

CIVIL AVIATION AUTHORITY
MINUTES OF THE 516th BOARD MEETING HELD ON
WEDNESDAY 21 FEBRUARY 2018, CAA HOUSE

**This document contains sensitive information and should not be distributed further
without the approval of Board members or the secretariat. Any printed copy
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 Richard Moriarty
Ms Kate Staples Secretary & General Counsel
Mr Mark Swan
Mr Chris Tingle
Mr Graham Ward

Apologies:

Mr Michael Medicott
AVM Mike Wigston

In Attendance:

Mr Tim Johnson
Mr Richard Stephenson
Mr Matthew Bennett For item IV
Mr Canfour-Dumas (Flint Global) From item V
Tim Ingham (Norton Rose Fulbright) For item IV
Mr Andrew Jackson (Flint Global) From item V
Ms Serena Lim For item VIII
Mr John Round For item X
Mr Stu Wain For item X
Mr Andy Wells For items VIII-IX
Ms Angela Lynch Minute taker
Mr Ed Weston

I. APOLOGIES

1. There were apologies from Mr Medicott and AVM 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 an additional redaction request noted.
4. Under matters arising, the Chair clarified that action 39 would be completed as part of the discussion under agenda item IX.

III. CHAIR'S UPDATE

5. The Chair informed the Board of recent meetings and events.
6. The Chair voiced her support for the new London office decision, having visited the property and considered it against the other short-listed properties. Mr Tingle noted that 60 staff members had now visited the property and although there had been mixed feedback, the majority of it had been positive.
7. The Chair gave a summary of the recent visit to CAA House from Baroness Randerson (Liberal Democrat Spokesperson for Transport).
8. The Chair informed the Board of the recent, successful CAA Flight Safety Awards event and thanked Mr Stephenson for his work in organising it. The Board noted the deserving winner, Rory Clarkson, who was recognised for his efforts to research and develop a more sophisticated ash tolerance calculation for Rolls Royce engines, to influence how volcanic ash events are addressed globally.

IV. SHOREHAM UPDATE (DOC 2018-010) BY KATE STAPLES

9. The Board welcomed Mr Bennett and Mr Ingham to the meeting.
10. Ms Staples, Mr Bennett and Mr Ingham gave an update on the CAA's ongoing work in this area. The Board agreed the approach.

V. CHIEF EXECUTIVE REPORT (DOC 2018-011) BY ANDREW HAINES

11. The Board welcomed Mr Canfour-Dumas and Mr Jackson from Flint-Global to the meeting who were joining as observers, as part of their ongoing work leading the independent Board Effectiveness Review 2016/17.
12. Mr Haines updated the Board on key meetings and live issues.
13. The Board approved the re-appointment of Bob Jones for a second three-year term as a Trustee Director of CAAPS.
14. Mr Haines asked the Board to note the update in annex 1 of the report on issues relating to CAA aviation security oversight coverage, following discussion at the

last Board meeting. Mr Drissell confirmed that the DfT and the CAA were the only parties involved in the group.

15. The Board noted the briefing on recent Air Services Agreement talks, which were productive and had raised a number of issues for further consideration, including ownership and control rights. The next round of talks is expected to take place in Washington D.C. in March. Mr Johnson highlighted the CAA's supporting role in the discussions and confirmed this was aligned with wider CAA work on related issues such as Brexit contingency planning.
16. The Board discussed potential changes to the CAA's functions that could result from Brexit. It restated the CAA's view that, for functions such as aircraft design certification that were now undertaken by EASA and for which the CAA had very limited retained competence, it would not be feasible to recreate that capability for the purpose of contingency planning by March 2019. Recreating such a capability may be possible in the longer term if there was certainty that it would be required and therefore the CAA would be in a better position to recruit the specialist expertise. The CAA was engaging with the aviation industry to better understand its likely pipeline of certification approvals over the coming years.
17. Mr Haines gave a summary of the recent visit to CAA House by Aviation Minister Baroness Sugg. The visit was positive and the Minister had indicated agreement with CAA thinking on key issues, such as drone regulation needs. It was noted that Baroness Sugg had requested follow up information on some key issues that Dr Sally Evans would be providing to her.
18. The Board noted Mr Haines' recent appearance at the Transport Select Committee session on *NPS for Heathrow Expansion*.
19. The Board noted the positive outcome of a recent court case and recognised the work carried out by the relevant CAA staff members.
20. The Board noted recent media coverage of Jet2 and the CAA's response to its decision not to sign up to the ADR scheme.
21. Mr Swan highlighted to the Board the report's update on dangerous goods oversight, confirming that the team was working with relevant global partners to consider whether any specific action should be taken, in accordance with the CAA's remit and capabilities.
22. The Board formally congratulated the International Group for securing the recent contracts for further work in Malaysia and Thailand.
23. The Chair highlighted the briefing within the report on airspace and noise policy work led by the DfT. The Board expressed some concern about a suggestion that the CAA determine whether or not a proposal met the criteria to be "called in". It

was agreed that the DfT criteria, DfT decisions and CAA advice would need to be published and explained in a clear and comprehensive way.

24. The Board noted the report.

VI. COMMUNICATIONS ANNUAL REPORT (DOC 2018-012) BY RICHARD STEPHENSON

25. Mr Stephenson reported on the performance and work of the Communications Directorate over the past 12 months. He said that the team had grown in confidence and experience over this period, resulting in there being a high level of pride in its work.

26. Mr Stephenson noted that the team had been particularly focussed on delivering work to promote and enhance the wider work of the CAA, with an increased focus on stakeholder engagement.

27. Mr Stephenson gave examples of the team's successes over the last year, including award-winning communication campaigns (for example Drone Awareness), increased media coverage and better internal communications engagement resulting in high staff readership levels.

28. The Board noted that the team had been dealing with increased numbers of external enquires and FOI requests. Dr Steel suggested that these requests be categorised to provide an overview of the main topics and types of requests received. Mr Stephenson confirmed that working with OGC, the team did note core themes or queries and where relevant put out additional or new communications to cover these points.

29. Mr Stephenson outlined the highlights and challenges of 2017. The Board noted that that the team's approach included utilisation of other available resources such as the Communications Directors' Forum to gauge industry wide views. It also aimed to build closer working relationships with internal subject matter experts and to engage proactively with political stakeholders, from across the political spectrum.

30. Mr Stephenson noted that there had been some challenges in managing resources and tackling single points of failure within the team.

31. The Board discussed the opportunities and challenges that social media offered for the CAA's communications. Mr Stephenson informed members that further work was being done to increase specialist social media skills within the team and to incorporate relevant aspects more fully into its wider strategy.

32. The Board noted that there had been mixed internal reactions to the Communications Business Partnering scheme. This was beginning to be addressed through perseverance of the team and support from ExCo colleagues.
33. In response to a question as to whether the coverage of the CAA in the media was set at the right strategic level, Mr Stephenson noted that more work in managing internal expectations and prioritising projects was being done, to ensure that the existing programme could be delivered, whilst dealing with increased requests for support and substantial numbers of 'pop ups' and reactive activities. The Chair agreed that it was a challenge for regulators to know what the right balance is between staying silent and speaking out to protect consumers.
34. In response to a question, Mr Stephenson said that the strengths and weaknesses in the report matched his business plan priorities relatively well, but that they had not been consciously linked. Mr Ward suggested that in future this be considered to create a more consistent approach towards improvement.
35. The Board noted the case studies provided in the report that illustrated specific examples of the team's work and its outcomes. Mr Swan commented that they also raised wider issues relating to decision making across the organisation. They underpinned the need to ensure that senior management had visibility of decisions that were made and to develop a culture of encouraging staff to explore potential changes to existing processes or to question previous decisions.
36. The Board agreed with Mr Haines' statement that the Communications Directorate had performed strongly throughout the year. The Chair highlighted in particular the valuable support she had received during the Monarch repatriation process.
37. With regards to internal communications, Mr Stephenson said that there was more research to be done to understand staff wants and that this work would be led by the new Head of Internal Communications.
38. The Board noted the report.

VII. FINANCE REPORT (DOC 2018-016) BY CHRIS TINGLE

39. Mr Tingle gave an overview of the Finance results to December 2017. Tracking continued to be ahead of budget for the year, however December had seen a slowdown that was expected to continue over the final quarter. This was due to Transformation Programme costs underspend catching up, some increased headcount and the typical reduction in income for January and February.
40. Expectations for the year-end are for a modest ahead of budget result but Mr Tingle thought that the next 12 months might be more of a challenge in terms of spending commitments.
41. Mr Tingle informed the Board that the Finance Advisory Committee had met on 20 February to review the final scheme of charges for the next year. A few minor points had been raised but there were no major objections. He confirmed that the final charges would be shared with the DfT shortly.
42. The Board noted the report.

VIII. FITNESS OF CHARACTER POLICY (2018-013) BY KATE STAPLES

43. The Board welcomed Ms Lim and Mr Wells to the meeting. Ms Staples introduced the background to the paper, which had led to the drafting of a new policy to determine fitness of character considerations as part of the CAA's oversight and permissions process.
44. Ms Lim highlighted that the Fitness of Character policy followed the general approach taken to developing similar policies in the organisation and that the topic was covered at a conceptual level within UK and EU legislation. The way the topic was covered by other organisations had also been discussed, alongside exploration of internal approaches and consideration of how the policy would be used alongside existing CAA practices.
45. Ms Staples informed the Board of the previous Executive Committee discussion which had confirmed that there was appetite within the Executive to set an expansive policy on this subject. The Executive had concluded that it was right for the CAA to consider an individual's actions outside the aviation domain where relevant and to do so in a proportionate and fair way. The Board acknowledged that decisions made could be subject to legal challenges but accepted the risk in accordance with the CAA's duties to protect public safety.
46. Ms Staples informed the Board that enforcement was not covered within this policy, as it was covered elsewhere. She noted that the CAA's current Enforcement policy needed updating. It was agreed that this would be carried out as a separate task and the revised version would go live in June. The Board agreed the update version

would be circulated to the Board under the June CEO Report for information. This was on the basis that it would not require prior Board approval unless significant changes were introduced between now and then.

Action: Ms Staples

47. Ms Staples confirmed that the Fitness of Character policy would only be implemented after a person came to be of interest to the CAA through other means and that the initial permissions process would not be affected.
48. The Board approved the policy for implementation, accepting that it would continue to be monitored and checked after the initial launch. It was agreed that the policy would be published in March.

Action: Ms Staples

IX. EASA FLIGHT TIME LIMITATION POST IMPLEMENTATION REPORT (2018-014) BY MARK SWAN

49. Mr Wells introduced the team's work, findings and proposed next steps for addressing issues relating to fatigue management and the CAA's oversight process. He highlighted the importance of ensuring that work in this area addressed the underlying risks caused by fatigue and was not seen as a simple compliance exercise.
50. Board members discussed different approaches to the management of fatigue, from quantifiable compliance checks on flight time limitations, to risk-based Safety Management Systems - including the comprehensive Fatigue Risk Management System, which some industry participants have in place.
51. Based on the findings, it was agreed that the CAA needs to emphasise the effectiveness of combining compliance along with managing unquantifiable risks. The Board agreed organisation culture was also a key aspect to ensuring successful fatigue management.
52. Mr Swan informed the Board of the CAA's work aimed at setting the right tone by helping to support the creation of industry safety management system standards and an independent network, which over time would be led by an appropriate industry-based entity. Mr King added that within industry it was also important to ensure that management of this subject became recognised as a shared responsibility between pilots and airlines.
53. The Board agreed the work programme as detailed in the report and asked that the team complete its activities by July 2018. After this time, the team will continue to monitor progress, strengthening oversight processes as required. Mr Swan confirmed that the FTL 'bowtie' would be completed by this time, enabling a clear

view of where strengths and weakness lie and dictating which measures could be taken. He would provide an update on this subject to the Board in September.

Action: Mr Swan / Mr Wells

54. It was agreed that a full report would be given to the Board in July 2019 as a one-off update on this subject and to report on the effects of the changes one year on.

Action: Mr Swan/ Mr Wells

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

55. The Board welcomed Mr Round and Mr Wain to the meeting.

56. Mr Swan provided an update on key safety issues raised and recent major incidents since the last meeting.

57. The Board noted the work being carried out by the safety team to gather information on flying approach procedures worldwide.

58. Mr Swan reported that he would provide an update at the next Board meeting on industry procedures around data and device security, as raised at January's meeting.

59. The Board noted the report's summary relating to specific helicopter checks the team had carried out and Mr Swan confirmed that there was nothing further to report or action to be taken.

60. Mr Ward raised a question regarding the transfer of radio licensing duties to OFCOM. Mr Swan confirmed that the transfer had been long intended and there were therefore no significant budgetary effects.

61. Mr Haines clarified that under medical team resourcing, the vacancy was expected to be filled by a trainee, who would continue to complete their qualification in post.

62. The Board noted with concern the New Zealand CAA's proposed changes to its assessment of colour vision in applicants. The CAA's position had been clearly communicated to New Zealand counterparts and would also be communicated to the EASA Medical Forum.

63. The Chair noted the update on MRCOA related responsibilities carried out under contract by the CAA. Mr Swan confirmed that the changes did not have any impact in terms of safety oversight resourcing, but that they did present a potential challenge for the CAA in processing the documents. He and Mr Tingle confirmed that the SSC KPIs would be closely monitored to ensure any issues were noticed quickly.

64. Mr Round briefed the Board on the work of AAA, including recent changes to its structure to include some work previously carried out by other capability teams in SARG.
65. The Board noted the good progress that had been made with the Airspace Change Process, which was driving greater transparency as requested by stakeholders. Mr Round reported on key proposals including longer term and more complex ones, which required coordination and could take several years to complete.
66. Mr Round provided a briefing on aerodrome safety intelligence data, highlighting trends observed relating to taxiway incursions and excursions and ground handling (including vehicle driving standards). The Board noted that the latter was a topical area owing to the recent tragic incident at Heathrow.
67. Mr Round highlighted that ground handling was due to be adopted into the Basic Regulation in 2018/19, which was likely to result in more discussion and possibly change after this time.
68. The CAA has now started work on gathering more detailed analysis to examine potential issues and risks for aviation sector in relation to ground handling. The Board discussed factors that could contribute to this, acknowledging that in addition to looking at rules and driving capabilities, cultural factors were likely to play a significant role. Dr Steel offered to put the team in touch with external stakeholders from National Express, who could offer their experiences with driving standards. Mr Round confirmed that aerodromes have courses in place for driving, but more information was needed on how adequate they are.
69. Mr Wain briefed the Board on the work being done on the topic of electronic conspicuity, including in relation to mid-air collisions. The Board discussed technological developments and the CAA's discussions with firms (including relevant UK ones) active in this area. The Board noted that several technologies were already being trialled. The results of these trials would help to steer the CAA's overall approach to electronic conspicuity and determine the safety benefits that could arise from it. Mr Swan noted that the industry was aware of the CAA's position that it did not feel it would be practical currently mandate the use of electronic conspicuity, but that it would continue to assess this in line with its ongoing work. In the meantime, the CAA encourages the aviation community to use electronic conspicuity where possible. Mr Swan said that the current work programme was expected to run until 2022 by which time it was hoped the full infrastructure would be in place.
70. Mr Johnson informed the Board that the DfT was very much aware of the topic of conspicuity and had shown a high level of interest. Current work relating to drones

was likely to bring the topic even further to the fore as an integral part of the process.

71. The Board would receive further information on the CAA's work programme in April.

72. The Board noted the report.

XI. AUDIT COMMITTEE REPORT (DOC 2018-017) BY GRAHAM WARD

73. Mr Ward briefed the Board on the latest Audit Committee report. He noted that he and Mr Johnson had discussed suggestions for tying the Committee's approach to risk management more closely to the review of the risk register.

74. The Board noted the report.

XII. ANY OTHER BUSINESS AND FORWARD PLANNING

March Board Meeting

75. The Chair informed members that the timetable for the offsite Board meeting in March would be circulated shortly.

76. The Chair noted that a separate session with the General Aviation group, GBASF, had been scheduled as part of the September 2018 Board meeting.

Date and Time of Next Board Meeting:

09:30, 21 March 2018, Duxford