

**CIVIL AVIATION AUTHORITY**  
**MINUTES OF THE 495<sup>th</sup> BOARD MEETING HELD ON**  
**WEDNESDAY 16<sup>th</sup> MARCH 2016,**  
**MARSHALLS AEROSPACE AND DEFENCE GROUP, CAMBRIDGE**

**Present:**

<b>Dame Deirdre Hutton</b>	<b>Chair</b>
<b>Mr Andrew Haines</b>	
<b>Mr David Gray</b>	
<b>Mr David King</b>	
<b>AVM Rich Knighton</b>	
<b>Mr Michael Medlicott</b>	
<b>Mr Richard Moriarty</b>	
<b>Dr Ashley Steel</b>	
<b>Mr Mark Swan</b>	
<b>Mr Chris Tingle</b>	
<b>Mr Graham Ward</b>	
<b>Mrs Kate Staples</b>	<b>Secretary &amp; General Counsel</b>

**In Attendance:**

<b>Ms Manisha Aatkar</b>	
<b>Mr Tim Johnson</b>	
<b>Mr Richard Stephenson</b>	
<b>Mr Tony Rapson</b>	<b>(for item VI)</b>
<b>Mr Philip Roberts</b>	<b>(for item VII)</b>
<b>Mr Peter Mee</b>	<b>Minute taker</b>

**I Apologies**

1. Apologies were received from Mr Peter Drissell.

**II Previous Minutes and Matters Arising**

2. The Board noted that Mr Medlicott's name had been omitted from the attendance list of the February minutes and requested that this be updated.

3. Pending this and another minor alteration, the February 2016 minutes were approved.

### **III Chair's Update – by Dame Deirdre Hutton**

4. The Chair informed the Board of her recent meetings. The Chair and Mr Haines had met Henrik Hololei, European Commission Director-General for Mobility and Transport. Discussion topics included the Basic Regulation, passenger rights and SESAR. The meeting was productive, with the CAA and Commission well-aligned on these issues.
5. The Competition Decision Panel had visited the CAA. Its Chair, John Swift, is very experienced. Members of the panel have participated in a number of settlement decisions for Ofgem.
6. The Chair had also met Stephen Glaister, interim Chair of the ORR and noted that there was considerable change underway at the regulator. The Chair also spoke at the BGGGA conference on performance-based regulation.
7. Finally, the Chair, together with Mr Haines and Mr Moriarty, met with Robert Goodwill MP on the subject of ATOL. The Minister remains committed to longer-term ATOL reform but the focus for now was the smooth implementation of the Package Travel Directive on 1 January 2018.

### **IV Chief Executive's Report - Doc 2016-029 by Andrew Haines**

8. The Board approved the re-appointment of Nigel Fotherby as a NATS Section Employer Nominated Director of CAAPS for the three year period commencing 1 April 2016 and ending 31 March 2019.
9. The Board resolved, pursuant to its power under section 24 of the Pensions Act 2014, that the Trust Deed and Rules applicable to the CAA section of CAAPS be amended as set out in the Annex to the Chief Executive's Report, with the changes to take effect on and from 6 April 2016. The Board also agreed to delegate to Mr Haines, Mr Tingle and Mrs Staples the authority to agree, on behalf of the CAA, the revised Schedule of Contributions which will document the amended contributions to be made by the CAA.
10. Mr Haines reported that the UK Regulators Network (UKRN) had not been able to agree a single common view on the letter from John Kingman, HMT, on shared services for economic regulators. The CAA has been positive about

the potential efficiencies of this initiative and has expressed willingness to work with other regulators to establish the business case. HMT would like decisions on shared services and co-location to be made by summer 2016. Mr Gray noted that Ofgem were looking to finalise their new office location and that decisions would need to be made quickly on accommodation. The decision for CAA was somewhat easier, given it was intended to have a smaller London presence once the lease on CAA House concluded.

11. Mr Haines informed the Board that the consultation on changes to the Airspace Change Process was launched on 15 March. A key issue emerging was a misunderstanding in the community about the CAA's powers to compel airports to share and publish data on noise.
12. On air display charges, Mr Haines noted the opposition to the increase in charges had faded somewhat, though there remained interest from some MPs. Adjustments had been made to the intended charges in response to the consultation. Despite the increase, the charges raised would still not cover the cost of activity in this area. The Board considered whether there was a misunderstanding in the general aviation community as to how the CAA was funded, which was not from direct Government funding. Mr Haines felt that this was already regularly and clearly communicated to the sector. Mr Tingle intended to undertake an exercise in developing a clearer charging regime. The Board queried how charging for air displays compared internationally. Mr Haines noted that very few state regulators make any charges on air displays, reflecting the different funding models to be found in other countries.
13. The Air Accidents Investigation Branch Special Bulletin ('the Bulletin') on the Shoreham accident had been published on 10 March. The Chair noted that most of the AAIB's recommendations in the Bulletin had already been captured in the air display action report. The Board agreed that it was important to focus on the substance of the recommendations and ensure that these were addressed where possible, appropriate or necessary.
14. The Board also emphasised the importance of explaining where any previous recommendations had not been accepted or actioned. Mr Swan noted that this process had been improved, with the SARG Leadership Team now reviewing all recommendations before final decisions are adopted. Previous AAIB

recommendations were being followed up and actioned where appropriate. The Board would have sight of these via a twice-yearly report.

15. The Board highlighted the importance of good communication between the CAA and AAIB. The Board also noted that, given the different organisational and governance structures, the CAA Chair did not have an equivalent person to speak with.
16. The Board asked whether the Hawker jet involved in the Shoreham accident did have a valid Permit to Fly (PtF). Mrs Staples confirmed that, in the CAA's view, the aircraft did have a valid permit. However, the system pursuant to which such permits were issued was somewhat complex and relatively difficult to understand. The Board queried whether the lack of clarity might extend to other aircraft and asked that clarity should be brought to the process for determining whether an aircraft had a PtF.

**Action: Mr Swan**

17. Although this was an important issue, the Board recognised that it had no material impact on the accident, as the airworthiness of the aircraft did not appear to have been a causal factor in the accident. The Board queried whether a PtF was appropriate for aircraft of this nature. Mr Swan agreed the question should be considered and would be reviewed.

**Action: Mr Swan**

18. Mr Haines advised the Board that he would ensure that a lessons learned exercise is carried out to understand how to improve all relevant aspects of the CAA's performance in this area.

**Action: Mr Haines**

19. The Board considered whether the international comparisons in the report reflected accurately on the performance of UK air display. The comparison countries were those with considerable geographical differences to the UK and thus of lower population density (e.g. the United States and Australia). Data on this had been provided to the AAIB by the CAA but had not been included in the Bulletin. The Board noted that the AAIB was not required to conduct a cost-benefit analysis before making its recommendations.
20. Mr Haines noted that the ORR had recently published a draft decision that Heathrow airport cannot charge rail users for the historic infrastructure costs for the Heathrow rail spur. This is likely to lead to an increase in airport charges

because at present this income from rail users is netted off aeronautical charges to airlines. Mr Moriarty will follow up with the ORR to discuss this issue.

21. On laser pointers, Mr Haines noted that the CAA was supporting the initiative to classify high-powered lasers as offensive weapons. The Chair had written to the Minister of State on this matter.
22. The Board noted the report.

#### **V Outcome of Strategic Plan Consultation – Doc 2016-030 by Tim Johnson**

23. Mr Johnson informed the Board that there had been good engagement during the consultation, both external and internal to the CAA. Feedback had been divided into: members of the public/resident groups; industry stakeholders; and internal respondents.
24. Members of public and community groups had been vocal on environmental issues, both noise and air quality. The final version of the Plan would therefore include more information on the CAA's role and powers relating to noise and air quality. The Board queried the CAA's role in handling noise complaints, as raised in the consultation feedback. Mr Johnson explained that the CAA has historically been helpful on noise complaints, but does not have a statutory responsibility to perform this function. By trying to be helpful we may have inadvertently given an impression of responsibility and powers to act. Mr Swan noted that some complaints came via MP's on behalf of their constituents.
25. The Board requested information outlining what the CAA does and does not do be put on the CAA website. Mr Stephenson enthusiastically assured the Board that this would be completed as part of the website re-write, due by the end of March.
26. Industry stakeholders had raised issues such as Regulation 261 and the importance of Better Regulation principles. On the former, this was an EU regulation that the CAA enforced. Mr Johnson noted that airport capacity will be comprehensively addressed via CMG policy documents rather than the Strategic Plan itself. The Board noted that network resilience did not appear as a significant issue in industry responses despite recent senior level conversations and requested that Mr Johnson review feedback to check for this.

Mr Johnson also noted that further information would be included on the European Aviation Strategy.

27. The Board queried the seeming widespread concern about ground-handling. Mr Haines reminded the Board of discussions at a recent PIE which had agreed that in the short term the best way to manage this issue was via airline Safety Management Systems (SMS). The Board requested that this be included in the report.
28. Internal feedback had included focus on CAA resourcing and the importance of a better integration of the strategic vision with business planning.
29. The Board approved the proposals set out in the paper. Mr Johnson informed the Board that the paper was intended to be published end-March, with CCD supporting this work.

#### **VI Civil Air Display Review - Draft 'Final' Report – Doc 2016-031 by Mark Swan**

30. The Board welcomed Mr Rapson to the meeting via teleconference. Mr Swan informed the Board that the Review Project Board had not finalised the report but intended to do so soon. This was the third report and it did not replace but built upon previous reports. One remaining task was for Mr Swan to meet with a number of sector representative groups and pilots on some of the intended actions and recommendations and he requested Board permission to make minor changes to the report, if necessary, after this meeting. The Board agreed to this approach, pending its review of the report. Mr Swan noted that he would also meet with the sector post-season to review progress in implementing actions and recommendations. The Board proposed to review the report section-by-section.
31. On section two, the introduction, Mr Swan noted this section sought to put the UK accident rate into context and to remind readers of the CAA response to the Shoreham accident. The Board noted that the Air Display Review was not a review of the Shoreham accident, but that the Review had taken into account recommendations of the AAIB coming out of the accident.
32. The Board questioned the inclusion of a statement that the UK had 'a very good record of safety at air displays', and recommended a statement more closely linked with evidence. The Board also considered whether the information

presented (the number of fatal accidents) was a good measure of safety. The Board asked whether an accident rate could in fact be determined. Mr Rapson informed the Board that the AAIB had done this, comparing the number of fatal accidents per hours of flying. The chosen time period and the differing selection criteria compared to other countries (for example, whether an 'air race' was an air display) meant, however, that this may not be the best safety indicator.

33. The Board queried the focus on fixed-wing aircraft and whether data also covered helicopter accidents. Mr Swan noted that some data was held by the CAA, but would be time-consuming to retrieve and was not relevant to this review. The Board requested that this data be retrieved in due course to provide greater context, but noted that it should not hold up this report.
34. The Board requested that the language in this section be made more direct and factual, including Action 1 and the additional requirements to be introduced.
35. In section three, permitted manoeuvres, Mr Swan noted that on Action 2 a further discussion with the air display sector was required to consider further the competency and training requirements necessary for complex manoeuvres. Mr Swan noted that the manoeuvres restriction only related to less-experienced pilots, not to the higher categories of Intermediate, Advanced and Unlimited; there would be no changes made to these higher levels. The Board asked this be made clear in the report. The Board expressed a reluctance to accept an approach that would rely on the assessment carried out by a Display Authorisation Evaluator (DAE), because it was important to further strengthen oversight of DAE's themselves. There should be a high threshold for evidence to change this action.
36. The Board also requested that further detail be provided for Action 3, particularly on how the CAA will assess the competency of a Flight Display Director (FDD). A general re-write of section three was required for clarity.
37. For section four, distance between crowd lines and display lines, Mr Swan noted that this section would need to change to reflect the recent recommendations of the AAIB Special Bulletin. Further research was being undertaken on crowd and display distances by Fraser-Nash Consultancy for the MoD.

38. For section five, minimum heights at flying display, Mr Swan noted that the 500ft minimum limit was consistent with the AAIB recommendation. It would be reviewed in the future, but any proposal to fly below this limit would need a strong safety rationale. The Board queried if 'civil registered ex-military jet aircraft' was a sufficiently broad category to capture all potential high-risk activity, or whether more scientific measures such as kinetic energy or certain performance capabilities should be used. It was possible that some non ex-military aircraft had the same performance characteristics and should be covered by this requirement. The Board also requested that Action 5 be reworded to reflect that aircraft may only fly under 500ft by exception (i.e. if they meet certain safety criteria).
39. For section six, weather minima, the Board considered whether wind should be included as a factor. Mr Swan noted that wind was a factor for takeoff and landing but that there were no set figures for in-flight because pilots would take wind into account as they flew. The Board requested that a paragraph be included explaining this; no set figures were required.
40. For section seven, post-display reporting, the Board requested that in accordance with Just Culture principles, the wording of paragraph 7.1 should be amended to state a display pilot '*must* also report on any lapses in their display that could have caused a safety risk'.
41. For section eight, air display aircraft, the Board queried the specificity of Action 9 relating to Vulcan aircraft. The review was aimed more broadly than this and the specific reference to the Vulcan was requested to be removed because it was misleading. On Action 10, which appeared to make the CAA accountable for the harmonisation of all maintenance schedules for ex-military aircraft, the Board felt that this action was too ambitious and should be reviewed. Mr Rapson noted there would be a review and action plan developed before publishing and would consider whether this action were feasible.
42. Finally, for section nine, increasing display pilots' awareness and understanding, the Board noted that for paragraphs 9.7 and 9.8 there was no clear call to action and requested that the language be strengthened.
43. The Board requested Mr Swan to make the above alterations and noted the report.

**Action: Mr Swan**



## **VII Safety and Airspace Regulation Group (SARG) Report – Doc 2016-032 by Mark Swan**

44. The Board welcomed Mr Roberts to the meeting.
45. Mr Swan provided an oral update on the recently released AAIB report into the 2013 Sumburgh accident.
46. Mr Swan asked for any comments on the remainder of the report. The Board noted that the issue relating to ex-military jet aircraft fuel control units could lead to the grounding of much, or even all, of the ex-military fleet. Mr Swan noted that demand from the sector is needed to justify production of replacement parts, as required by the Mandatory Permit Directive.
47. The Board considered the issue of Augusta Westland autopilot dropouts within the wider context of helicopter airworthiness design not being equivalent with fixed wing. Mr Swan noted that the issue largely rested with EASA and that the CAA was well-engaged with them. The Board asked Mr Swan to provide an update in the next SARG report on what the CAA is doing to address this.

### **Action: Mr Swan**

48. Mr Roberts provided a Safety Performance Review update on Aerodromes and ATS Organisations. The Aerodromes and ATS Organisations sector averaged two significant occurrences per month, largely in the aerodrome environment. Many of these incidents were aircraft-related, and did not relate to the aerodrome specifically. The categories of incidents were: runway excursions; potential mid-air collisions in the proximity of aerodromes; ground collisions with other aircraft or buildings; and ground-handling related issues. The past two years had seen a considerable improvement in the number of runway excursions.
49. The Board asked Mr Roberts about the effectiveness of the European action plans in this area. He explained that these were of variable effectiveness. The airspace infringement plan was largely a copy of the CAA's. The European prevention of runway excursions plan also looked good.
50. The Board considered the airspace infringement issue and the role of the Airprox Board. Mr Swan explained that the Airprox Board did a very thorough and detailed job. Their role would be considered as part of a wider value-for-money review in the near future, which would include other bodies such as the

Confidential Human factors Incident Reporting Programme (CHIRP). This review would be conducted by OGC and any decision on significant structural change would be subject to Board approval.

51. Mr Roberts also provided the Capability Team Update on the Airspace, Air Traffic Management & Aerodromes (AAA) team. Mr Swan noted that the AAA team was behind the Airworthiness and Flight Operations units in adopting performance based regulation principles, but were moving forward.
52. Mr Roberts explained the increasing use of Q-Pulse and other management information in AAA. He noted that there were no Level 1 findings in the sector, with considerable interest placed in 'observations' as a precursor to findings. The Board considered the lack of Level 1 findings, especially given the large number of Level 2 (459), and the importance of granularity in reporting so as to understand the risk. Mr Roberts noted that observations helped provide this depth in safety reports. The spike in findings/observations for May and June 2015 resulted from EASA Aerodrome regulations being implemented and some initial difficulty in applying these requirements. This had now settled down and EASA were positive on CAA performance.
53. The key issues identified by AAA were: runway excursions; safeguarding (the inability to detect and notify new tall structures that become a hazard to aircraft operations before they are built); GNSS approaches; spectrum sharing; increased volatility in UK Terminal Air Navigation Service Providers; and airborne conflicts. On airborne conflicts, the Board noted that there were circa 900 infringements a year and queried whether the CAA was doing enough in this area. Mr Swan noted that there were two infringements which were very serious and required more effort to address, such as more Local Airspace Infringement Teams (LAIT), and for serious incidents considering revoking a licence.
54. While the development and use of management information was still a work in progress, Mr Roberts was confident that the team was moving in the right direction. Q-Pulse, PBR results and staff feedback all attested to this improvement. Data was increasingly starting to drive the investment of resource. The Board also acknowledged Mr Roberts excellent work on the development of a single Volcanic Ash Contingency Plan, which took significant diplomatic efforts.

55. The Board noted the report.

#### **VIII Report from the RemCo Committee – Doc 2016-033 by David Gray**

56. Mr Gray raised for the Board's awareness the changes to the Corporate Governance Code relating to CAA policy on withholding and recovering performance bonuses. Further thought is to be given to this issue, particularly the circumstances in which the CAA might recover performance bonuses. Mr Gray also noted the pending general guidance on addressing real or perceived conflicts of interest.

57. The Board noted the report.

#### **IX CAA Overdraft / Temporary Borrowing Facilities – Doc 2016-034 by Chris Tingle**

58. The Board approved the renewal of the existing agreement with RBS for an unsecured overdraft facility, on the terms outlined in the paper.

#### **X Finance Report – Doc 2016-035 by Chris Tingle**

59. The Finance report outlined the financial results for the ten months to 31 January 2016. Mr Tingle noted that the results for January were broadly in line with forecast.

60. The Board asked whether the Expression of Wish programme had been effective in putting the CAA in a better long-term position. Mr Haines noted that the figures were still to be determined, but he was satisfied that next year's budget target was achievable. The final figures would indicate if there will be a future financial challenge.

61. The Board also considered the lack of spending by CAAi on developing new products. Mr Haines acknowledged this noting that considerable effort had instead been committed to the development of the International Directorate and securing contracts.

62. The Board noted the report.

#### **XI Live issues and monthly reports**

Consumers and Markets Group *Live Issues* – Doc 2016-036 by Mr Moriarty

63. Mr Moriarty provided an oral update on Project Bermuda.

64. The Board noted the report.  
PPT *Live Issues* – Doc 2016-037 by Mr Johnson
65. The Board noted the report.  
CCD *Live Issues* – Doc 2016-038 by Mr Stephenson
66. Mr Stephenson noted that there had been a Freedom of Information request relating to Board expenses.
67. The Board noted the report.  
AvSec *Live Issues* – Doc 2016-039 by Mr Haines (in place of Mr Drissell)
68. The Board noted the report.

## **XII Any Other Business & Forward Planning**

69. There was no other business.

**Date and Time of Next Board Meeting: 20 April 2016 at 09.30 in Conference  
Room 1, Aviation House, Gatwick**