

PUBLICATION VERSION



UK CIVIL AVIATION AUTHORITY
MINUTES OF THE 578TH MEETING HELD ON TUESDAY 12TH DECEMBER 2023, 11:00,
WESTFERRY HOUSE & TEAMS

Present:

Sir Stephen Hillier	Chair
Rob Bishton	CEO
Katherine Corich	Non-Exec Director
AVM Simon Edwards	Non-Exec Director (Items 1 – 8)
Marykay Fuller	Senior Independent Director
Anne Lambert	Non-Exec Director
Manny Lewis	Non-Exec Director
Tracey Martin	Chief Financial Officer
Paul Smith	Group Director, Consumers & Markets
Jonathan Spence	General Counsel & Secretary

Apologies:

Jane Hanson

In Attendance:

Dave King	Independent Safety Adviser		
Tim Johnson	Communications, Strategy & Policy Director		
Tendai Mutambirwa	Interim Group Director, Safety & Airspace Regulation		
Emma Brown	Business Manager		
Graeme Paterson	Corporate Governance & Secretariat Lead		
Jeff Halliwell	Item 4	Alison Naylor	Item 8
Rob Toal	Item 4	Ella Payne	Item 8
Mike MacDonald	Item 6	Chris Page	Item 8
Julie Bryer	Item 7	Nic Stevenson	Item 8
Alex Hutchinson	Item 7		

I. APOLOGIES & CONFLICT OF INTEREST DECLARATIONS

1. Apologies had been received from Jane Hanson.
2. No conflict of interest declarations were made.

II. BOARD APPROVED MINUTES AND MATTERS ARISING

3. *Minutes* – The minutes of the October Board and November Extraordinary Board meetings were noted having been approved out of committee.
4. *Actions* – The Board agreed that action 242 could be closed.

III. CHAIR'S REPORT (2023-74) BY SIR STEPHEN HILLIER

5. The Board was advised that a meeting date had been set for the Chair and Chief Executive to meet with the new Aviation Minister. It was also noted that the Chair had written to the Minister regarding future priorities. A copy of the letter would be made available to NEDs.
6. Following on from the October meeting, the Board was reminded of the action that would be taken forward in respect of the risk appetite work.
7. It was noted that some further progress had been made on the recruitment process for two new non-executive directors. Progress had also been made with regards to extending the terms of a number of other non-executives.

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IV. NATS INDEPENDENT REVIEW PANEL UPDATE

8. The Board welcomed Jeff Halliwell, chair of the NATS Independent Review Panel to the meeting. The Board was provided with an overview of the backgrounds and experience of the panel's members, and the work undertaken to date.

V. CEO REPORT (2023-75) BY ROB BISHTON

9. *Approvals – ALB Review Recommendation – CAA Website Improvements* - The Board confirmed it was content with proposals to enhance the CAA website, in accordance with a recommendation from the ALB Review. It was confirmed that details of the strategy for improving the site would be shared with DfT in order to demonstrate the recommendation had been addressed.

DECISION: The Board approved the CAA's approach to improving the website, in line with the ALB Review recommendation.

10. *ASSI Business Plan* – The Board endorsed the ASSI Strategy 2025 & Business Plan 2024/25-2026/27 document.

DECISION: The Board endorsed the ASSI Strategy & Business Plan.

11. *CAAI Articles of Association* – The Board approved a request for the General Counsel & Secretary to sign and seal the updated Articles of Association.

DECISION: At a meeting of the Civil Aviation Authority held on 12th December 2023, it was resolved that the Civil Aviation Authority, in its capacity as the sole shareholder in CAA International Ltd, approve and adopt the draft articles of association in the form attached to this written resolution as the Articles of Association of the Company in substitution for and to the exclusion of all existing articles of association.

12. *Assurance & Information – Customer Experience & Modernisation (CX&M)* – Further to a discussion at the October meeting, the Board was advised of the intention to present a paper on the CX&M programme in January. The enhanced programme would build on the significant progress the CAA had already made in improving service over recent years, including a number of major projects that were currently in delivery. This enhanced phase would start in April 2024 with the level and phasing of cash spend determined through the annual budgeting process.

13. *Heathrow Airport* – The Board was provided with an update on potential shareholder changes at Heathrow Airport.

14. *Space Licensing* – It was confirmed that the CAA's processes in respect of assessing the Saxavord Spaceport licence application had been concluded. At present, consent from the Secretary of State for Transport to grant the licence was being sought.

15. *Sustainable Aviation Fuel (SAF)* – The Board acknowledged the work that had gone into granting approvals for the first transatlantic flight powered by SAF. Lessons identified from the approvals process and flight itself would be reviewed by the Safety Leadership Group. The Board was keen to understand the timeline that would see subsequent SAF-powered flights operate.

16. *Air Traffic Control Officers (ATCO)* – It was noted that there was currently an international shortage of trained ATCOs. It was queried whether this shortage could present safety challenges in the UK. The Board was advised that post-pandemic, there had been a lot of work undertaken by air traffic control training organisations (including NATS) to get candidates into the training system, particularly to serve the NATS En-route service. This approach was intended to improve resilience levels.

17. For air traffic control towers at airports, although the CAA was responsible for the approval of training courses and the licensing of individual ATCOs, it had no formal role in the review or approval of resilience plans. The CAA had, and

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would continue to use, its convening power to engage with airports and air navigation service on this issue.

18. *Performance Dashboard* – The Board requested some further clarity on how red, amber and green ratings were applied to projects.

ACTION: Rob Bishton to provide supplementary text in future CEO Reports. [**Post-meeting note:** This item would be addressed as part of an update on the ExCo review in the January CEO Report.]

VI. SARG REPORT (2023-76) BY TENDAI MUTAMBIWA

19. The Board was advised that organisational design changes in Future Safety & Innovation had taken place. A further update would be provided at a future Board meeting.
20. *General Aviation* – The Board was provided with an update on the CAA's General Aviation Change Programme. This had represented some of the most significant changes in the sector for decades.
21. The Board was advised that the sector wanted a proportionate licensing and regulatory regime. This had and would continue to be achieved by simplifications to the licensing process, and delegation of certain functions to representative bodies within the sector.
22. The Board acknowledged the extensive engagement that had been undertaken by the CAA to improve relationships with organisations in the GA community.
23. Noting the CAA's ambitions with the CX&M programme, the Board emphasised the importance of ensuring that organisations with delegated responsibilities also modernised their processes.

VII. FINANCIAL PLANNING FOR FY24/25 (2023-77) BY TRACEY MARTIN

24. The Board was advised of the approach that would be taken to planning the budget for the new financial year, recognising the pressures that the organisation faced. The ultimate ambition would be to develop an integrated planning and forecasting system, which would be in place for 2025/26.
25. In terms of 2024/25, finance and corporate planning teams would be engaging with and challenging assumptions put forward by budget holders. As part of the challenge process, budgets would be reviewed against organisational priorities. Where efficiencies were achieved, these would be added to the CAA's reserves and used to support investment in activities such as the CX&M programme.
26. It was also noted that a Resource Board had been established to review vacancies to ensure resources were aligned to priorities.
27. In discussion, the Board noted the proposed approach to budget setting, and welcomed the introduction of a challenge process for budgets and vacancies. However, it was emphasised that the introduction of a more centralised budget and vacancy challenge processes would need to be able to demonstrate value and efficiency.
28. The Board advised that when approval for the budget was sought, there would need to be a thread between the budget itself and the CAA's various corporate strategies.
29. It was also recommended that action be taken to map the relevant functions of the existing ExCo PPB meetings and the new Resource Board to ensure that duplication did not take place.

VIII. CAA STRATEGY & PEOPLE STRATEGY REFRESHES (2023-80) BY TIM JOHNSON & ALISON NAYLOR

30. *CAA Strategy* – The Board was reminded that a light-touch update of the strategy had been proposed earlier in 2023. However, with the appointment of a new CEO, steps had been taken to undertake a more substantive refresh.

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The draft strategy had incorporated feedback from previous Board meetings in order to make it shorter and easier for colleagues to engage with. It also reflected feedback from colleagues across the organisation.

31. The Board confirmed that it was content with the approach taken to devise the strategy and incorporate feedback from the Board and colleagues.
32. In discussion, the Board requested that further work be undertaken to refine the 'mission' within the strategy. It was recognised that there would need to be a balance between having a short and succinct mission, and one that encompassed a broad range of the CAA's activities.
33. The Board was broadly supportive of the proposed strategic focus areas. However, recognising that it was core function of the CAA, the Board requested that consideration be given as to how 'safety' could be explicitly referenced within the title of, or strategic aims within, the first strategic focus area. The Board queried whether the term 'annual strategic objective' (ASO) was helpful. It had been intended that ASOs would replace the current Board Priorities and help measure progress against delivery of the strategy. [**Post-meeting note:** It was agreed that the term 'Annual Strategic Objective' would be used in place of 'Board Priorities'.]
34. The Board acknowledged the work that had gone into developing the strategy, but requested that a further discussion in January take place to review the 'mission' statement and refine the descriptions of the strategic focus areas and ASOs.
35. *People Strategy* – The Board was invited to approve the Interim People Strategy. The purpose of an interim strategy was to reflect the leadership changes that had taken place, and would take place of the coming months.
36. The workplan for the new financial year was included within the strategy document and work would commence to develop a dashboard so that progress could be measured.
37. A significant area of focus would be on learning and development, particularly of those in leadership positions. This would be a subject discussed at future People Committee meetings.
38. In discussion, the Board was supportive of the strategy and the engagement that had been undertaken in order to get feedback from a range of colleagues and stakeholders.

DECISION: The Board approved the Interim People Strategy.

IX. SUMMARY REPORT OF THE PEOPLE COMMITTEE MEETING HELD ON 15TH NOVEMBER 2023 (2023-81) BY MANNY LEWIS

39. The Board noted the summary report.

X. DRAFT JANUARY BOARD AND FORWARD AGENDA

40. The Board noted the draft agenda.
41. Board members were invited to consider the forward agenda, and advise on whether there were any other topics that should be added to it.

XI. ANY OTHER BUSINESS

42. The Chair thanked the Board and colleagues for their contribution to the CAA over the course of 2023.