



UK CIVIL AVIATION AUTHORITY
MINUTES OF THE 574TH BOARD MEETING HELD ON WEDNESDAY 21ST JUNE 2023, 11:00,
WESTFERRY HOUSE

Present:

Sir Stephen Hillier	Chair
Rob Bishton	Interim CEO/GDSARG
Katherine Corich	Non-Exec Director
Marykay Fuller	Senior Independent Director
Jane Hanson	Non-Exec Director
Anne Lambert	Non-Exec Director
Manny Lewis	Non-Exec Director
Paul Smith	Interim CEO/GDCMG
Jonathan Spence	General Counsel & Secretary

Apologies:

AVM Edwards

In Attendance:

Ben Alcott	Professional Services Director
Peter Drissell	Aviation Security Director
Tim Johnson	Communications, Strategy & Policy Director
Dave King	Independent Safety Adviser
Tracey Martin	Chief Financial Officer
Tendai Mutambirwa	Head of Safety Operations
Alison Naylor	People Director

Emma Brown	Business Manager
Graeme Paterson	Secretariat

Freya Whiteman	Items 6 & 7	Barbara Perata-Smith	Items 6 & 7
Jenny Willott	Items 6 & 7	Nic Stevenson	Item 7
Bronwyn Fraser	Items 6 & 7	Julie Bryer	Item 8
Abigail Grenfell	Item 7	Louise Stone	Item 8
Ruth Mallors-Ray	Item 7	Sean Parker	Item 9

I. APOLOGIES & CONFLICT OF INTEREST DECLARATIONS

1. Apologies had been received from AVM Edwards.
2. The Chair welcomed Tracey Martin and Tendai Mutambirwa to the Board.
3. No declarations of interest were made.

II. PREVIOUS MINUTES AND MATTERS ARISING

4. *Minutes* - The minutes of the May Board meeting were approved.
5. *Actions* – The Board was advised of the intention to close several actions following the meeting. This was on the basis that reporting against actions was either now done via the CEO Report, or were being taken forward as part of larger pieces of work.
6. In respect of actions 224 and 225, the Board requested that these be amalgamated into a single action, but remain open. The Board noted that a decision on a future estates strategy would need to be made before the start of the 2024/25 financial year.
7. An update was provided on action 221. It was noted that the safety management system, and different tiers of safety review meetings worked well. Some improvements could be implemented which would help ensure issues were considered at a system-level, rather than by siloed meetings. It was agreed that the original action had been addressed, and could be closed. However, it was recommended that Independent Safety Adviser and NED engagement continue, with attendance at meetings taking place on an opportunity basis.

III. CHAIR'S REPORT (2023-38) BY SIR STEPHEN HILLIER

8. The Board was reminded that publication of the ALB Review was anticipated to take place in the coming weeks. In advance of this, preparations would need to be made for engaging with colleagues and the wider sector on the review's findings.
9. An update was provided on the recruitment process for a new CEO, and for the reappointments of NEDs.
10. The Board noted the paper.

IV. CEO REPORT (2023-39) BY ROB BISHTON & PAUL SMITH

11. *Responsible Officer Function* – The Board noted the Statement of Compliance of the Responsible Officer Function. This would be signed by the Interim Joint-CEOs.
12. *H7 Appeal* – The Board was updated on the progress of the appeal against the Heathrow Price Control decision. On current timelines, it was anticipated that a draft decision would be published by the Competition & Markets Authority towards the end of the summer, with the final decision in the autumn.
13. *Wizz Air* – The Board was advised that legal undertakings against Wizz Air would be made public once agreed. The current legal framework meant that the CAA needed to consult the airline on the undertakings that were being put forward. It was noted that this had been a worthwhile activity, and the airline's internal processes will have improved as a result, and further consumer detriment should be reduced.
14. *Pay* – The Board was updated on the further engagement that had taken place with the trade unions in respect of the pay award.
15. *Additional Information in the CEO Report* – The Board suggested that it would be useful to include finance key performance indicators within the paper. It was also recommended that the Joint-Interim CEOs provide an overall commentary or assessment as to how the CAA was performing.
16. The Board noted the paper.

V. SARG REPORT (2023-40) BY ROB BISHTON

17. The Board was advised that a key focus for SARG was currently capacity building, with a focus on airworthiness and design and certification specialisms.
18. The Board noted the steps that had been taken to address the backlog of mandatory occurrence reports (MORs). It was anticipated that the plans put in place would help ensure greater resilience of the system in future.
19. *General Aviation (Sports & Recreation)* – The Board was advised that the Air Accident Investigation Branch (AAIB) had published its annual safety review at the end of April. This had highlighted that there had been nine fatal accidents in the UK, all but one of which had involved General Aviation.
20. The CAA's risk appetite for this sector, which focussed on second- and third-party risk, was long established. This approach had been broadly supported by a 2020 DfT review which concluded that safety performance at the time was "acceptable", with those participating doing so on the basis of informed consent.
21. It was highlighted that in recent years, there had been some targeted measures to improve safety and better inform and educate those operating with the sector, accompanied by improved levels of engagement with the general aviation community. There was always more to be done.
22. The introduction of a mandate for cockpit/cabin carbon monoxide (CO) detectors was cited as an example of proportionate regulatory activity, and one which also involved education of the
23. The Board noted the paper.

VI. CONSUMER PANEL ANNUAL REPORT (2023-41) BY PAUL SMITH

24. The Board welcomed Freya Whiteman and Jenny Willott (Consumer Panel Chair) to the meeting.

25. The Board was advised that there had been changes in the Panel's membership over the past year. However, members continued to offer wide-ranging consumer expertise and insight from their experiences across different sectors.
26. The Panel had responded to several consultations over the past year, including the ALB Review call for evidence and ATOL reform request for information. In addition to this it had worked with a range of CAA colleagues across different departments to factor in the consumer interest at an early stage of policy development. A particular area of focus and progress had been on ensuring that innovators considered accessibility and consumer interests at an early stage in the development of new technologies, which has had some success.
27. The Panel's report had also drawn attention to the poor experiences of passengers with reduced mobility at airports in the summer of 2022, and concerns around digital accessibility.
28. The Panel welcomed the development of a CAA Consumer Strategy, which the Panel itself had fed into. For the strategy to be successful, the Panel requested that adequate resource be allocated to it, and that it be made clear to colleagues that it was a CAA-wide strategy to be embedded across the organisation.
29. The Board queried how the Panel obtained insight from consumers on their actual travelling experiences which does not always necessarily correspond with how stakeholders promote their service offering. It was advised that as part of a website accessibility audit, consumers with a range of different needs were invited to share their experiences with the Panel, CAA and airlines which provided useful anecdotal evidence on consumers' actual travelling experiences.
30. The Panel was supportive of the introduction of an airline accessibility framework, akin to the one for airports. It was hoped that publication of performance data could help improve experiences for consumers who needed additional support when travelling.
31. The Board queried whether there were areas in the Panel's view in which the CAA could be doing more to support consumers. In response, the Panel Chair noted the CAA's consumer enforcement powers were not particularly strong and that the Panel was working with the CAA to make fuller use of these limited powers while still supporting the case for the CAA being given more effective powers. The Panel Chair also suggested that more work could be done with alternative dispute resolution (ADR) providers, and with airlines to improve complaint-handling processes as a preventative measure to avoid consumer detriment, but recognised this would require additional resources.
32. The Board thanked the Panel for its work over the past year. The Chair emphasised the importance of the challenge provided to the CAA by the Panel, and reiterated the importance of the CAA engaging with the Panel at appropriate points when taking work forward.
33. The Board noted the paper.

VII. ENVIRONMENTAL SUSTAINABILITY STRATEGY PROGRESS REPORT & ENVIRONMENTAL SUSTAINABILITY PANEL BI-ANNUAL UPDATE (2023-42 & 2023-43) BY TIM JOHNSON

34. The Board welcomed Bronwyn Fraser, Abigail Grenfell, Ruth Mallors-Ray (Sustainability Panel Chair), Barbara Perata-Smith and Nic Stevenson to the meeting.
35. The Sustainability Panel Chair highlighted the progress that the Panel had made since it was created. A two-year work plan was currently being drafted, with further material on sustainability issues being prepared to help upskill the CAA.
36. The Panel had identified several areas where the CAA may wish to focus its attention. However, the Panel recognised that focusing on a couple of specific issues, and addressing these well would help yield better outcomes than trying to do them all. The Panel Chair reiterated that it was not for the Panel to set the CAA's sustainability priorities. It was confirmed that further discussion on these issues would take place at the PIE meeting in July.
37. The Board queried whether there were areas that the CAA should take a stronger leading role with regards to sustainability. The Panel suggested that the CAA could make more public statements on the wider effect of aviation on the environment, noting that emissions were not the only impact. The CAA could also consider how regulatory changes and certifications could help encourage the development of greener technologies. The Panel was supportive of the CAA making greater use of its convening powers to bring together different parts of the

aviation sector, with a view to improving environmental performance. It was also recommended that a dedicated ExCo sponsor for sustainability issues be identified.

38. In discussion, the Board acknowledged the importance of the CAA's sustainability role, but noted that there could be some challenges in making public statements due to the organisation's status. This was noted by the Panel, however, in making statements, the CAA could focus on the factual impact of aviation on the environment. When considering sustainability priorities, the Board was supportive of the CAA focusing on aspects that would deliver the biggest impact. The Board also recognised the value of using its convening power to bring parties together, particularly for issues that the CAA could not necessarily lead on. The Board was supportive of ensuring that sustainability issues were considered as part of the CAA's decision-making processes. However, further work would need to be undertaken to determine how this might be put into effect.
39. As with the Consumer Panel, the Board welcomed the challenge provided by the Sustainability Panel, and looked forward to working with it more over the coming months.
40. The Board noted the papers.

VIII. FINANCE UPDATE AND CAA ANNUAL REPORT & ACCOUNTS (2023-44 & 2023-45) BY TRACEY MARTIN

41. The Board welcomed Julie Bryer and Louise Stone to the meeting.
42. An update was provided on the CAA's financial position to the end of April 2023. The Board noted the CAA's ambition to move toward a three-year budget planning cycle.
43. The update was noted, with the Chair reiterating the importance of Board oversight of the financial position given the commitment to making efficiencies, and the reinvestment of savings in the customer experience and modernisation programme in the next financial year.
44. *Annual Report & Accounts* – Following the Audit Committee meeting on 12th June, the Board was advised that the annual report and accounts had been thoroughly reviewed, as had the letters of representation. It was noted that some final editorial amends were still to be made, but these would not impact upon the overall narrative, figures or judgements.
45. Based upon the Audit Committee's review, the annual report and accounts, and letters of representation were recommended to the Board for approval. Noting the outstanding amendments, delegation was sought from the Board to the Joint-Interim CEO, Chief Financial Officer and Audit Committee Chair to finalise the report ahead of laying and publication.
DECISION: The Board endorsed the CAA's Annual Report & Accounts for 2022/23, and the letters of representation.
DECISION: Authority for finalising the document was delegated to Paul Smith, Tracey Martin and Jane Hanson.
46. The Board expressed its thanks to colleagues who had been involved in the preparation of this year's accounts.
47. The Board noted the paper.

IX. ANNUAL EXTERNAL WHISTLEBLOWING REPORT (2023-46) BY JONATHAN SPENCE

48. The Board welcomed Sean Parker to the meeting.
49. The Board noted that the number of whistleblowing reports received by the CAA was gradually returning to pre-pandemic levels.
50. The Board was advised that the CAA's processes for handling reports now included recommendations which had arisen from a Parliamentary & Health Service Ombudsman (PHSO) report. This now meant that the CAA would increase the level of engagement with the whistle-blower at the start and end of the process. However, it was emphasised that there could be limits on the information that could be shared with the whistle-blower.
51. It was also noted that there had been increases in self-reporting by entities when issues had arisen.
52. In discussion, the Board requested more detailed breakdowns of areas within entities where reports had arisen. Further information on the number of employees that entities had was also sought.

- 53. The Board suggested that any whistleblowing reports from air training organisations (ATOs) be subject to further review.
- 54. The Board noted the update.

X. PEOPLE COMMITTEE SUMMARY REPORT (2023-47) BY MANNY LEWIS

- 55. The Board was advised that the Committee had considered ExCo objectives for 2023/24, and the payment of bonuses at its May meeting. A review of the process for considering bonuses would be undertaken and presented for discussion at the Committee's next meeting.
- 56. Noting ambitions to increase the CAA's headcount, the Committee had emphasised the importance of using this as an opportunity to help support the organisation's D&I aspirations.
- 57. The Board noted the update.

XI. DRAFT JULY BOARD & FORWARD AGENDA

- 58. The Board was advised that as part of its ongoing stakeholder engagement, it was intended that the October meeting would take place in Belfast.
- 59. The Board noted the draft July, and forward agenda.

XII. ANY OTHER BUSINESS

- 60. *Project Portfolio* – It was confirmed that further discussions would take place on the presentation of material related to change projects for the Board.