobers board meeting.

#### **2. CEO Update**

On the request to review the decision to increase carparking charges, the Board advised they would leave it with the executive team to decide. The Board discussed how people were parking in the wrong places to avoid car park charges and noted the executive team were working with the Council on enforcement to control the issue.

#### **3. Safety Performance**

The Board noted the safety performance update.

#### **4. Compliance Monitoring**

The Board noted the compliance monitoring update.

#### **5. Risk Oversight**

The Board discussed the risk register and requested the following changes

**ACTION:** Add a reputational risk on the inability to spend capital funds

**ACTION:** Amend risk title from P&G in include Industrial action and extend data to show the mitigation against each risk.

**ACTION:** Only include DAL risks on the DAL risk register

#### **6. People**

The Board discussed the People report and requested the following change.

**ACTION:** FTE tracker slide to show breakdown of what positions make up the number in the supernumerary pool.

There was a discussion around how long a vacancy stays open before the position can be cancelled or removed and what tasks are carried out by supernumerary staff.

#### **7. Financial Performance**

The Board discussed the financial report and requested the following changes:

**ACTION:** Bring an updated capital plan for 2025/26 to the December Board

**ACTION:** Include income to provide net revenue position and breakdown of HO costs allocated against each airport to the slide on costs per pax/operational hour.

The Board noted the monthly figure was relatively positive with a better than expected loss compared to budget. The year to date performance was positive with an increase in income with an operating loss expected to narrow through the winter season. Capital expenditure remains challenging with little spend in the first quarter.

JM advised there was no decisions required on pensions at the present time with pensions training for Board members scheduled for the October board meeting.



## 8. Airport Operations

The Board discussed the airport operations update.

The Board were advised of a request from **withheld information No 4** about buying HIAL's twin otter aircrafts.

**ACTION:** Produce a report on the history of the twin otters. Have a joint session with TS at the strategy day. **Withheld Information No 4.**

## 9. Commercial Operations

The Board noted the update on route development and airline updates.

The Board discussed the press release that went out around potential routes and were very disappointed in the premature announcement. The Board suggested a policy change where all press releases must be reviewed by the Comms Director with only the CEO speaking to the media.

The Board discussed the additional land sale request at Tiree Airport.

***Decision:** The Board approved the additional land sale request at Tiree Airport.*

The Board received an update on IABP matters.

## 10. Communications & Corporate Affairs

The Board noted the following quarter one reports

- Corporate Operating plan
- Customer Feedback
- Information Management

There was a desire from the Board to understand HIAL's press strategy and to ensure it aligns with current business plans, especially around **withheld information No4.**

**ACTION:** Present the proactive comms strategy that addresses nuances and potential issues, and aligns with current plans. **Withheld information No 4.** This will provide a better understanding of upcoming communications and potential press coverage. The strategy should also take into account the introduction of the regional structure and clarify who speaks on behalf of what.

## **Item 9. Items for Discussion**

### Security Threat Level

The Board discussed areas within the security threat level paper.

## **Item 10. Item for Note**

The Board noted the Pension valuation update and the Insurance renewal for 2025.

## **Item 11 – AOB**

The Chair asked the board members to let her know if there was anything specific they wanted to cover at the strategy day in November.

CH to chair the Dundee Board meeting on Monday in the absence of LJ.

SS to ask either the transport minister or the TS CEO to drop in on the strategy day in November.

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HIAL Board Meeting concluded at 16:10

Next Meeting on 23<sup>rd</sup> October 2025, Glasgow



No	Reason for Redaction
1	Withheld for reasons of commercial interests
2	Withheld as the information constitutes personal data
3	Withheld as disclosure of the information will endanger the physical or mental health or safety of an individual
4	Withheld as disclosure will prejudice the effective conduct of public affairs