



CIVIL AVIATION AUTHORITY

FOR PUBLICATION

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MINUTES OF 441st BOARD MEETING HELD ON WEDNESDAY 20 APRIL 2011 AT 10.45 AM

Present:

Dame Deirdre Hutton

Chair

Mr Andrew Haines

Chief Executive

Dr Catherine Bell

Ms Gretchen Burrett

Mr David Gray

Mr Richard Jackson

Miss Chris Jesnick

Mr Michael Medlicott

Mr Roger Mountford

AVM Barry North

Mr Iain Osborne

Mr Mark Swan

Capt Roger Whitefield

Mrs Kate Staples

Secretary & Legal Adviser

In Attendance:

Dr Stephen Rooney

Director of Corporate Communications

Ms Alex Craker

Development Director

(for item IV)

Wg Cdr Dawn Lindsey

Head of London 2012 Olympic Planning

(for item VII)

Mr Michael Smethers

Director, European & International Strategy

(for items VIII - X)

M Tim Williams

Head of Health, Safety & Environment

(for item IX)

Mrs Anne-Marie Hopcroft

Minute Taker

I. Apologies

1. All Board Members were present.

II. Minutes of the Board Meeting held on 16 March 2011

2. The minutes of this meeting were approved and signed.

III. Chair's Opening Remarks

3. Dame Deirdre Hutton briefed the Board on recent meetings with the Competition Commission, the CBI and Brian Simpson, MEP. A recent discussion on risk at a Royal Air Force dinner was also highlighted. Dame Deirdre also made reference to the presentation that she, and Andrew Haines, had made to the BAA Board, which had stimulated some interesting discussion. The possibility of presenting to the Boards of other stakeholders to raise the profile and understanding of the role and work of the CAA was raised and it was agreed that this would be further reviewed.

Action: Dame Deirdre Hutton / Andrew Haines / Stephen Rooney.

IV. Final CAA Strategic Plan – Doc 2011-53 by Andrew Haines

4. The paper presented the proposed final version of the Strategic Plan, incorporating changes made as a result of internal and external comments received during the consultation.

5. The consultation associated with the Plan was discussed and it was noted that, whilst there had been a relatively low level of responses, there had been significant pre-consultation activity during which stakeholders had the opportunity to put forward their views. It was noted that key themes from the consultation responses had related to recognition of the significant work associated with the Strategic Plan activities and also concerns associated with the CAA operating in areas where it was perceived it did not have regulatory power.

6. The Board discussed the content of the Plan and it was agreed that a small number of modifications would be made to the formatting and text prior to publication, particularly to ensure consistency in messages.

Action: Stephen Rooney

7. The Board congratulated the team for producing the Strategic Plan, recognising that there had been extensive input from many areas within the organisation. It was felt that the Plan was very clear and was a big step forward for the organisation. It was noted that the next step, which it was acknowledged would be challenging but was well in hand, would be to develop a Business Plan that is consistent with the Strategic Plan and provides links through to colleagues' personal objectives.

8. The Board approved the publication of the Strategic Plan, subject to the comments raised at the meeting. It was agreed that the Plan would be published as an online document only and would be publicised through a number of different mechanisms.

V. Annual Chief Executive Review – Doc 2011-54 by Andrew Haines

9. The paper outlined the significant external and internal events over the last 12 months, and the CAA's achievements. The paper also presented the key challenges for the future.

10. The Board recognised the significant amount of activity that had been undertaken over the past 12 months and the steps forward that had been achieved. It was agreed that consideration should be given to including the internal milestones within the Annual Report & Accounts and for greater visibility through the organisation for both the CAA Objectives and Values.

Action: Stephen Rooney

11. It was noted that the ambitions had been set against the CAA's strategic objectives but there was an overarching ambition with regard to leadership and influencing. The Board felt that the ambitions were appropriate and consistent with the Strategic Plan.

12. The risks facing the organisation were further discussed and it was recognised that there were some significant challenges to be faced. It was agreed that the Board would return to this discussion as part of the Board Awayday in June.

13. The paper was the latest in a series of Annual Reviews being presented to the Board and had been produced in a slide format, which provided a better stimulus for discussion than a formal paper. The Board agreed that this format was very effective and should be applied to future Annual Reviews.

14. The Board noted the report.

VI. CPG Strategic Report – Doc 2011-55 by Richard Jackson

15. The paper outlined the key strategic issues facing CPG over the next five years.

16. Richard Jackson drew the Board's attention to issues associated with ATOL Reform, the Air Travel Trust and internal process reform. Particular note was made of the move to a more robust level of monitoring and enforcement of ATOL holders in order to minimise the risk to consumers.

17. During discussion on the Air Travel Trust (ATT), it was agreed that the primary aim of any potential reform should be to establish a solution that provides the best outcome for consumers. The potential for reform in other areas of CPG activity, e.g. passenger repatriation, was discussed and it was agreed that further work should be undertaken to consider the scope for, and implications of, any such reform. The Board was keen to be able to consider, at the appropriate time, the full extent of options available for reform although it recognised that the Government would require assurance that any ATT reform options would provide necessary protection for consumers. The strong links between licensing, enforcement and protection were also acknowledged. In addition, the Board reflected on the European reviews being undertaken in the area of consumer protection legislation.

18. The limitations of the existing IT infrastructure used by ATOL licensing team were further discussed and it was felt that any developments in this area should be undertaken having considered a holistic approach that may also benefit industry as well as the CAA. However, the Board were clear that any consideration of IT solutions must be preceded by a strong understanding of the strategy for ATOL reform and clarity regarding the business processes required to implement the

strategy.

19. The Board also considered the potential benefits to consumers of cross-modal financial protection.

20. The Board noted the report, agreeing that it identified the key issues and also posed appropriate strategic questions for the CAA to consider.

VII. London 2012 Olympic and Paralympic Games April 2011 Update – Doc 2011-56 by Mark Swan

21. The paper provided an update on the latest developments to airspace security restrictions proposed for the Olympic and Paralympic Games and presented the CAA Olympic Communication Plan.

22. The significant amount of correspondence received regarding the Olympics related airspace restrictions was highlighted. It was noted that initial discussions had taken place with Government regarding the potential for exemptions from these restrictions. As a consequence, further supporting information for such exemptions was being sought in order to enable Government to make a balanced decision on the impact of the restrictions. The manner by which the General Aviation (GA) community had come together to voice their concerns on this matter was welcomed and it was noted that both the CAA and GA representatives were using opportunities to discuss the restrictions further with Government. The Board was keen to ensure that the GA community were clear that responsibility lies with the Home Office and that the CAA should be cautious about its ability to assist in any changes to the security zone.

23. The Board discussed the need to ensure that the UK aviation community has implemented the necessary arrangements to make the Games accessible to disabled persons and persons of reduced mobility travelling via air. It was agreed that this should be further discussed with industry and noted that work was already underway on this matter to produce industry guidance material. The importance was noted of having a joined up approach between airlines and airports in this area.

24. It was noted that the next update to the Board would focus on the risk and mitigation activity.

25. The Board noted the report and recognised the scale of the communications challenge being faced and were supportive of the Communications Plan.

VIII. European & International Strategy Quarterly Report – Doc 2011-57 by Michael Smethers

26. The paper reported on the CAA's work in Europe and ICAO in the first three months of 2011 and prospects for development in the coming months. The paper also provided a report on the first deliverable of the International Strategy project, which related to the CAA's goals in international engagement.

27. The discussion focussed on the findings of the EASA standardisation audit report relating to CAA resourcing. It was noted that other European states had been issued with similar findings and, as a result, a high level workshop was being held to discuss how a performance based approach to safety regulation could allow the use of fewer resources but in a more targeted manner. It was felt

that the finding did not undermine the ability of the CAA, through CAA International, to carry out work on behalf of EASA and it was noted that further work was being carried out through the Development Programme to increase the direct regulatory utilisation of CAA surveyors. The Board requested to be kept informed of progress against the standardisation audit finding and its resolution.

28. The International Strategy deliverable was further discussed and the Board recognised the inter-relation between this work and the CAA's strategic objectives and other project deliverables. The importance of the role of influencing in Europe both at a CAA and Government level was noted. The earlier discussion, as part of the CPG Strategic Report item, relating to cross-modal passenger protection was further referenced with respect to how this may be taken forward on a European level.

29. The Board noted the report.

IX. Health & Safety Quarterly Report – Doc 2011-58 by Mark Swan

30. The paper provided a summary of CAA annual incident statistics, monthly incident statistics, progress on the Health & Safety (H&S) Audit Programme, significant risks and Key Performance Indicators.

31. The paper also incorporated progress against the Occupational Health strategy and it was agreed that for future papers, there should be dedicated sections for both H&S, and for Occupational Health. It was highlighted that the CAA Pension Scheme provided a source of data relating to ill health retirements that could help further inform the Occupational Health Strategy. The Board discussed the importance of keeping momentum with regard to the stress management, particularly given the changing environment facing the CAA.

32. The Board noted the report. It was noted that considerable progress had been made in the past year under the leadership of the Board and the reinvigoration of the H&S Committee. The Board recognised the excellent work that had been undertaken by Mark Swan (as Director with responsibility for H&S) and Tim Williams, the CAA's Head of Health, Safety & Environment, to push forward the H&S agenda. It was felt that greater publicity should be made internally both of H&S issues and the progress that had been made.

Action: Mark Swan

X. Chief Executive's Report – Doc 2011-60 by Andrew Haines

33. Andrew Haines briefed the Board on developments with the Aviation Bill and a number of recent meetings.

34. During a discussion on the assurance of the safety of foreign airlines in UK airspace, the importance was noted of developing greater international cooperative oversight and ensuring this encompassed clear roles and responsibilities. The need to have greater intelligence by which to target resources where there were safety risks was also noted.

35. It was also highlighted that, on 31 March, the CAA Pension (CAAPs) Trustees approved the revised schedule of contributions and valuation assumptions for the CAA Section of CAAPs. During discussion on this item, it was noted that the Trustees would be providing a response to the UK National Performance Plan consultation on pension related elements.

36. The Board noted the report.

XI. Directors' Reports

Finance Report – 12 Months Ended 31 March 2011 – Doc 2011-61 by Chris Jesnick

37. This paper provided the draft financial results for the 12 months to 31 March 2011, which were subject to the annual external audit, which is due to commence on 3 May 2011.

38. The Board noted the report.

CPG – Doc 2011-62 by Richard Jackson

39. Richard Jackson drew the Board's attention to the Action Plan that had been drawn up as a result of the recent review of claims management.

40. The Board noted the report and approved the Action Plan.

RPG – Doc 2011-63 by Iain Osborne

41. Iain Osborne provided an update on specific elements of the Aviation Bill and highlighted that priorities for the Bill were being agreed with the Department for Transport. It was noted that a consultation had been launched relating to the new arrangements for passenger representation and further work had been undertaken internally regarding the processes for complaint handling. It was agreed that Board Members would be provided with a copy of the consultation.

Action: Iain Osborne

42. It was noted that, at the request of the Joint Regulators Group, work would be undertaken to consider where opportunities may exist for Economic Regulators to take a common approach on practical issues and analysis as opposed to influencing government policy and the Board would be briefed on the outcome of this work in the Autumn.

43. The Board welcomed the voluntary agreements that had been established as part of the extension to Q5 and requested a briefing on what they might mean for Q6 and wider developments.

Action: Iain Osborne

44. The Board noted the report.

SRG – Doc 2011-64 by Gretchen Burrett

45. In addition to the key issues discussed elsewhere on the agenda, Gretchen Burrett provided the Board with an update on the activities undertaken in response to the Japanese radiation incident and how this had incorporated lessons learned from the volcanic ash situation.

46. The Board noted the report

DAP – Doc 2011-65 by Mark Swan

47. Mark Swan reported that the consultation on the Future Airspace Strategy had closed and comments analysed. It was noted that of the comments received, none had been contentious.

48. It was also noted that a resolution to the issues with the Clyde Temporary Mandatory Zone had been achieved.

49. The Board noted the report.

XII. Legal Report – Doc 2011-66 by Kate Staples

50. The paper provided quarterly reports for Freedom of Information Act requests and Aviation Regulation Enforcement activity. Kate Staples highlighted the work that had been undertaken with the police to explain the regulatory framework to the General Aviation community in preparation for the Olympics.

51. The Board noted the report.

XIII. Any Other Business

52. **Minister of State for Aviation Briefing and Attendance at May Board Meeting** - The Chair highlighted that the Minister would be receiving a briefing on the Future Airspace Strategy on 26 April and attending a portion of the May Board meeting to share her experiences, as an MEP, of influencing in Europe.

The next meeting of the Authority will be on Wednesday 18 May 2011 at 11.30am in K705, CAA House, London