



**CIVIL AVIATION AUTHORITY
MINUTES OF THE 518th BOARD MEETING HELD ON
WEDNESDAY 18 APRIL 2018, AVIATION HOUSE**

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should be kept secure.**

Present:

Dame Deirdre Hutton Chair
Mr Andrew Haines
Dr Ashley Steel
Mr Peter Drissell
Mr David Gray
Mr David King
Mr Michael Medlicott
Mr Richard Moriarty
Ms Kate Staples Secretary & General Counsel
Mr Mark Swan
Mr Chris Tingle
Mr Graham Ward

Apologies:

AVM Mike Wigston

In Attendance:

Mr Tim Johnson
Mr Richard Stephenson
Mr Mark Barker (for item III)
Mr Rob Bishton (for item III)
Mr Andrew Jackson (Flint Global) (for item X)
Mr Alex Canfor-Dumas (Flint Global) (for item X)
Ms Angela Lynch Minute taker
Mr Rob Olney (for item III)
Mr Troy Preston (for item XI)
Mr Ed Weston

I. APOLOGIES

1. Apologies were received from AVM Mike Wigston.

II. CONFLICTS OF INTEREST, PREVIOUS MINUTES, AND MATTERS ARISING

2. No new or changed conflicts of interest were declared.
3. The minutes of the last meeting were approved with no matters arising.

III. CHAIR'S UPDATE

4. The Chair gave an update on recent meetings and events.
5. The Board noted the update from the latest meeting of the Safety Regulators' Group. The Chair remarked that the forum was proving useful on areas of significant cross-regulatory interest, such as cyber and safety assurance. There was support for a 'think piece' on safety regulation, which might also tie in with the final report from Dame Judith Hackitt (Independent Review of Building Regulations and Fire Safety) expected to be released at the end of May. It was agreed that this idea would be developed further through discussion at the next CEO-level Safety Regulators' meeting. The Chair agreed to circulate her note for a recent speech on safety to the Non-Executive Directors.

Action: Chair's office

Trent 1000 Engine Update

6. The Board welcomed Mr Bishton, Mr Barker and Mr Olney to the meeting to brief members on the Trent 1000 Engine and related CAA activity.
7. The Board approved the team's approach and noted the detailed information, which followed an initial brief to the Board in November on the same issues.
8. Mr Swan confirmed he would circulate an update to the Board once the next steps had been completed. The team acknowledged the Board's questions on the subject and confirmed that it would be kept informed, including through an update at the next Board meeting.

Action: Mr Swan

IV. CHIEF EXECUTIVE REPORT (DOC 2018-018) BY ANDREW HAINES

9. Mr Haines updated the Board on key meetings and live issues.
10. The Board gave their support for the pension trustees' proposal to enable expedited de-risking actions to take place in accordance with the existing

framework. Mr Gray requested an update from the trustees next month on how much progress had been made.

Action: Mr Tingle

11. Ms Staples gave a brief update on the Shoreham case ahead of tomorrow's first hearing in the prosecution.
12. Mr Swan gave an update on the DfT's independent review of air displays regulation. Mr Swan confirmed that he would circulate the review's final terms of reference to the Board.

Action: Mr Swan

13. Mr Haines confirmed that State of Design certification requirements were being considered as part of the CAA's broader Brexit contingency planning work. The Board noted the recent European Commission statement on certificates and approvals being invalid in the unlikely event that no deal is achieved.
14. The Board noted the update following the fourth round of UK-US air service agreement talks, including the key issues raised relating to ownership and control rights.
15. Mr Swan noted the media coverage of the temporary Gatwick runway closure. Having reviewed the situation, he was satisfied with the mitigations taken and the decisions made on the day. The team is working to consider this topic more broadly in the context of systemic resilience and current market place pressures.
16. Mr Drissell agreed to brief Dr Steel outside of the meeting with regards to a recent pre-planned border force operation.

Action: Mr Drissell

17. The Board noted the report.

V. ADS-B ELECTRONIC CONSPICUITY DELIVERY (DOC 2018-027) BY MARK SWAN

18. The Board noted the report on the topic of electronic conspicuity, which updated members on developments and the CAA's related work programme. Mr Swan noted that significant progress had been made by industry in developing the technology and the CAA had been developing its thinking on the subject, including on the issuance of technical specifications, covered in its publication CAP1391.
19. Mr Swan introduced the four main components of the CAA's work as being: integration of drones into society (especially safety options for commercial operations); prevention of mid-air collisions; airspace reducing infringements; and supporting solutions for the GA community to issues on controlled and uncontrolled air space.

20. The Board noted that further discussion on this topic would be led by Mr Johnson at the June awayday. Members would be asked to consider where the CAA should position itself in terms of innovation generally, and specifically relating to this work.
21. The Board agreed that, in principle, electronic conspicuity should be developed as quickly as possible, subject to successful safety testing.
22. The Board discussed possible timelines and Mr Swan confirmed that once the current set of tests had been completed, a roadmap would be set out containing this information and signalling the CAA's future direction. The Board agreed to this approach.
23. Members also asked that the CAA's approach focus on identifying standards but without stipulating the use of a specific product in order to maintain competitiveness and encourage independent market evolution.
24. In response to a question, Mr Swan confirmed that initial discussions with the GA community on the use of ADS-B, had received positive responses, with strong recognition of the benefits it offered.
25. The Chair suggested that the team ensure that the CAA's position on electronic conspicuity be communicated as part of its broader input into the Aviation Strategy discussions.
26. The Board noted the report.

VI. CAPACITY EXPANSION AT HEATHROW AIRPORT: KEY PROPOSITIONS FOR OUR APRIL 2018 FINAL SECTION 16 REPORT AND POLICY UPDATE ON ECONOMIC REGULATION (DOC 2018-028) BY RICHARD MORIARTY

27. The Board welcomed Mr Walker to the meeting to give an overview of the paper. This included details on CAA testing of affordability and positioning for the Section 16 report, to be published at the end of the month.
28. Mr Moriarty highlighted that the CAA had requested more openness towards alternative delivery providers and more transparency on Heathrow's stakeholder engagement as part of the process. The Board noted potential project delays that could result from any legal action taken by stakeholders such as through the JR mechanism.
29. Mr Walker agreed to add content to the April consultation document to acknowledge the link between airspace and capacity.
30. The Board agreed the report and the framework approach for the CAA's engagement process.
31. Mr Walker briefed the Board on the CAA's price control approach and its underlying revenue building blocks. Mr Moriarty noted that the April consultation document

would set out the full method and it would be reviewed on an ongoing basis throughout 2018 and into 2019. The Board would receive further updates in due course.

32. Mr Haines outlined the expected timeline for DCO decisions and confirmed that, given the high number of risks involved, this would need to be monitored closely on an ongoing basis. The Chair requested a risk map to highlight the external points that could give rise to this. Ms Staples confirmed that this was being looked at for the DCO process and that a programme would be prepared.

Action: Mr Walker/ Ms Staples

33. The Board discussed hold-out risk and potential processes for engagement between Heathrow and the airlines. Mr Gray agreed to collaborate with Mr Moriarty and Mr Walker on this issue.

Action: Mr Moriarty, Mr Walker and Mr Gray

34. The Chair confirmed that surface access was one of the issues that would be discussed with the DfT, recognising that there were a number of discussions underway and that the CAA reviewed its policy in this area in June 2017.
35. The Board noted the report.

VII. 2018/19 BUDGET PROPOSALS (DOC 2018-29) BY CHRIS TINGLE

36. Mr Tingle gave an overview of the proposed budget, confirming that it met resourcing needs to carry out agreed new work across all departments.
37. The Board noted that lower cash figures were predicted compared with previous years due to specific project requirements, external factors and headcount changes.
38. Mr Medlicott asked that a detailed phasing forecast be provided to the Board before final agreement and Mr Ward asked for more information on the decisions on what was included in the main budget and what additional potential income chances could arise.

Action: Mr Tingle

39. Mr Tingle confirmed the income estimates remained prudent, with staffing costs identified as the main risk. As a result, headcount would be monitored with adjustments able to be made as necessary. Mr Gray asked for a breakdown of additional headcount figures between 2017-19 against the resources movement bridge diagram.

Action: Mr Tingle

40. Dr Steel asked that the next International Group Annual Report includes a narrative of CAA International's revenue aims.

Action: Ben Alcott

41. The Chair instructed that decision making on accommodation project costs be focussed on the options that enabled the move to be carried out in the most efficient way.
42. The Board agreed the budget, subject to satisfactory receipt of additional information requested (as detailed above).

VIII. ANNUAL SHARED SERVICE CENTRE REPORT (DOC 2018-031) BY CHRIS TINGLE

43. The Board welcomed Head of Shared Service Centre (SSC), Mr Hallett, to the meeting to present his departmental annual report.
44. Mr Tingle introduced the report noting his satisfaction with progress made in the department over the past 12 months, which included seeing the SSC develop as a launch pad for delivering high quality personnel into other CAA departments. Mr Hallett added that the department had also become more flexible in its capabilities, demonstrated for example by the team's work during the Monarch repatriation programme.
45. It was noted that some challenges remain for SSC including the need identified to introduce more resilient levels of resourcing, improved systems and more mature processes. This was discussed, in particular, in the context of a recent deterioration in flight crew licensing turnaround times. Mr Hallett briefed the Board on the current practices and recent staffing decisions made to address low retention levels. The Board noted steps being taken to address remaining issues and which were felt to be working.
46. The Board discussed the department's approach to processing applications. To date this has been an overly intensive process, but this is being addressed through a combination of efficiency based and training interventions to improve capabilities, forecasting and culture. The Chair suggested that it would be useful to see information on quality assurance and rates of application checking statistics, to provide assurance around quality and safety.
47. The Board noted that the industry focussed Stakeholder Manager role would also support this work by enabling closer engagement with stakeholders on what their expected needs are for the year.
48. In response to a question from the Board, Mr Tingle confirmed that the current focus was on website engineering improvements with a view to addressing other

aspects subsequently, including the maturity of information and quality of guidance provided.

49. Mr Hallett confirmed that he was looking to bring further improvement through increased sight of all SSC service demands to plan better for future needs. He also noted his ambition to solve remaining Certificates of Airworthiness and Flight Crew Licensing issues over the next 12 months.
50. The Board noted that, although there had been progress with digitalisation, more was desirable and Mr Tingle confirmed that significant projects to achieve this could be expected for the next five years.
51. The Board asked Mr Hallett to convey their appreciation to the SSC staff for the progress and standards of work achieved. Ms Staples added that she had received positive feedback from the external assessors relating to the level of preparedness within SSC for the GDPR.
52. The Board noted the report.

IX. ANNUAL HEALTH AND SAFETY REPORT (DOC 2018-032) BY CHRIS TINGLE

53. The Board welcomed Mr Williams to the meeting. He highlighted that, at the Board's request, this year's Health and Safety (HSE) report included more specific tracking of occurrences and higher targets. In line with this higher level of ambition, he confirmed that new members of the HSE Committee had also been added.
54. The Board noted that this year's HSE findings continued to be satisfactory with relatively low levels of incidents. A commitment statement to further improving HSE standards further, signed from all ExCo members was also included with the report for the Board's information.
55. The topic of stress was discussed. Mr Williams clarified that, unless related to the core HSE reporting, numbers of staff members suffering from stress were not covered under his remit. There were, however, a number of Human Resources (HR) led initiatives that included the monitoring of stress, mostly under the wellbeing programme and through the Executive Committee reporting on mental and physical wellbeing. Mr Williams confirmed that, in addition to this, he managed some health-related areas such as DSE work station standards, chemicals and noise handling.
56. Returning to the topic of health and wellbeing, the Board noted the establishment of a Wellbeing Board and that the recruitment of a Wellbeing Manager was currently underway. The Chair asked that the Board be given more details on this work as part of the Annual HR Report.

57. Under the subject of wellbeing, the Board also noted that, following the meeting, the 'Time to Change' pledge was being signed to demonstrate the CAA's commitment to the wellbeing of its staff.
58. Mr Stephenson and Mr Williams agreed to discuss ideas for linking the HSE and wellbeing activities more closely in future.

Action: Mr Stephenson/ Mr Williams

59. Mr Williams highlighted that he was considering what further action could be taken on developing near-miss reporting. The Chair suggested consideration of a policy for reverse-in parking at Aviation House.
60. The Board noted the report.

X. CAA BOARD REVIEW (DOC 2018-033)

61. The Board welcomed Mr Jackson and Mr Canfor-Dumas to the meeting to present the key findings of their independent review of the CAA Board, as required on a triennial basis as part of the Board's governance process.
62. The Board noted the findings and discussed its response to the recommendations. Specifically, Mr Jackson confirmed that there was a consensus from respondents that the Board was well organised and strongly structured and that there was a high level of respect for the valuable input and challenge that members provide to the organisation. He also commented on the strong and challenging relationship between the Chair and Chief Executive. Some minor issues and suggestions for improvement were noted relating to the Board's administration.
63. The Board noted the recommendation for improving diversity of thought and agreed that this would be considered as part of the forthcoming recruitment process for new Non-Executive members.
64. Mr Jackson noted that although the Board received a high volume of information on safety, there may be other topics where more Board visibility could be considered. One suggestion was that specific members could be assigned as 'ambassadors' for engaging with external stakeholders. It was agreed that the planned discussion on horizon scanning could help with identifying key themes. Mr Gray suggested that a formal decision be taken to include a horizon scanning element to each Board awayday in future to help identify the right themes on an ongoing basis.
65. The Board agreed to the recommendation for capturing the Board's unique strengths and its collaborative culture. Mr Johnson and Mr Haines agreed to create a two-pager that could be published on the CAA website and circulated through internal communications.

Action: Mr Johnson/Mr Haines

66. The Board agreed that Ms Staples and Mr Johnson would bring together the work being done on updating the Board's governance pack with the annual forward agenda, to help identify further key topics and to help all parts of the business to engage more effectively with the Board.

Action: Mr Johnson/ Ms Staples

67. The Board agreed that it would be happy to hold cross-stakeholder sessions on a specific theme once or twice a year as part of a Board meeting and to encourage more stakeholder interaction with members.

68. Mr Medicott observed that, as there is not always an HR representative at Board meetings, he feels unsighted on some of the topics run by this area, such as skills gaps and gender pay. He suggested that consideration be given to adding an HR section to the monthly CEO Report to give the Board better visibility of this work.

69. The Board thanked Mr Jackson and Mr Canfor-Dumas for their work.

XI. SAFETY AND AIRSPACE REGULATION GROUP (SARG) REPORT (DOC 2018-034) BY MR MARK SWAN

70. The Board welcomed Mr Preston to the meeting.

71. Mr Swan provided an update on key safety issues raised and recent incidents since the last meeting. This included reporting on an incident relating to a H175 gearbox and ongoing work relating to other issues highlighted to the CAA through its engagement with offshore operators (under CAP 1145).

72. The Board noted the safety notice issued to helicopter operators and owners as part of pre-emptive mitigations following an overseas incident. Mr Swan confirmed that there were no UK cases relating to the issue but that this was continuing to be monitored as part of broader Flight Operations team activity.

73. Mr Swan reported that investigation was still underway regarding a tailstrike incident reported as having taken place in February.

74. The Board noted the update on the recent publication of NERL's RP3 Business Plan. Mr Gray asked whether its IT systems upgrade work was adequately covered. Mr Swan confirmed that it was and that work was on course for the initial steps of the five-year replacement process. In response to a question from the Chair, Mr Swan expressed confidence that the CAA's planned licence modifications would go through, as scheduled, by June.

75. AVM Wigston noted the update on flying displays applications received so far and Mr Swan confirmed that these currently showed a 20% reduction on last year. *Post meeting note: As of 1 May 2018 significantly more applications have been*

received: the number of applications is over 20% up on the 2017 applications at the same point. It is too early in the year to say what the full year trend will be.

76. Mr Preston provided an update on the work of the Safety and Business Assurance team. He noted that, as previously agreed, the first regular, formal report on Safety Assurance would be presented to the Board in July.
77. Mr Preston reported that the business plan for the second phase of the Big Data programme was being completed, with the support of the Portfolio Delivery Board.
78. The Board noted that safety analysis (through the 'bowtie' method) was continuing and that the Safety Maturity Model self-assessment process was underway. Individual scores were being collected and an overall score for the Group was expected to be received by July.
79. The Board noted a number of external safety reviews had also been carried out by the team and Mr Preston confirmed that 25 of the Cranfield review recommendations had been closed.
80. Mr Preston confirmed that the SARG-SSC Quality Management System, which the Board had previously been briefed on, was now maturing, with an aim to achieving its certification in due course.
81. Mr Haines asked how recommendations from historical reviews such as the 2009 ICAO Universal Safety Mechanism were tracked (in addition to more recent ones). Mr Swan confirmed that there was no systematic way of tracking historical recommendations as the current practice had been incorporated into the Business Planning process established four years ago. Mr Preston agreed to consider this point further.

Action: Mr Preston

82. The Board noted the reports.

XII. FINANCE REPORT (DOC 2018-035) BY CHRIS TINGLE

83. Mr Tingle reported the financial results for the 11 months to end February 2018, confirming that final figures for the month were expected to show ahead of budget.
84. The Board noted the report.

XIII. AUDIT COMMITTEE REPORT (DOC 2018-036) BY GRAHAM WARD

85. Mr Ward briefed the Board following the recent Committee meeting. He highlighted that the report included the annual assessment of internal audit recommendations completion rates.

86. Mr Ward, Ms Staples and the Head of Internal Audit were working on proposals for the internal audit approach to be implemented from March 2019.
87. The Board agreed the report, including the Committee's performance statement.
88. The Chair thanked Mr Ward for his thorough work in preparing the annual report and throughout the year.

XIV. ANY OTHER BUSINESS AND FORWARD PLANNING

CAA staffing

89. The Board noted news relating to staff changes in the finance and legal departments. Mr Moriarty confirmed Paul Smith had been named as the new Head of Consumer and Markets Group and would take up the role on 21 May.

Airspace Change decision

90. Mr Swan informed the Board that the Airspace Change request from Exeter Airport had been rejected. The decision was supported by the legal team and would be published on the CAA website shortly. Mr Stephenson confirmed that the Communications team had been informed of the decision.

Date and Time of Next Board Meeting:

11:00, 16 May 2018, CAA House