

**FOR PUBLICATION**

**FOR PUBLICATION**

**CIVIL AVIATION AUTHORITY  
MINUTES OF 384TH BOARD MEETING HELD ON WEDNESDAY  
15 FEBRUARY 2006 AT 10.30 AM**

**Present:**

**Sir Roy McNulty**

**Chairman**

**Mr J R Arscott**

**Mr M J Bell**

**Mr R T R Jackson**

**Miss C Jesnick**

**Mr J Keohane**

**AVM Moran**

**Mr R P Mountford**

**Mr R Swainson**

**Capt R O Whitefield**

**Mr R J Britton**

**Secretary & Legal Adviser**

**In Attendance:**

**Mr M Smethers**

**Director European & International Strategy**

**Mr R Townsend**

**HR Director**

**Mr N Coules**

**Head of Commercial Services**

**For Item IX**

**Miss Murphy-Brookman**

**HR Adviser**

**For Item X**

**Miss S Hill**

**Head of Corporate Strategy & Planning**

**For Item XI**

**I**

**1. The meeting was opened by Mr Swainson on Air Safety Support International Limited.**

**II Minutes of the Previous Meeting and Matters Arising.**

2. The Minutes of the Meeting held on 18 January 2006 were approved and signed. On the action points arising:

- Progress Against Corporate Plan Objectives – Miss Jesnick confirmed that the best means for the Policy Committees to keep track of the objectives was under consideration.
- Investors in People Award – Agenda item.
- Corporate Governance Review – Agenda item for March meeting.

### III Chairman's Opening Remarks.

3. The Chairman reported on the following matters:

- Transport Select Committee Inquiry – the formal evidence sessions had been completed. The Chairman had written to the Aviation Minister, Karen Buck MP and David McMillan, DGCA to thank them for their excellent performance. M Goudou did not respond to the invitation to appear but EASA have apparently submitted written evidence. The main points of interest for the Committee appeared to be –
  - Whether economic and safety regulation should be in the same organisation. (Most witnesses were content with the current arrangements.)
  - The state of EASA.
  - Costs and charges for General Aviation.
  - Transparency of CAA's activities and whether the National Audit Office should have jurisdiction.
  - Reduction in safety research expenditure.
  - The appropriateness of the CAA's environmental objectives.

It was noted that the witness from the Better Regulation Task Force was content with the CAA's approach to consultation and regulatory procedures.

- Financial Protection for Air Passengers – the Transport Select Committee published its Report which was very critical of Government. The Chairman said that the CAA will respond to the Memorandum and in particular deal with an allegation that the CAA had been reckless in estimating that the RIA could be completed within a period of three months.
- Meeting with Mr Calleja – a follow-up to the Edinburgh Conference had been discussed. A one day Conference in Brussels in July was a possibility. In addition, the Commission was aware of the Transport Select Committee hearings at which the UK's unhappiness with EASA had been forcibly put.

- [ATC Maastricht Conference](#) – the Chairman will circulate his presentation which he hoped would be useful to shape the July Conference.

**Action: Chairman**

#### **IV [Directors' Reports:](#)**

##### **ERG – Doc 2006/9 by Dr Bush.**

4. In relation to the application of the Charging Regulation to UK aerodrome air navigation service providers, Mr Arcscott drew attention to the addition by the Commission of further criteria to the proposed contestability test which would make it unworkable. The Commission intend to complete work on the draft Charging Regulation by July.

5. The Board noted the Report.

##### **CPG – Doc 2006/10 by Mr Jackson.**

6. Mr Jackson reported on the following highlights:

- [ATOL Guidance Note 26](#) – the Guidance Note has been withdrawn following its quashing by Mr Justice Goldring in the Administrative Court. Permission to appeal is now being sought from the Court of Appeal.
- [Civil Aviation Bill](#) – the Bill is now expected to return to the House of Lords in mid-March. The issue of financial protection for air travellers may well be raised again.
- [Credit Card Issuer Liability Under the Consumer Credit Act](#) – the Trustees of the Air Travel Trust had met on 10 February to consider Leading Counsel's advice on the latest approach by the Courts to the application of Section 75 of the Consumer Credit Act 1975.

7. The Board noted the Report.

##### **SRG – Doc 2006/11 by Mr Bell.**

8. Mr Bell reported on the following highlights:

- [EASA:](#)

*Contract* – a further contract meeting has been held to negotiate the continuation of the contract beyond February. The 24% reduction in the value of the current purchase order has been reversed.

*Flight Testing* – Qinetiq has responded to EASA's request for expressions of interest in this work. CAA will engage with Qinetiq to see if its flight test expertise can be used.

*GA Regulatory Review Meeting* – Martin Robinson of AOPA and David Chapman, HOSD met Mr Probst, EASA's Rulemaking Director.

- [European Blacklist](#) – the legislation had been rushed through.

- BA Maintenance – the Transport Select Committee had raised this matter following the publication of a critical AAIB Report. The incidents referred to occurred in 2003 and 2004. A review of CAA's processes had been undertaken. It had been concluded that CAA's regulatory oversight was satisfactory and that the issue had been resolved.
- London City Airport – Airbus A318 – the aircraft is close to achieving certification of its capability to undertake 5½ degree approaches. Despite the substantial size increase over the BAe 146, this later generation aircraft should be safer overall. The safety case being prepared by the airport and the manufacturer to support A318 operations is being reviewed.
- Airbus A380 – the aircraft had flown through UK airspace with a permit to fly. Provisional ICAO guidance on vortex wake spacing was being assessed.
- Blackburn Buccaneer Application – a satisfactory application for a permit to fly for this ex-military aircraft had been received. It would be the first aircraft classified in the 'complex' category to be issued with a permit.

9. The Board noted the Report.

**DAP – Doc 2006/12 by Mr Arscott.**

10. Mr Arscott reported on the following highlights:

- Single European Sky:

*Draft Charging Regulation* – the Commission are still not fully convinced of the UK's arguments on contestability. A presentation is to be given by CAA to the Single Sky Committee on 22 February.

*Common Requirements Regulation* – an issue has arisen over the extent of designation requirements for Met providers.

- Air Transport White Paper – in relation to Project Sustainable Development Heathrow a number of workstreams are nearing completion. DfT have to decide whether to publish three consultations on the issue including mixed mode operations or to combine them.
- NATS' Proposal for High Level Review of Airspace and Safety – a meeting took place on 25 January between the Chairman, Chief Executive of NATS and senior representatives of SRG and DAP. Key issues include commercial air transport flying outside controlled airspace. AVM Moran said that the MoD is keen to be involved in this discussion because of its potential impact on their operations. The Chairman acknowledged the importance of this.

11. The Board noted the Report.

**February Audit Committee – Oral Report by Mr Mountford.**

12. Mr Mountford confirmed that there were no matters to bring to the Board's attention.

**V Legal Report – Doc 2006/13 by the Secretary.**

*Air Safety Support International Limited: Appointment of Director*

13. The Board, in its capacity as sole shareholder of Air Safety Support International Limited, resolved to appoint Mrs Pat Ricketts, as the nominee of the Secretary of State for Transport, to be a director of the company for the period 1 February to 30 April 2006. A copy of the Resolution is attached to these Minutes.

14. The Board noted the Report.

**VI Finance Report – 10 Months Ended 31 January 2006 – Doc 2006/14 by**

**Miss Jesnick.**

*One Kemble Street*

16. The project is nearing completion. A full report will be made to the March meeting.

**Action: Miss Jesnick**

*Insurance Renewal 2005/06*

17. The insurance broking contract had expired during the year and was put out to tender. A panel chaired by Simon Baker decided to reappoint Marsh for a further period of three years.

18. The Board approved the insurance programme.

19. The Board noted the Report.

**VII Human Resources Report – Doc 2006/15 by Mr Townsend.**

20. Mr Townsend reported to the Board on pay negotiations for 2006. Calibration meetings for Personal Contract Staff are now under way.

21. The Board noted the Report.

**VIII European and International Affairs – Verbal Report by Mr Smethers.**

22. Mr Smethers said that he saw his job as falling into two main parts –

- Articulating a vision for involvement in Europe and establishing a strategy to underpin it. His purpose was not to second-guess CAA's Groups.
- To take a lead on certain key issues, namely –
  - EASA – Together with Padhraic Kelleher, meetings are being set up with key players.

- *EU/US Talks* – the Chairman had written to the Secretary of State setting out the CAA's position.
- *Future Shape of Aviation Regulation in Europe* – CAA needs to have maximum involvement in this since it will shape its future.

**IX International Services – Doc 2006/16 by Miss Jesnick.**

23. Miss Jesnick introduced the Paper. The future of International Services had been discussed at the Board Away Day last year.

26. In summarising the discussion, the Chairman said that further consideration needed to be given to the matter, in particular the issues of structure, skills and co-operation. There was both a need and an opportunity for a global consulting service. This would support the safety of the UK travelling public. Other States, particularly France, were already engaged in this activity. The Paper will be brought back to the Board in May.

**Action: Miss Jesnick**

**X Investors in People – Doc 2006/17 by Mr Townsend.**

27. Mr Townsend introduced the Paper which had been produced following the Chairman's request at the January meeting to produce a briefing on those areas where it had been noted improvements could be made.

28. Sarah Murphy-Brookman set out the findings of the IIP assessor and the possible development areas. These included sharing of learning from IIP assessments and capitalising on the employee representative network. A project plan for 2006/08 had been established.

29. The Board noted the Report.

**XI Draft Corporate Plan 2006/07 – Doc 2006/18 by Miss S Hill.**

30. Miss Hill presented the draft Corporate Plan which was shorter and more focused than its predecessors. The Board's views were requested on three matters –

- Which safety objectives should be used going forward?
- Whether there are any areas that we have missed or where further information should be included?
- Whether the balance in the strategies and actions section feels right?

31. In relation to safety objectives, the Safety Policy Committee had decided that the current

safety objective relating to frequency of fatal accidents was no longer appropriate. Instead, the objective should be “To develop our UK world class safety environment, in partnership with industry, by driving continuous improvement in aviation safety.”.

32. On the second question, the Board considered that the section on the consumer environment should be restored.

33. On the third question, the Board considered that the balance in strategies and actions section was appropriate.

34. The Board endorsed the draft Corporate Plan subject to drafting points and comments on the performance indicators to be made by Members to Miss Hill.

## **XII Any Other Business.**

### **(i) Agenda Plan Update.**

35. March 2006 – add Progress on Air Transport White Paper.

May 2006 – add International Services Paper

### **(ii) Cabinet Office Review.**

36. Miss Jesnick reported that the Cabinet Office were looking at regulatory and administrative burdens. A meeting had been held with the consultants, PricewaterhouseCoopers. They had produced unsubstantiated figures on costs. They refused to disclose the evidence on which they were based thereby making sensible comment very difficult. Nevertheless CAA, with DfT support, would continue pressing the consultants for a sensible dialogue.