



HIAL Board Minutes – Wednesday 23rd October 2025
Meeting Held Transport Scotland Office, Bothwell Street, Glasgow

Board Attendees:	(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)
In Attendance:	(SS)	Stuart Strachan (Head of Aviation, Transport Scotland)
	(JC)	Jackie Clark (HIAL Executive Assistant – Minutes)
09:15 -10:00	(AH)	Andrew Howard (Moray Estates)
10:00 -11:00	(HR)	Hyman Robertson Group
12:07 -13:10	(AS)	Andrea Sillars (HIAL, Chief People Officer)
Apologies:	(MB)	Michael Bratcher (Aviation Policy, Transport Scotland)

HIAL Board Meeting commenced at 09:00

The Chair welcomed everyone to the meeting and thanked Transport Scotland for providing the venue.

Item 1. Apologies, Declaration of Interest and Minutes

Apologies

Apologies were received from Michael Bratcher.

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 27th August 2025 were approved.

Item 2. Group Accounts

The Group Accounts were not approved by the Board due to version control issues and new commentary from Transport Scotland. The Group Accounts will be updated and brought to the HIAL Board strategy day on 19th November for signing.

LS provided an overview on behalf of the HIAL Audit Committee stating it had been a positive audit report, with very few adjustments and no recommendations.

Item 3. IABP Update

AH joined the meeting at 09:15 and briefed the Board on current activities around IABP business and future prospects.



It was noted that LC would not be part of any discussions around the **withheld information No 4** lending position due to a potential conflict of interest. Due to issues with technology AH was invited back in person to the HIAL Board in December being held at Head Office, Inverness to continue providing an update. **Withheld Information No 4.**

Item 4. HIAL Pensions Update

Hyman Robertson joined via teams at 10.01 and provided an update to the Board on the HIAL Pension Scheme and the latest formal valuation.

***Decision:** The Board were content to agree to the finalisation of the valuation, and for the Chair of the People committee and the CFO to formally respond to the Trustees on behalf of the Board.*

Item 5. Chair's Report

The Chair updated the Board on the meetings she had attended recently. This included the Local Authority meetings where discussions included the reintroduction of carparking charges at Sumburgh Airport and the concern around low passenger numbers at Dundee Airport. The Chair met with the Minister for Transport and appraised him on the Pay and Grading Project. An update was provided on the current recruitment for the HIAL Chair and Non-Executive positions.

Following a visit to Campbeltown the previous day, the Chair briefed the board on discussions had with local stakeholders including local authority personnel, community councillors and developers who attended the open session held in the terminal building.

It was noted that Campbeltown have a very active and functioning airport consultative forum, and it was important to keep the Board updated on feedback coming out of these meetings. It was recognised that not all the airport forums were performing as well as Campbeltown and there was a need to understand what these committees are achieving and if they are delivering value to provide the strategic input needed for investment decisions. The Board want to understand how the consultative committees at the airports are benefiting the organisation.

ACTION: PK - Report on the effectiveness of the consultative committees, identifying best practices, and highlighting any issues. The Board are keen to understand if opportunities are being lost and how the corporate structure supports local ideas and whether the consultative committees are worth the investment.

Item 6. Audit Committee (AC) Update

LS briefed the Board on the topics discussed at the AC meeting held on 13th October 25.

These covered the first audit undertaken by the new internal auditors and their recommendations, Cyber security risk and where it sat on the strategic register, procurement risk and the review of company policies.

The Chair acknowledged LS's contribution to the Audit Committee over the past 6 years and her offer to assist with the transition to the new NXD who would take over the role.

AS joined the call via teams

Item 6a. People Committee (PC) Update

LC updated the board **Withheld Information No 4.**



The Board were advised that a detailed communication plan was ready. An SLT member would visit each airport location in the first two weeks of November to provide staff with an overview of pay data linked to the pay award. The trade unions raised concerns around going directly to staff as they felt it bypassed the collective agreement, however management stated that this was not the case, and they needed to have the right to talk to their teams. The Board looked for reassurance on the communication strategy from the leadership team and a commitment to deliver this strategy in line with what had been presented to the Board, and agreed to support the PC's work on the communication strategy and ongoing strategy with the Unions.

The Board raised concerns about pushing P&G out to another year due to affordability.

ACTION: The timeline for P&G consultation to be reviewed to ensure completion by end of the calendar year.

Item 8. Pay Award Update

AS provided the Board with an update on the negotiations with the trade unions re the pay remit and pay & grading when they met on 17th October and the 35hr working week on the 20th October.

AS advised an agreement had been reached with the trade unions to reissue revised contracts of employment stating all staff are employed on a 35-hour working week excluding paid meal breaks and would be implemented from 1st April 26. The trade unions also agreed the move of all staff to a standard holiday year.

The unions advised they do not want to discuss any pay offer from HIAL until the Scottish Government (SG) main bargaining group have settled and they expected the SG offer to be mirrored by HIAL. The SG main group have now settled on a two year deal of 4% year 1 and 3.5% year 2.

The Board questioned the affordability of a further 0.5% in year two but were reassured it was affordable.

The Board noted early communication with the Minister was crucial, especially regarding potential issues.

ACTION: SS to discuss with LJ around timing and responsibility for updating TS CEO and minister.

After further discussion the Board accepted the recommended approach of the PC.

Decision: *The Board approved the approach recommended by the PC to **not** separate the Pay award from the P&G project. The package on offer this year to the unions was to include P&G and the 35 hour week and the 2 year pay award at 4% year 1, 3.5% year 2 with NCR up to end of Mar 2027.*

AS left the call

The Board broke for lunch at 13:10 and reconvened at 13:30

Item 7. Business Case for Approval

BC1612 – Airfield Aircraft De-icer

The Board discussed the five year contract and future funding for aircraft de-icer and the requirement to place an order from this year's budget.

Decision: *The Board approved Option 2 the commitment to a five year tender process and approved the draw down of £250K from the 25/26 budget to place an immediate order to ensure full tanks for year end.*



Item 9. Airport Passenger Numbers

The Board noted this paper was for information only and a further presentation would be taken for discussion at the Board strategy day in November. However if the Board had any questions meantime they were asked to forward to the executive team.

Item 10. Board Reporting Pack

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

1. Matters Arising

Date for presentation of Inverness Airport Strategy to be reviewed.

Accountable Officer action to be followed up by JM with Transport Scotland

ACTION: JM to discuss with **Withheld Information No 3** re accountable officer action Cyber Security training to be rescheduled to include the new Chair and NXD.

Action 31 – now closed.

Risk Actions Completed – DM - Provide evidence via email to CH to support the risks completed on actions 12 & 26.

2. CEO Update

The Board noted the CEO Update. The Chair advised the Board that she and SS would follow up with TS CEO around the task asked of the HIAL CEO on developing a shared services plan.

3. Safety Performance

The Board noted the safety performance update. PK advised he and the HIAL COO were visiting with the CAA in December to discuss the risk exposure due to regulatory resourcing.

4. Compliance Monitoring

The Board noted the compliance monitoring update.

5. Risk Oversight

The Board discussed the risk register.

A new method of displaying risks was proposed, articulating an umbrella risk and its associated threats, however the Board favoured a simpler approach to risk management, suggesting the definition of the risk should be more comprehensive, focusing on the quality around what is being described.

6. People

The Board noted the People report and the update on approval received from TS for **Withheld Information No 4**. The Board questioned the detailed numbers within the FTE tracker slide and requested more clarification of the terms used in the coloured boxes.

ACTION: Tidy up the FTE tracker slide, providing clarification of each coloured box and matching the percentages correctly and ensuring the measurement line is in the correct position. Include a line for budget numbers and see where we are tracking against the grant.

ACTION: Vacancy numbers open greater than six months to be reviewed to see if they are still necessary.

7. Financial Performance

The Board noted the financial update provided by the CFO which highlighted higher than expected income and lower than expected costs with an improvement vs budget at the halfway



point through the year. The CFO advised a new report for summarizing subsidy control tracking would be included within the December Financial Report. There are remaining challenges with Capital which include project prioritisation and procurement capacity resulting in an underspend for the financial year.

Decision: The Board support the plan to advise Transport Scotland on the value of the projected capital underspend.

DM joined the call via teams

8. Airport Operations

The Board noted the update on airport operations including HIAL working with Ardersier port on a solution to installing 400 metre high turbines which impinge on the overshoot of the Inverness runway and cause an issue for IFR traffic DA and MSA. The Board asked to be kept informed should a formal objection be raised with the Highland Council. The Sumburgh perimeter fence should have received final sign off in December by the Dft and Wick have commenced their new opening hours.

Withheld information No 4

DM Left the call

AG Joined the call via teams

9. Commercial Operations

The Board noted the update provided by AG which included the new Birmingham / Inverness route and an update on the new potential partners for a smaller scale PV scheme.

The Board were advised of the proposed cost for work to be undertaken on the Inverness Airport Business plan. A suggestion was made to split the work into two distinct pieces. 1. looking at changes that could be implemented and 2. Delivery and execution of the plan.

ACTION: Follow up with the business working on the Inverness Airport business plan and enquire about including a further distinct piece of work for the **withheld information No 4** and bring an update to the Board strategy day in November.

Following recent press comments around fare prices out of the Western Isles, the Board discussed airline fees and charges and the need to compare and benchmark fees against other similar airports. With the increased London capacity expected next summer, the Board asked for further information in the commercial report.

ACTION: Commercial to present a qualitative report on passenger value and strategies for adjusting charges without negatively impacting the current customer mix.

10. Communications & Corporate Affairs

The Board noted the Communications & Corporate Affairs report.

Due to timing a decision was made to invite the Director of Communications & Corporate Affairs to the December board meeting to present an update of the communications strategy.

Item 11. Item for Note

The Board noted the Gaelic Language Plan Year 4 report.



The Board discussed the Operational Management Regionalisation update and questioned whether it had cost money overall due to restructuring at the senior regional manager level. The Board were advised savings will come from the reduction of directors and general managers, with a decrease from seven to six positions with one director position being interim. Some savings are already realized, and the model should be complete by the end of the financial year.

Item 11 – AOB

There were no other items of business raised.

HIAL Board Meeting concluded at 16:20

Next Meeting on 17th December 2025, Head Office, Inverness

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