

CIVIL AVIATION AUTHORITY



FOR PUBLICATION

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MINUTES OF THE 471st BOARD MEETING HELD ON WEDNESDAY, 22nd JANUARY
2014, AT 10.45 a.m. AT CAA HOUSE, KINGSWAY, LONDON WC2B 6TE

Present:

Dame Deirdre Hutton

Mr Andrew Haines

Dr Catherine Bell

Mr David Gray

Mr Richard Jackson

Miss Chris Jesnick

Mr David King

Mr Michael Medlicott

Mr Iain Osborne

AVM Edward Stringer

Mr Mark Swan

Mrs Kate Staples

In Attendance:

Dr Stephen Rooney

Director, Corporate Communications

Mrs Abigail Grenfell For Item V

Mr Martin Ross For item XIII

Mr Peter Drissell For Item XV

Mr Peter Kirk For Item XV

Mrs Beth Sizeland For Item XV

Mr Martin Jones For Item XV

Chair

Chief Executive

Mr Stephen Baker Minute Taker

Mr Peter Gardiner

Minute Taker

I Apologies

1. No apologies were received.

II Minutes of the Previous Meetings and Matters Arising

2. Comments on and editorial changes to the minutes were noted and made and the Minutes of the previous Board were approved.
3. On matters arising AVM Stringer reported to the Board on his discussions with the relevant State bodies. Mr Haines noted DfT had now agreed to further meetings with the CAA on the subject.

III Chair's Update – by Dame Deirdre Hutton

4. The Chair reported that she and Mr Haines had met with the Competition Commission in January and had discussed the recent NIE¹ panel conclusions.

IV Chief Executive's Report - Doc 2014-001 by Andrew Haines

5. Mr Haines briefed the Board on a number of matters mentioned in his report. These included:
 - a) The results of the tests by operators of the EC135 helicopter on the helicopter's fuel system supply tank indicators.
 - b) The progress of the CAA Offshore Helicopter Review, which Mr Haines noted was nearing its conclusion.
 - c) Meetings with Gatwick Airport Limited management in connection with the recent flooding of the Airport.
 - d) Q6 price review stakeholder responses.
 - e) The CAA's response to Lowcostholidays' relocation to Spain.
 - f) Enforcement action against airlines under Part 8 of the Enterprise Act 2002 in relation to their compliance with EC Regulation 261/2004.

¹ Northern Ireland Electricity

- g) Progress on the GA review and the appointment of Tony Rapson as Head of the GA Unit.
- h) The CAA's travel agent enforcement project.

V Penalties Statement for Contraventions of a Licence or an Order and Offences under the CAA's Information Powers in the Civil Aviation Act 2012 - Doc 2014 – 002 by Iain Osborne

- 6. The Board received a briefing from Mr Osborne and Mrs Grenfell on the draft Penalties Statement following the conclusion of the CAA consultation on the Statement. Mr Osborne noted that the draft Statement took account of comments received from participants in the consultation, including that the Statement provide greater clarity as to how cases would be dealt with. Mr Osborne confirmed that they had considered similar policy statements published by other regulatory bodies when drafting the Statement.
- 7. The Board commented on the draft Statement and made suggestions for consideration by Mr Osborne and Mrs Grenfell.
- 8. Subject to these changes being implemented the Board confirmed it was content with the draft.

VI Strategic Plan Synopsis - Doc 2014-003 – by Andrew Haines and Stephen Rooney

- 9. Mr Haines and Dr Rooney presented the draft Strategic Plan Synopsis to the Board for its approval. Dr Rooney stated that the plan had been updated and refreshed since the last version
- 10. The Board considered the draft plan and commented on various sections which it requested Dr Rooney to consider. Dr Rooney highlighted that consultation on the plan would take place alongside consultation on the CAA Safety Plan, the Environment Programme, and the Consumer Strategy. These would be of interest to different but overlapping audiences, and set out in more detail how the CAA will be delivering its safety, consumer and environment objectives.
- 11. Subject to its comments the Board approved the Plan for consultation.

VII Safety & Airspace Regulation Group Report – Doc 2014 – 004 by Mark Swan

11A. Mr Swan reported on a number of matters from his report to the Board.

12. In relation to the crash of EC-135 G-SPAO the CAA continued to assist the AAIB and had held an initial discussion with representatives of the Scottish judicial authorities to consider how the CAA could assist if requested.

13. Mr Swan reported on the relaxation of EASA and FAA rules for the use of personal electronics devices (PEDs) during taxiing, take-off, and landing. The CAA had released an additional information notice providing additional guidance for operators. He emphasised that the relaxation did not apply to mobile telephones and applied only to PEDs when they were in flight-safe mode.

14. Mr Swan reported on incidents in December 2013, including the Cessna C525 incident from Leeds Bradford and the Virgin Atlantic A333 landing incident in St. Lucia.

15. The Board noted the large number of Bermudan registered aircraft operating in Russia and requested sight of the report written by ASSI following its recent oversight visit to Russia, into the article 83bis agreement between Bermuda and Russia.

Action: Mrs Staples

VIII Corporate Communications Quarterly Report – Doc 2014 - 005 by Stephen Rooney

16. Mr Rooney gave the Board an update on the Communications Plan for 2013-2014. He noted that the CAA corporate communications function had been centralised and streamlined and was now more professional. Whilst good progress had been made in improving CAA's communications capabilities he considered there was still further progress to be made.

17. The Board noted the relaxation of rules allowing the wider use of hand-held radios by pilots in the interests of improved communications with ATC.

18. The Board also noted the proposed handling of the publication of the North Sea Helicopter Review report.

IX General Counsel's Quarterly Report – Doc 2014 – 006 by Kate Staples

19. Mrs Staples presented highlights from her quarterly report, including complaints to the Information Commissioner's Office and the result of a recent regulation 6 case. She noted that there had been a number of allegations concerning the applicant's treatment by CAA officials in the 1980s which she was looking into. The Police would be informed of the allegations, in order that they can decide what action, if any, they wish to take.

20. The Board discussed the general issues arising from the case in terms of the procedure for the hearing, the technical requirements of record keeping, establishing proof and the presentation of evidence for such cases and asked whether the CAA required a code for vulnerable persons. Mrs Staples agreed to look at this issue and also whether steps could be taken to enable regulatory action against individuals and companies without undue complexity and evidential difficulty.

Action: Mrs Staples**X Occupational Health Quarterly Report - Doc 2014- 007 by Mark Swan**

21. Mr Swan presented highlights from his report. He noted that the figures for CAA employees' absence data, which had declined slightly, were midway between public and private sector norms. The Board noted that it would be informative to have benchmarking data in the report and asked Mr Swan to include this in future reports.

22. The Board noted the figures for referrals to Occupational Health and that these needed to improve.

23. The Board noted the report.

XII Finance Report – Doc 2014 – 009 by Chris Jesnick

24. Miss Jesnick presented the CAA Group's financial results for the 9 months to 31 December 2013. The results were generally good, with income marginally above budget, mainly due to increased income within SARG and CAAi. Group operating costs were slightly down and CAAi profits continued to improve with the CAAi 'pipeline' looking very reasonable.

25. Miss Jesnick reported that after discussions with AOA, CAA had offered a further concession in relation to start date and CAA aviation security charges would now commence

on the 1st May, pending final consultation closure, however, this concession could not include Heathrow and Gatwick Airports as the full cost of Security was included in the Q6 price control determination.

26. The Board received an explanation of the external consultancy and professional fees expenditure and requested for future reports a clearer breakdown.

Action: Miss Jesnick.

27. The Board noted the report.

XIII Live Issues

MCG – Doc 2014 – 010 by Iain Osborne and Martin Ross

28. Mr Osborne and Mr Ross presented a report on the current situation of passenger complaints handling managed by PACT². To deal with increasing volumes and a backlog of cases, new processing procedures had been introduced in PACT. Some 12,000 new-EU Guideline (extraordinary circumstance) cases had since been returned to airlines to respond and deal with directly to the passenger. Around 60% of these cases had now been dealt with by the airlines, with half a million pounds additional compensation paid to date. Cases returned to CAA for direct action (pre- November non-extraordinary cases and any cases after that date) were averaging about 700 per week. The PACT team was just about able to stay on top of this turnover at its current levels, in addition to dealing with the historic backlog of cases.

29. Mr Osborne explained that he intended to re-organise PACT, employ consultants CCL to increase handler productivity, adapt the iCasework system and allow the top 10 airlines access to the portal to evaluate cases, engage in wider airline engagement and, eventually, transfer PACT to the Hub.

30. The Board noted the proposals. Mr Osborne explained that the strategy was to stabilise the backlog of cases and to take action to make the airlines deal with complaints directly rather than via PACT. This process presented difficult choices and Mr Osborne was conscious of the need to avoid giving airlines the impression that PACT was being re-organised in order to take on a long term role in handling complaints which was not the intent.

² The CAA Passenger and Complaints Team.

Disposing of the historic caseload backlog would, however, enable the CAA to take more aggressive enforcement action against defaulting airlines.

31. Mr Osborne noted that on current turnover and assuming there was no deterioration in IT systems, the PACT team could cope with the current turnover of cases. Deploying better IT was critical as it would enable PACT to scale up. The IT costs were estimated to be modest.

32. The Board confirmed its endorsement of the proposed approach to tackling PACT's short-medium term operational challenges. Once these had been overcome, the CAA would also need to consider longer term enforcement solutions and how to make the airlines pay for the CAA's enforcement costs. A paper on possible enforcement options would be useful in this respect.

CPG – Doc 2014 – 011 by Richard Jackson

33. Mr Jackson asked the Board to note that a paper on the proposed consultation on Project Luther would be presented to the Board in April.

Action: Mr Jackson

XIV Any other Business and Forward Planning

34. AVM Stringer reported that he had been asked to develop a policy and strategy for the MoD for RPAS³. He asked if the CAA had considered whether it should also do the same in the civil sector. The Board agreed this would be a good time to start thinking about this and requested Mr Swan to prepare a proposition.

Action: Mr Swan

XV Aviation Security Discussion by Kate Staples

35. Progress Update on the Transfer of Aviation Security Functions to the CAA – Doc 2014 – 013 by Kate Staples and Peter Drissell

The Board noted the report.

36. Incident Management Following the Transfer of Aviation Security Functions to the CAA – Doc 2014 – 014 by Kate Staples and Peter Drissell

³ Remotely piloted aircraft systems.

The Board noted the report.

37. The Management of threat and Risk in Aviation Security, Now and in the Future – Doc 2014 – 016 by Kate Staples, presented by the Department of Transport

37.1 The Board received a presentation and briefing on how the understanding of the threat to aviation security in the UK is communicated to DfT, and how it is then reflected, via risk assessment, in the framing of aviation security policy and the design of the security measures.

37.2 The Board also received a briefing on how aviation security in the UK was delivered and regulated and on the governance arrangements in place for dealing with aviation security incidents. The Board agreed that it needed to think further about those arrangements, at a PIE meeting.

Date and Time of Next Board Meeting: 19th February 2014, starting at 11.30 a.m. in the Earhart Room, CAA House, Kingsway, London.