

3. The Board extended its congratulations to Jane Hanson and Squadron Leader Matt Lee on being awarded a CBE and MBE respectively.

II CONFLICTS OF INTEREST, PREVIOUS MINUTES AND MATTERS ARISING

4. *Conflicts of Interest* - Philip Clarke declared an interest as a CAAPS Trustee in relation to a topic that would be discussed under agenda item 4.
5. It was also noted that AVM Edwards had recently become a co-opted member of the Royal Aeronautical Society.
6. *Minutes* – With regards to the May minutes, the Chair sought feedback from the Board that the section on the Heathrow Price Control accurately reflected the discussion that took place. The Board confirmed that this was the case. Subsequently, the minutes of the May Board meeting were approved.
7. *Matters Arising* - It was advised that a number of outstanding actions were due for discussion at the meeting and could therefore be closed. Target dates had also been added to a small number of other actions.
8. Following the May meeting, the Board acknowledged that a note had been circulated regarding the Heathrow Price Control and the circumstances in which forecasts might be reviewed.
9. The Board agreed that the circumstances in which a review might take place should be more qualitative than quantitative and on that basis it was agreed that a revised note would be circulated in the coming days. If there were any concerns regarding the revised note, then these would be fed back to the team.

ACTION: Paul Smith to liaise with Marykay Fuller and Anne Lambert on the inclusion of qualitative wording in the Board note, and then circulate an updated version to Board members.
10. The Board was advised that the final proposals for the Price Control were expected to be published on 23rd June. A copy of the press release and FAQs would be shared with Board members once markets had closed on the day prior to publication.

III CHAIR'S REPORT (DOC 2022-39) BY SIR STEPHEN HILLIER

11. The Chair noted that disruption at airports was again an issue that the Board would need to discuss, and assure itself that the CAA was taking the necessary steps to support consumers and industry.
12. It was confirmed that an Extraordinary Board meeting would be convened on the 23rd June. This meeting would be used to approve the annual report and accounts. Board members were asked to submit any comments on the draft that had been circulated as soon as possible.
13. The Board noted the report.

IV FINANCE REPORT FOR THE ONE MONTH TO 30 APRIL 2022 (DOC 2022-41) BY CHRIS TINGLE

14. The Board welcomed Alex Hutchinson to the meeting.
15. *Finance Update* - The Board was provided with an update on the CAA's financial position. It was noted that the first month had been positive, in part due to passenger volumes being higher than forecast.
16. Clarity was sought by the Board on the passenger forecasts used by different parts of the CAA. It was confirmed that forecasts were shared and discussed internally. Although the same forecasts were used across large parts of the organisation, the forecasts used for H7 had been updated to reflect information that was not available to finance colleagues when budgets were agreed.

17. *Efficiency* – It was confirmed that following the Board’s request as part of the budgeting process, work was underway to identify additional opportunities for productivity and efficiency improvements in this and subsequent years.
18. *CAAPS* - The Board was provided with a verbal update on the valuation of the pension scheme (CAAPS). A further update would be provided in July.
19. The Board noted the report.

V SARG MONTHLY REPORT (DOC 2022-46) BY ROB BISHTON

20. Dave King joined the meeting, and it was confirmed that there were no conflicts of interest to declare.
21. The Board welcomed Sophie O’Sullivan to the meeting.
22. *Risks* – It was advised that timelines on risks would be included in the next iteration of the SARG report.
23. *Topical Issues* – The Board was advised in May of media reports that had indicated the loss of a China Eastern Airlines flight may have been due to deliberate pilot action. Following this, the CAA had reviewed lessons and actions that had arisen in response to the loss of a Germanwings flight in 2015 in similar circumstances.
24. The Board was also provided with an overview of the action taken since an incident at Derriford Hospital in Plymouth where helicopter downwash had caused a fatality on the ground.
25. Further work had also been undertaken to consider the downwash risk posed by RPAS and BVLOS operations. The Board was advised that at present, the risk was not considered significant. Larger RPAS had to operate from licensed sites, and smaller units did not have the power to present downwash issues.
26. The Board was advised of ongoing work to support innovators to bring new products to market in the RPAS and BVLOS areas. This included development of standardised internal governance processes to grant the necessary approvals.
27. The intent was to ensure that scalable processes would be implemented to cover the most common types of approval request. It was noted that the approval methodologies were broadly similar to those used for traditional areas of aviation. However, it was noted that the processes for traditional aviation had evolved over a longer period of time, whereas RPAS and BVLOS were evolving at a much faster pace. As a result, the CAA needed to have capability to respond and support this.
28. It was confirmed that there would be several levels of internal sign-off for applications, with the ultimate final approval being given by SARG’s group director. Although there would be extensive SARG involvement in the eventual sign-off of applications, it was expected that some applicants may have engaged with either CSP or CAAi in the development stages.
29. It was confirmed that existing protocols used within CAAi would be deployed to ensure that no conflict of interest would arise. It was noted that a paper was scheduled for discussion in October on the Internal Audit review of the CAA’s paid-for advisory services. This would include details of the conflict-of-interest policies that were in place to prevent those involved in providing advice being involved in the approvals process.
30. It was requested that as part of this paper, further information be included on the scope of accountabilities for those involved in granting approvals.
ACTION: Ben Alcott to ensure that details of accountabilities are included in the October paper.
31. *Annexes* – The Board was advised that the annexes included updates on the CAA’s regulatory relationship with NATS and work to improve resilience of the CAA’s medical function,
32. The Board noted the report.

VI SPACE ASSURANCE (DOC 2022-48) BY TIM JOHNSON

33. The Board welcomed Colin Macleod to the meeting.
34. The Board was reminded that its role in regard to space licensing decisions was to provide assurance that the process followed by the CAA was robust, not to make a final decision on individual licences as that was formally delegated through the organisation in common with most other regulatory decisions.
35. The paper presented provided an update on developments since the May Board meeting, as well as setting out the structure of the paper that would be submitted once the CAA was of the view that a licence could be granted.
36. Looking to the July meeting, the Board was invited to feedback its views on the proposed structure of the paper by the end of June. It was requested that the subsequent paper included further information be provided on the major hazards to a successful launch and the mitigations that would be in place.
37. It was also noted that a number of questions had been submitted in advance of the meeting. It was requested that responses to these be circulated among Board members.

ACTION: Tim Johnson and Colin Macleod to prepare and circulate responses to questions raised by Katherine Corich.

38. The Chair reminded the Board that if any further questions arose then these should be fed back to the team as soon as possible. An open invitation was also made for Board members to contact the team if they wished to discuss the work in more detail ahead of the July meeting.
39. The Chair also reminded the Board that it had a duty to do the right thing with regard to safety, including the protection of third parties, and if it could not be assured that the right steps had been followed, then it would not consent to a licence being granted.
40. The Board noted the report.
41. Dave King left the meeting.

VII CAA CONSUMER PANEL ANNUAL REPORT (DOC 2022-44) BY PAUL SMITH

42. Richard Moriarty joined the meeting.
43. The Board welcomed the Rt Hon Jenny Willott and Freya Whiteman to the meeting.
44. The Chair highlighted that furthering the consumer interest was a key ambition in all of the CAA's activities.
45. It was noted that there had been changes to the Panel's membership over the past year, as well as changes to the CAA colleagues supporting its work.
46. It was emphasised that the Panel played a key role in supporting the CAA, and the input of new members would help provide additional insight.
47. The Panel's most recent workplan had come to an end, and consideration was now being given to the activities that it would focus on up to April 2024. This involved engagement with a variety of teams across the CAA. It was recognised that there were areas of the CAA's work that did not necessarily have a consumer angle for the Panel to consider. As a result, the Panel's resources were focused on subjects that could provide the highest impact.
48. The Board was invited to submit proposals for the Panel to consider in the development of its new workplan. The Chair requested that Board and CAA proposals for the workplan be agreed before submission to the Panel.
ACTION: Paul Smith to consolidate a list of topics that the Board and CAA believe should be considered as part of the Panel's workplan.
49. The Panel's annual report highlighted that it had responded to several consultations over the past year. The Panel had also been involved in understanding the consumer interest in economic regulation. It was also noted that

- consumer vulnerability was a key focus area. This had been an issue raised by the panel that was now being embedded within the CAA's work.
50. The Board queried whether the Panel had any views on areas where the CAA should take further action for the consumer benefit. In discussion it was suggested that maintaining consumer confidence in air travel was a significant issue. Confidence was currently quite high, but there was a risk that the current disruption at airports could undermine this. The Panel believed that stronger enforcement powers for the CAA to take action when disruption occurred was critical.
 51. It was also suggested the vulnerability was an area that the CAA should continue to monitor. It was not believed that this was a single strand of work, but rather an issue that should be considered as part of all activities.
 52. The poor levels of service provided to persons of reduced mobility during disruption was highlighted as a significant issue. However, issues of accessibility and vulnerability could also manifest themselves in parts of the CAA's operations and in the industry.
 53. It was noted that the CAA's GA licence application process had some issues with accessibility of the online platform.
 54. In discussion it was also highlighted that accessibility was not necessarily an issue that was being considered within the development of new technologies.
 55. The Board queried whether the Panel was content with the weight that the CAA attached to its input. As noted earlier, steps to embed considerations on consumer vulnerability by the CAA had initially come from work done by the Panel. It was also noted that there had previously been some divergence between the Panel and the CAA on the use of alternative dispute resolution (ADR) services, specifically whether there should be a single service provider or retain the current position of permitting multiple service providers. It was noted that the CAA and Panel's proposals for a mandatory ADR function had been included within a recent DfT consultation.
 56. Referring to the recent airport disruption, the Board queried whether the CAA was positioning itself well, and communicating effectively with consumers.
 57. From the Panel's perspective, it was believed that the CAA had positioned itself correctly, and that it was one of the few organisations that could effectively bring parties together to help address the disruption.
 58. It was recognised that communication from airports and airlines to consumers had not necessarily been as clear as it could have been. However, the CAA would not necessarily be the first point of contact for passengers.
 59. It was believed that consumers were not necessarily concerned about what was causing delays, but wanted clarity on when these might occur and how long they would be. They also wanted to be able to contact their airline to seek additional information.
 60. It was noted that the CAA did have data from airlines on the steps taken to resolve consumer issues. However, given the level of disruption currently affecting the industry, there was concern that some airlines may not initially have the back-office support capacity to support consumers.
 61. The Board noted the report.

VIII CHIEF EXECUTIVE'S REPORT (DOC 2022-40) BY RICHARD MORIARTY

62. Dave King re-joined the meeting
63. *Approvals* – The Board was asked to permit the CEO to approve the Quality Assurance of the Responsible Officer Function Report by signing a Statement of Compliance. This had been prepared by the CAA's Chief Medical Officer (as the Responsible Officer), confirming that doctors working for the CAA were safe to practise.

64. In addition, a standing delegation was sought for the CEO to sign the Statement of Compliance in future without recourse to the Board, unless something required escalation.
65. In discussion, the Board was content to permit the CEO to approve this report. The request to grant a standing delegation was approved, subject to confirmation being provided of the governance process that had been followed in producing the report. It was confirmed that the current and future reports would be compiled by the Chief Medical Officer and then reviewed by the SARG Group Director before onward submission to the CEO.
- DECISION:** The Board approved the request for the CEO to approve the Responsible Officer's Report by signing the Statement of Compliance.
- DECISION:** The Board approved the request for a standing delegation to be granted to the CEO to sign-off future reports. This was subject to the reports not requiring escalation to the Board, and that confirmation be provided after sign-off on the governance process related to the completion of the report.
66. *Register of Interests* – The Board was asked to confirm that the Register of Interests was correct, and that it could be included within the annual report and accounts.
67. It was noted that AVM Edwards' declaration regarding the Royal Aeronautical Society would be included in an updated version.
- DECISION:** The Board confirmed that the register of interests was correct and could be incorporated within the annual report and accounts.
68. *Airport Disruption* – The Board was advised that the current disruption was likely to continue into the summer. Faced with this challenge, it was necessary for the CAA to be clear on its role, and for the Board to assure itself that these roles were being fulfilled correctly.
69. It was emphasised that the CAA needed to undertake its statutory duties on safety, security and consumer protection effectively.
70. In addition to fulfilling its primary tasks, the CEO believed that the organisation should also use its convening power to help bridge gaps between industry and government.
71. In discussion it was suggested that the industry was still lacking the resources and capabilities to fully address the current disruption. It was also queried whether the security and safety regimes were still as effective as they were pre-Covid.
72. From a security perspective, the AvSec Director confirmed that monitoring of airports had been undertaken throughout the disruption and this was currently increasing.
73. In terms of safety, there was a discussion about whether the oversight system was robust enough to take into account the level of disruption. Particular issues had been raised regarding staffing levels, not just of airlines themselves but of supply chains to support the airlines' operations. The CAA had recently written to airlines to remind them of their resourcing obligations.
74. Although the CAA did not believe that disruption itself a safety matter, it could potentially present issues if it was prolonged and capacity was not available to address it.
75. The SARG Director explained that the CAA's oversight regime had been amended and updated throughout the Covid period and during the more recent disruption. Although the reduction in industry resources had increased the gross level of risk, the recalibrated monitoring approach had not identified situations where specific safety indicators had deteriorated. This suggested that the re-vised barriers were currently performing effectively and that the net level of risk was stable and in line

with data from 2019. However, given the ongoing challenges for the sector, this was something that the CAA was keeping under constant review.

76. It was noted that management of the disruption could improve if airline schedules were reduced to match the resources that both they and airports currently had.
77. The Board noted the report.
78. Dave King left the meeting.

IX PUBLIC BODY REVIEW OF THE CAA (DOC 2022-49) BY TIM JOHNSON

79. The Board welcomed Briar Mulholland and Nic Stevenson to the meeting.
80. The Board was advised that the accompanying paper outlined the information on the review that the CAA currently had available. Feedback was welcomed on other aspects of the CAA's work that should be drawn to the review team's attention.
81. The full terms of reference for the review had not been finalised, but there was a possibility that these might be ready to share by the July Board meeting.
82. It was noted that DfT had published an aviation strategy document (*Flightpath to the Future*) recently which made numerous references to the role of the CAA in delivering the Government's aviation strategy.
83. The Board noted the report.

X REPORT FROM THE PEOPLE COMMITTEE & COLLEAGUE ENGAGEMENT SURVEY RESULTS (DOC 2022-47) BY MANNY LEWIS

84. The Board welcomed Alison Naylor and Russell Veale to the meeting/
85. *Report from the People Committee* - The Board was provided with an overview of matters recently discussed by the People Committee, including the development of a skills matrix for NEDs, ExCo appraisals and the sign-off of objectives for Directors.
86. *Colleague Engagement Survey Results* - The Committee had also spent time reviewing the results from the Colleague Engagement Survey.
87. The Committee noted that it was commendable that the survey was done, and that it was undertaken by an external provider. Although the results were broadly positive, there were areas, including within specific groups that would need to be addressed.
88. It was noted that the survey scores were benchmarked against those of other organisations that used the same survey provider. The data was benchmarked on a three-year rolling period.
89. In discussion it was noted that scores related to the organisation's culture and strategy were good. However, scores related to change, processes and wellbeing were low.
90. It was highlighted that steps were being taken to try and better understand local issues within groups so that these could form part of a broader action plan. Specific sessions had also been arranged to discuss concerns regarding D&I from LGBTQ+ colleagues. The Employee Forum would also be engaged in supporting this work.
91. It was confirmed that once discussions had taken place to better understand areas of concern, a range of communications activity would take place to acknowledge the feedback provided. This would also help to inform whether action plans would need to be owned by ExCo or by the Senior Leadership Team. Steps would also be taken to issue more pulse surveys so that progress in addressing concerns could be measured.
92. The Board queried what factors might be affecting results in the lowest scoring groups. It was noted that the lowest-scoring groups had all experienced significant workload increases throughout the pandemic.
93. There had also been concerns raised regarding pay, and it was possible that this might have an impact on responses to other survey questions.

94. Recognising that concerns that had been raised in the survey, it was highlighted that leaders, both ExCo and SLT, consider how they could best support their staff.
95. The Chair reiterated the importance of continuing to undertake engagement surveys and to act upon their findings. Although the primary responsibility to address issues raised, rested with ExCo and the SLT, it was requested that both the Board and People Committee be kept informed on progress.
96. The Board noted the report.

XI FORWARD AGENDA AND DRAFT AGENDA FOR JULY BOARD

97. The Board was reminded that the July meeting would take place at the Farnborough Air Show. An itinerary for meetings and engagement with stakeholders outside of the Board meeting was being prepared and would be circulated.
98. Noting the forward agenda, the Board was invited to consider whether there were any topics that should be discussed at future meetings. Suggestions on agenda items could be submitted to Tim Johnson.
99. The Board was reminded that the frequency of meetings would reduce after the summer break. It was therefore emphasised that colleagues consider when Board input was required to take work forward.

XI AOB

114. The advert for a new CAA NED with GA experience had been published.

Date and Time of Next Meetings:

Extraordinary Board Meeting: Thursday 23 June 2022, 15:00 hours, Teams

July Board: Wednesday 20 July, 10:00 hours, Farnborough Air Show