



**CIVIL AVIATION AUTHORITY**

**MINUTES OF THE 459th BOARD MEETING HELD ON WEDNESDAY 12 DECEMBER at 11.00 am in  
CAA House**

**Present:**

**Dame Deirdre Hutton**

**Chair**

**Mr Andrew Haines**

**Chief Executive**

**Dr Catherine Bell**

**Mr David Gray**

**Mrs Gretchen Haskins**

**Mr Richard Jackson**

**Miss Chris Jesnick**

**Mr Michael Medlicott**

**AVM Barry North**

**Mr Iain Osborne**

**Mr Mark Swan**

**Capt Roger Whitefield**

**Mrs Kate Staples**

**Secretary & General Counsel**

**In Attendance:**

**Mr David Owen**

**Director, Human Resources**

**Dr Stephen Rooney**

**Director, Corporate Communications**

**Mr Richard Moriarty**

**Director, Economic Regulation**

**For items V and IX**

**Ms Stephanie Canet**

**RPG Policy Advisor**

**For item V**

**Mr Tim Griffiths**

**Senior Economic Regulatory Policy Advisor**

**For item V**

**Mr Thomas Carr**

**Regulatory Policy Advisor**

**For item V**

<b>Mr Robert Cowles</b> <b>Senior Economic Regulatory Policy Advisor</b>	<b>For item IX</b>
<b>Mr Troy Preston</b> <b>Head of Business Delivery</b>	<b>For item VIII</b>
<b>Mr Ben Alcott</b> <b>Head of Group Safety Services</b>	<b>For item VIII</b>
<b>Mr Stephen Hand</b> <b>Head of European ATM Policy Coordination</b>	<b>For item XIII</b>
<b>Mr Nigel Coules</b> <b>CAAi, CEO</b>	<b>For item XIV</b>
<b>Mr Richard Ward</b> <b>CAAi, COO</b>	<b>For item XIV</b>
<b>Mr Simon Baker</b> <b>CAAi, Finance Director</b>	<b>For item XIV</b>
<b>Mr Stephen Baker</b> <b>Minute Taker</b>	

**I. Apologies**

1. Apologies were received from Mr Roger Mountford.

**II. Minutes of Previous Meetings and Matters Arising**

2. The minutes of the Board meeting held on 21 November 2012 were approved, subject to an amendment to paragraph 21, replacing the words ‘was not appropriate’ with ‘would raise wider issues of regulatory approach’ which was agreed by the Board, and signed.

**III. Chair’s Update**

3. The Chair briefed the Board on her and Mr Haines’s recent meeting with the Secretary of State, during which EASA had been discussed and the Secretary of State had indicated that he would like to visit the CAA. The Chair also briefed the Board on her attendance at the November CAA Leadership Conference, which she said had been stimulating, and invited Mr Haines to comment on the Conference. Mr Haines said that he thought attendees of the Conference had been more positive than at previous Conferences and that he had received good feedback from attendees. Mr Gray and Dr Bell commented that they had found it to be an interesting and worthwhile event.
4. The Chair briefed the Board on her and Mr Haines’s recent meeting with Jim French, the Chair and CEO of Flybe, and Andrew Strong, its MD, and on her recent lunch with Sigurd Reinton, the government appointee, non-executive director to the NATS Board, whom she noted would be remaining on the NATS Board next year.
5. The Chair asked the Board to note that a paper had been circulated with a summary of recent

regulation 6 cases. Mr Medlicott noted that there had been a potential concern in relation to one matter, regarding an allegation of an alleged reluctant SRG witness although this had not, in fact, turned out to be the case. Mr Gray and Dr Bell commented that it would be helpful, in future, to have a 1 page summary of each matter circulated to the non-executive members following its conclusion and Captain Whitefield raised the question of peer review before SRG decisions were made. Mrs Staples agreed to ensure a 1 page summary was circulated in future cases.

**Action: Mrs Staples**

#### **IV. Chief Executive's Report – Doc-2012-149 by Mr Andrew Haines**

6. Mr Haines reported that they had now gained some clarity from the Davies Commission Secretariat as to what might be expected from CAA in terms of input.

8. Mr Haines reported that PCS and Prospect, the recognised trade unions, had now completed their ballots of their members on the 3 year pay and reward agreement and that large majorities in both had been in favour of accepting the agreement. This was an excellent result which would provide a good base from which to proceed with the performance management reforms. The Board agreed the ballot results were an excellent step forward and extended their thanks to Mr Owen and his team for their work in achieving this.

9. Mr Haines reported to the Board on EASA's plans for appointing a successor to Patrick Goudou as Executive Director.

10. Mr Haines noted that Delta Air Lines had just announced its intention to take a 49% stake in Virgin Atlantic.

11. Mr Haines reported on his attendance on Monday before the House of Commons Transport Select Committee. He noted that there had been questions on a number of topics, including charges at non-designated airports and steep aircraft airport approach descents. Dr Rooney had also been in attendance.

12. Mr Haines requested the Board to approve:-

- the CAA (Denmark and Iceland) Specifications 2013 and the CAA (Eurocontrol Charges) Specifications 2013, as appended as Annexes A and B to his report (together "the Specifications");
- the Deed of Amendment, to make amendments to clauses 21 and 31 of the CAAPS Trust Deed and Rules, as appended as Annex C to his report ("the Deed of Amendment"), to give effect to the Board's decision at its meeting on 21 November to close the CAA section of CAAPS to new members as from 1 December 2012; and
- the appointment of Adam Simmons to the Board of Directors of ASSI, for the period 13 December 2012 to 12 December 2015 ("the Appointment"), as the DfT replacement for Jeremy Hotchkiss.

The Board **resolved** that it approved the Specifications, the Deed of Amendment and the Appointment.

13. On item 10 of the report (Media), Dr Rooney confirmed that CCD was planning similar initiatives for other consumer websites.

14. The Board noted the report.

## **V. Stansted Market Power Assessment — Doc 2012-150 by Mr Iain Osborne**

15. Mr Osborne prefaced the Board discussion by noting that in 2007 the CAA had advised the Secretary of State that Stansted Airport should be de-designated as it did not meet the DfT's criteria for designation. He suggested that a number of factors meant a different view was being put to the board now. While this is a matter to consider in the round, examples of changes since 2007 included that, at that time, the only choice of regulatory tool available to the CAA was the Airports Act 1986 whereas the Civil Aviation Bill would introduce a more flexible licensing regime, so allowing a different view on the costs of regulation. In 2007 Stansted had been charging airport charges that were below the statutory cap whereas its charges were now at the cap level; also, there was evidence to suggest they were above the competitive level (whereas in 2007 the CAA had taken the view that charges were below the competitive level). Further, in 2007 there had been plans for more runway capacity in the south-east which would have increased competitive pressure, if built, but we were now not expecting new capacity to be built during the assessment period or soon after. Mr Osborne also said that the same methodology would be applied to other airports, if the CAA was requested to review whether they had market power. The current report was therefore presented for approval by the Board as the basis for consultation on the view that the CAA is minded to hold that the market power test set out in the Civil Aviation Bill is met with regard to Stansted Airport.

16. In terms of next steps for the draft 'Minded To' report, Mr Osborne asked the Board to note that he did not now intend to publish the full paper before Christmas, as originally intended, as circumstances required a slight delay whilst the document was further reviewed and quality assured. The intention, now, was to publish it in the first two weeks of the New Year but he still intended to publish an executive summary before Christmas. The Board was asked therefore for its comments on the draft report, its approval of the positions now reached, as set out in the report (that the position on which consultation should take place was that CAA was minded to find the market power test was met with regard to Stansted) on the basis of review of the main lines of argument in support of this, and delegated Board authority to approve both the final version of the report before its publication as well as a summary (to be written). Mr Osborne noted that the report was likely to arouse considerable interest from interested parties, not least from the airport and Ryanair, who had diametrically opposed views, as well as from parties interested in bidding for the airport.

17. The Chair invited Mr Moriarty to outline for the Board the steps by which RPG had arrived at its 'minded to' position. Mr Moriarty explained that there were three tests under the Bill, each of which had to be met:

- Test A – does the airport operator have or is it likely to acquire substantial market power?
- Test B – is economic regulation rather than general competition law the more appropriate tool for preventing the risk of market abuse?
- Test C – do the benefits of economic regulation outweigh its potential adverse effects?

18. In relation to Test A, it had been necessary to define first what markets Stansted operated in. RPG had reached the conclusion that it operated in two markets: core services for low cost carriers and charter airlines, covering a geographical area of Stansted, Luton, Southend and possibly Gatwick, and core services for cargo carriers based at Stansted Airport. The available evidence suggested that competitive constraints on the airport were not sufficiently strong to prevent it from raising its prices above what was a competitive level. In particular, airlines' observed reactions to the ending of the Airport's discount on charges in 2008 (after which it had begun to charge to the full regulated price) were to withdraw capacity, and this had not in fact disciplined airline behaviour. As to whether further withdrawals were feasible, the evidence from low cost carriers based at the airport, particularly Ryanair indicated that the importance of easy access to London as a market, coupled with the lack of available airport capacity elsewhere in the London area, made switching their services away from Stansted unattractive. This was reinforced by evidence on passenger likelihood to switch in response to increases in airport charges, which was likely to be so low as not to act as a constraint on Stansted's market power.

19. Mr Moriarty said that in relation to what might happen in the future, there was an element of forecasting in making the assessment, in particular in relation to future airport capacity and general economic trends. But allowing for such uncertainties, on balance the current view was that the market power test was met for low cost carriers and charter airlines; STAL holds a degree of market power which *may* currently be substantial, and *is likely* to become substantial in the course of Q6. In relation to cargo services, Mr Moriarty said the evidence from cargo carriers also indicated the CAA would be minded to hold that the test was met for the cargo market; the airport currently *has* substantial market power in the Stansted cargo market.

20. The Board discussed the document in relation to Test A. The Board confirmed that it was content with the approach to Test A.

21. In relation to Test B, Mr Moriarty explained that the document indicated that the CAA was minded to hold that general competition law alone was not adequate to protect against the risk that the operator might engage in conduct that was an abuse of substantial market power, particularly through exploitative conduct rather than exclusionary abuse. General competition law worked best on exclusionary type abuses in the downstream market, although for these cases there may be additional benefits (e.g. in speed and tailoring of response) to regulatory responses. The minded to approach was more based on the prospect of Stansted engaging in exploitative behaviour, such as excessive pricing or under-investment in quality. Case law in these areas was either sparse or set high evidential bars, which might be difficult to apply in the airport

sector. As such, and on that basis, it was likely that Test B would be met. The Board confirmed that it was content with this section of the report.

22. On Test C, Mr Moriarty said the test was whether the incremental costs and effects of regulation through licence outweighed the risk of abuse of substantial market power. It was not necessary to specify which form of regulation was most suitable, rather that there would be net benefits of some form of regulation compared to no licence regulation.

23. In discussing this section of the draft, the Board indicated that it was content with the minded to conclusions.

24. The Board:

- approved the publication of the minded to consultation document during the first two weeks of next January;
- approved the publication of an executive summary before Christmas;
- approved the delegation to Mr Osborne of responsibility for finalising the drafting of the consultation document and of the executive summary, these to be approved by the Chair; Mr Haines, Mrs Staples and Mr Gray before their publication;
- requested that the DfT be kept fully informed of progress.

#### **VI. ASSI Business Plan 2013/14 to 2017/18 – Doc 2012 – 151 by Capt Roger Whitefield**

25. Captain Whitefield presented the ASSI Business Plan to the Board for its approval. He gave the Board a report on ASSI's funding sources, its re-organisation following the reduction of the DfT grant and highlighted recent recruitment measures. He highlighted ASSI's role in providing training for the Overseas Territory Aviation Authorities and reported that the closure of the Caribbean office had not caused any significant problems. Subject to the Board's approval, the Plan would be submitted to the Secretary of State for his approval next January.

26. The Board approved the Plan and thanked Captain Whitefield and Miss Boyle for their efforts.

#### **VII. DAP Strategic Report– Doc 2012 – 145 by Mr Mark Swan**

27. Mr Swan presented highlights from his report. The FAS Industry Deployment Plan had just been launched and had received the backing of DfT and the aviation industry, with the latter wanting it extended to the EU. DAP was leading work on introducing a harmonised transition altitude which would have positive effects for ATM and commercial operations and complement SES and FAB initiatives and a strategic deployment board headed by Mr Swan and Martin Rolfe of NATS had been set up to oversee the project.

28. Mr Swan reported on the FAB National Performance Plan developments for RP2: the Commission was seeking to set tougher targets for performance improvements at FAB level, with the performance plans to be coordinated by one NSA for each FAB. DAP would be performing this role for the UK/Ireland FAB.

29. The Spectrum release programme was currently with Ministers for approval to proceed. If approved, DfT would ask DAP to coordinate and lead the multi-million pound programme which would be funded by DfT.

30. DAP had been heavily involved in the writing of the EC's Aeronautical Data Quality Implementing Rule and guidance material and also the Standardised Rules of the Air Regulations.

31. The revised Met Office offer for meteorological service provision had been accepted by ExCo and reported at the UK en-route air navigation service charge consultation meeting in October where it was well received. Met Office costs would fall by 4% year on year over RP1. Work had also started on the way the UK's World Area Forecast Centre was funded.

32. All workstreams were aligned with the delivery of the CAA's Strategic Plan. Whilst there was sufficient resilience to be able to cope with short term emergencies, such as another Volcanic ash incident, any prolonged period would put considerable strain on DAP's resources.

33. The Board noted the report. For future strategic reports, the Board requested that the report include an organisation chart for the various workstreams and projects.

**Action: Mr Swan**

#### **VIII SRG Strategic Report – Doc 2012 – 153 by Mrs Gretchen Haskins**

34. Mrs Haskins noted that it had been a challenging year for SRG, with it continuing to be fully engaged in various matters, such as the EASA rule-making programmes, including aerodromes, air traffic management and flight-time limitations, the making of preparations for the transition to implementation in the United Kingdom of the EASA flight crew licensing and air operations rules, the London 2012 Olympics, continuing to support the delivery of the CAA Performance and Process Improvement programme and making SRG more efficient, working with CAAi and international partners to promote aviation safety internationally and preparing the foundations for delivery of Enhanced Safety Performance, the delivery of the UK State Safety Plan and the move to risk-based regulation.

35. Good progress had been made with the implementation of the SRG Business Plan but challenges remained both internally, in embedding performance management in the Group, and externally with industry, as on such matters as promoting the value of safety management systems, and in Europe on such matters as third country operators, where SRG would continue to play a significant role. Mrs Haskins invited Mr Preston and Mr Alcott to present sections of the report.

36. Mr Preston presented highlights from the report on the progress made with the delivery of the SRG Business Plan. He reported that the Group's business processes had been improved and were now more outcome focused and efforts had been made to develop a cross Group quality system and to make processes more project based. The Dashboard had been also reviewed and was now focused on performance indicators to show achievement against strategic outcomes. There had been greater focus on increasing leadership capability and performance management and SRG was working closely with Finance, to ensure budgets were met, and with HR, on building skills and people outcomes.

37. Mr Alcott gave the Board a report on safety performance. He said there was some concern in SRG at the continuing incidence of cases where only luck had prevented a catastrophic accident and that SRG was working with EASA and the industry to determine how such cases might be prevented or minimised in future. Following on from the review of recreational aviation, a General Aviation Safety Partnership had been formed to look at safety risks and a similar Partnership had been formed with the business aviation

industry. The DfT was funding work, as part of the UK State Safety Plan, to improve the safety record of third country commercial operators operating into the UK and this project seemed to be working well. In terms of delivering the Enhanced Safety Performance programme, good progress was being made although there was still work to do, including the roll-out of SMS and ESP training, and SRG was also working with EASA and the industry on producing a more proportionate regime for general aviation.

38. In Board discussion, Mr Alcott acknowledged that it was not clear where the Crown Dependencies fitted into ESP but noted that KPIs were being developed for Isle of Man registered aircraft operating in the business aviation sector in the UK. There tended to be a significant amount of repetition in causal factors, especially human factors, in incidents, which was reflected in the Significant 7, but SRG was not complacent about new risks and was also aware that there could be 'black swan events' of which it was not yet aware.

39. In terms of risk, it was noted by the Board that the risk of inability to manage the pace of change was high although Mr Preston said that the industry was receptive to what SRG was trying to achieve and the difficulty was more internal to SRG and was being actively addressed. The Business Plan contained mitigation actions for the identified risks and these were being tracked and monitored. The Board queried whether the Plan addressed certain issues, such as the limits of pilot automation and pilot handling skills, concerns over the reduction of quality of basic training and whether there was sufficient pilot training capacity in the UK to produce enough commercially licensed pilots for the future.

40. The Board agreed the report was an effective report, acknowledged the considerable efforts made to achieve a unified Business Plan and noted that there were some big, strategic issues that would require further consideration and debate at a PIE.

#### **IX CAA ad hoc group report on NATS related risks– Doc 2012 – 145 by Mr David Gray**

41. Mr Gray briefed the Board on the responses to the publication in September of the interim, consultation report by the ad hoc group which had, generally, been in agreement with the 'minded to' proposals of the interim report. The final report, for which approval for publication was sought from the Board, would not therefore differ substantially from the interim one. In general the final report was able to make clear recommendations apart from in relation to ring-fencing consents and NATS governance where the issues were complex, the most proportionate way of dealing with these had not yet been identified. Further work would be done by the group on these areas in 2013 and external legal and regulatory finance advisers had been retained for this purpose and they had also commented on the form of the final report.

42. It was intended to publish the report in January 2013 with an accompanying press statement and it was expected the publication would generate some interest.

43. The Board agreed it was a good report, approved it for publication in January 2013 and thanked Mr Gray and Mr Moriarty.

#### **X. Current Safety Issues – Doc 2012 – 156 by Mrs Gretchen Haskins and Mr Mark Swan**

44. The Board accepted the report as read.

#### **XI. Finance Report – For the 8 months ended 30 November 2012 – Doc – 2012 – 157 by Miss Chris**

## **Jesnick**

45. Miss Jesnick presented highlights from her report, which included Group cumulative income at £83.1M, below budget income of £85.3M, which was due mainly to reduced income from CAAi, but SRG income on budget for the 8 months and airworthiness income above budget although the latter was offset by a reduction in personnel licensing income. Debt recoveries had been strong and the regulatory sector profit forecast for the year end was £0.8M with a forecast operating loss for the CAA Group of £795K at year end.

46. The Board noted the report.

## **XII. Live issues – Directors’ Reports**

47. *Directorate of Airspace Policy – Doc 2012 – 158 by Mr Mark Swan*

Mr Swan gave the Board a report on the ICAO 12<sup>th</sup> Air Navigation Conference held in Montreal between 19 and 30<sup>th</sup> November which had been attended by CAA representatives. Three papers had been tabled on behalf of the CAA and these had been well received and their recommendations supported by the conference.

48. *Regulatory Policy Group – Doc 2012 – 159 by Mr Iain Osborne*

Mr Osborne updated the Board on the continued engagement with British Airways concerning EC261, which had resulted in the service of a statutory information notice, and the Consumer Issues Panel’s engagement with TI concerning pre-selected optional extras.

49. *Consumer Protection Group – Doc 2012 – 160 by Mr Richard Jackson*

Mr Jackson gave a briefing to the Board on Delta’s taking of a stake in Virgin.

50. *CCD – Doc 2012 – 1610 by Dr Stephen Rooney*

Dr Rooney briefed the Board on the forthcoming launch on Boxing Day of an ATOL consumer awareness campaign.

## **XIII. SES2+/SESAR Master Plan – Doc 2012 – 164 by Mr Mark Swan**

51. The Board received a presentation by Mr Hand on SES2+ and the SESAR Master Plan. Mr Hand reported that following pressure from the airlines and from the EU Parliament the Commission was focusing on delivering greater cost efficiencies and performance through RP2 and the FABs and their governance arrangements. The Commission had indicated that none of the FABs would meet their legal targets by end 2012 and formal assessments would take place in 2013, which could be followed by infraction proceedings against some States. Whilst the UK/Ireland FAB had delivered real performance benefits, the Commission was focused mainly on cost efficiencies. Nonetheless, it was unlikely the UK would face any such proceedings and other States were in a more vulnerable position.

52. The Commission was proposing to create a SESAR Deployment Manager but whilst R&D work was proceeding, validation work had only reached the ‘proof of concept’ stage and much more work was needed before there could be any actual deployment of SESAR.

53. A clear and realistic vision and strategy from the Commission for SES was not clearly visible and none of the SES tools would lead to a reduction in the number of ANSPs or infrastructure whilst focusing on short-term efficiencies might deter long term investment. The key issues for the CAA were ensuring States

lobbied the Commission for a longer term strategy, ensuring SES objectives were clear and that States, FABs and ANSPs could determine the appropriate way of achieving them.

54. The Commission was expected to table draft legislation in 2013 to strengthen SES. The key issue for CAA would be to influence the content of SES2+ and to support the DfT.

55. The Board thanked Mr Hand for his presentation.

#### **XIV CAAi Strategic Discussion – Doc 2012 – 163 by Miss Chris Jesnick**

56. Miss Jesnick prefaced the discussion by noting that a number of issues had been identified as a result of the Tiger Team review and recent internal audit: these were the need for an over-arching strategy, governance and the 'pipeline'. Discussions and soundings with colleagues had indicated that there was a clear desire for CAAi to promote and support the CAA's strategic objectives, through activities aligned with its strategic aims, for CAAi to continue to contribute financially to the CAA and for CAAi to continue to contribute to the development of the CAA's skill base. She noted that the Secretary of State had given his consent to the formation of the company for these broad objectives and not with a view to an eventual disposal of the company.

57. Miss Jesnick's presentation touched on a number of areas: strategy, governance and the pipeline. With regard to strategy, Miss Jesnick observed that CAAi existed to promote and to support CAA's strategic objectives, by enhancing safety, protecting the UK consumer and leading beyond authority and that CAAi's revenues must make a positive contribution to the CAA's finances. This would be achieved through collaboration by CAAi with departments in the CAA, in particular with SRG, and the recent Turkish Airlines project was cited as a good example of such collaboration. Client proposals would therefore be risk profiled, analysed for their potential profitability and for their alignment with CAA's strategy. In addition, as raised at ExCo, CAAi was developing a portfolio of strategic products in addition to its current product and services, to support the CAA's strategic goals and linked to the 5 year strategic plan.

58. Developments in CAA, notably ESP and the Enterprise Architecture and the requirements for a state safety programme, had prompted a review of CAAi's governance structures. These had been put in place in 2007, at the company's inception, to manage and control the company and a number of options had been identified by the company. These were:

- further separation of parent and subsidiary, requiring an independent Chairman and more frequent Board meetings;
- to continue with the current arrangements but with more frequent Board meetings; or
- further integration of CAAi into the CAA, requiring fewer Board meetings, a smaller Board and an integrated business plan, managed through ExCo as for other Groups.

There were pros and cons for each option but the third one, further integration, was suggested to the Board as being in the best strategic interests of the CAA, as it gave CAAi a positive way forward whilst enabling CAAi to develop mechanisms to support the CAA strategic objectives.

59. Miss Jesnick then handed over to Mr Coules to give the Board a presentation on the Pipeline. Mr Coules explained how the process worked, using bid management teams and post-bid analysis, and gave a

summary of the secured contracts (by confidence level) and current opportunities, examples of new products developed by the company, such as e-exams, and recent contract wins. The company was actively seeking tender opportunities to bid for and the typical contract value was £100K although contract bid values tended to be higher. CAAi offered a premium service, which was understood by its clients, and did not compete on price so sometimes bids were lost for this reason. Mr Owen noted that bid conversion rates were critical to productivity. Mr Coules pointed out that the figures for CAAi's financial contribution to the CAA remained flat over future years as it was assumed there would be a greater use of external resources.

60. It was noted by the Board that there could be some potential for competition with entities that CAA regulated, raising a possible conflict of interest. There was also the possibility that information provided to CAA as a regulator could pass to CAAi and CAA had to be careful this did not occur. Mr Coules was asked to provide Mr Haines with some data on this and Mrs Staples was asked to clarify the position under competition law.

**Actions: Mr Coules and Mrs Staples**

61. The Board debated the relative merits of the 3 governance structures, recognising that the current arrangements need to be revised. Whilst some Board members favoured the first option – further separation – on the grounds that further integration might stifle innovation and entrepreneurial spirit, there was a counter-view that integration, the third option, need not have this effect and that governance was not a critical issue so far as this was concerned. Integration also offered more transparency of the company's activities and less potential for any conflict of interests than there would be with an independent chairman of the company's board and between CAA and CAAi projects. In addition, CAA should be alert to the possibility of predatory pricing of services by CAAi that could seriously damage the CAA's reputation. This argued for greater transparency and careful management as the Board noted that the fulfilment of CAA functions was not a good argument under competition law for unlawful practices. In addition further separation implied that CAAi would be pushed away from the CAA when more integration was possibly needed. Miss Jesnick was asked to produce a paper for the January 2013 Board meeting on the governance issue for CAAi for 2013/2014 onwards.

**Action: Miss Jesnick**

**Date of next Board meeting: Wednesday, 16 January 2013, in CAA House.**