

**CIVIL AVIATION AUTHORITY
MINUTES OF THE 498th BOARD MEETING HELD ON
WEDNESDAY 15TH JUNE 2016,
TEWIN BURY FARM, HERTFORDSHIRE**

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Present:

Dame Deirdre Hutton	Chair
Mr Andrew Haines	
Mr David Gray	Except for item IX
Mr David King	
AVM Richard Knighton	
Mr Michael Medlicott	
Mr Richard Moriarty	
Mr Mark Swan	
Dr Ashley Steel	
Mr Chris Tingle	
Mr Graham Ward	Except for item IX
Mrs Kate Staples	Secretary & General Counsel

In Attendance:

Mr Peter Drissell	
Mr Tim Johnson	
Mr Richard Stephenson	
Mr Peter Gardiner	
Mr Simon Baker	(for item IV)
Mr Peter Mee	Minute taker

I Apologies

1. There were no apologies.

II Previous Minutes and Matters Arising

2. The Board approved the previous minutes from April and May Board meetings.

III Chair's Update – by Dame Deirdre Hutton

3. The Chair updated the Board on some of her recent meetings.
4. The first CAA annual recognition awards lunch had taken place, with great success, to recognise outstanding contributions from colleagues.
5. The Chair's quarterly meeting with Lucy Chadwick (DfT) covered a range of relevant issues, including potential new runway capacity, the EgyptAir crash, drones and spaceplanes.
6. The Chair, Mr Haines and Mr Moriarty had met both Philip Rutnam (DfT) and the Secretary of State for Transport to discuss potential new runway capacity, including the CAA's process for making decisions about the economic regulation of such capacity.
7. The Chair, Mr Haines and Mr Johnson had met Simon Linnett, Chairman of the Independent Transport Commission, to discuss recent and future work of the Commission.

IV CAA Annual Report and Accounts - Doc 2016-063 by Chris Tingle

8. The Board welcomed Mr Baker to the meeting. Mr Tingle noted that the Audit Committee had reviewed the Annual Report and Accounts and proposed a number of changes. These had been reflected in the draft report, with a small number of outstanding drafting points, including some revisions to the description of the CAA's Business Model.
9. Mr Ward noted the Audit Committee's review of the Annual Report and Accounts, and the representation letter to be signed by the Chief Executive and General Counsel and Secretary on behalf of the Board. Mr Ward drew attention to the sections of the representation letter relating to fraud and non-compliance with laws and regulations. All Board members confirmed that they agreed with these statements.
10. Mr Ward also drew attention to the representation letter to the Board (in respect of the representation letter to the auditors to be signed on behalf of the Board) which was to be signed by the CEO, COO and General Counsel and Secretary, all of whom confirmed that they would sign the letter without amendment.

11. In addition, Mr Ward noted the declarations leading to the List of Related Parties, and asked individual Board members to consider their declaration and whether any amendments were required. Mr Moriarty and Dr Steel noted that some additions were required and would liaise with Mr Ward on these.
12. The Board approved the CAA's Letter of Representation to the auditors and authorised Mr Haines and Mrs Staples to sign the letter on behalf of the Authority.
13. The Board approved the 2015/16 CAA Annual Report and Accounts, including in particular, the statement therein: "Having taken advice from the Audit Committee, the Board considers the report and accounts, taken as a whole, is fair, balanced and understandable and that it provides the information necessary for the Secretary of State for Transport to assess the Group's performance, business model and strategy."
14. The Board authorised Mr Haines and Mr Tingle to sign the Accounts on behalf of the Authority.
15. Mr Ward noted that some further minor revisions to the drafting of the Annual Report and Accounts might be made, which the Board authorised Mr Ward and Mr Haines to approve on their behalf. Any significant amendments would be resubmitted to the Board for their review and agreement.
16. The Board thanked all those involved in preparing the Annual Report and Accounts.

V Chief Executive's Report - Doc 2016-064 by Andrew Haines

17. Mr Haines noted that the CAA was not privy to any intelligence available on the cause of the EgyptAir crash.
18. Mr Swan updated the Board on the Norwegian EC225 Super-Puma crash. The CAA had grounded all EC225 operating in the UK, including Search and Rescue (SAR) The recovery of wreckage and investigation into the cause of the accident was on-going, with the main focus being on the gearbox. Until the exact cause of the accident was proven, the grounding was likely to remain in force and the Norwegian CAA was taking the same view. Mr Swan advised the Board that there was sufficient cover for SAR operations, including other helicopter types and military resource. The Board noted that helicopter design and certification was legally EASA's competence and that the CAA continued to

work energetically with EASA to ensure sufficient leadership was being taken on this issue. The Board asked Mr Swan to update the Board at a subsequent meeting on the actions the CAA had taken following previous helicopter accidents.

Action: Mr Swan

19. Mr Haines noted the DfT's work on the development of a proposal for the Independent Aviation Noise Authority advocated by the Airports' Commission.
20. Mr Johnson had led work on securing funding from the DfT for the 2016/17 CAA UAS Programme, which included funding for a comprehensive education campaign. From 2017/18, CAA had proposed that its UAS safety work would be funded through its statutory charging schemes, with any proposal subject to Board agreement and stakeholder consultation.
21. Mr Tingle updated the Board on the Shared Services Project and Office Accommodation Strategy. On the former, PA Consulting was supporting this work and would be setting out options by the end of July. On accommodation, CAA was working with OfGem, OfWat and the ORR to explore value for money office sharing options. BNP Paribas was helping the CAA assess its accommodation requirements, including working styles and the scale and nature of accommodation required. A number of CAA teams would expect to retain some London presence given the nature of their work and recruitment markets. A significant number of London based functions would be likely to transfer to CAA's Gatwick office, leading to a reduction in CAA's London footprint.
22. Mrs Staples said that the CAA currently expected to see a draft of the AAIB's final report into the Shoreham accident on 27 June and, as set out in law, would have 28 days to respond. Mrs Staples noted that the Sussex Police had applied to the High Court to secure access to AAIB evidence relating to the accident. There was also a judicial review application in which the powers of a coroner to order the AAIB to disclose evidence would be tested. These two cases would be heard on 14 July.
23. The Board strongly welcomed the CAA's periodic rotation of lead Flight Operations inspectors between airlines, a key element of CAA's approach to remaining impartial and diligent in carrying out its regulatory functions.
24. Mr Haines noted that NomCo was considering succession planning for 25 critical posts, including emergency cover.

25. Finally, the Board noted that CAAi was managing diligently its contract with the Thai CAA.

26. The Board noted the report.

VI Report from the Remuneration Committee – Doc 2016-066 by David Gray

27. Mr Gray noted that RemCo had considered the performance of the Executive team, their objectives for 2016/17, and had agreed a policy regarding the circumstances in which bonuses could be recovered.

28. The Board noted the report.

VII Safety and Airspace Regulation Group (SARG) Report – Doc 2016-067 by Mark Swan

29. Mr Swan explained the international nature of Aeronautical Information Management (AIM) reform because of the standards set by ICAO and EASA. He would revert to the Board when there was more clarity on the international framework, and on a recent change of approach by EASA, setting out how AIM reform would be delivered in the UK.

Action: Mr Swan

30. Mr Haines informed the Board that EASA Executive Director Patrick Ky would be in the UK later in 2016. Any Board member who wanted to join one of the meetings with Mr Ky should liaise with Mr Gardiner.

31. The Board noted the report.

VIII Live issues and monthly reports

CMG Live Issues – Doc 2016-068 by Mr Moriarty

32. Mr Moriarty provided an update on recent actions taken to ensure that companies were providing accurate customer information, discussions about the planning of the Heathrow H7 review, and recent discussions on modification of Condition 10 of the NERL Licence.

33. The Board asked Mr Moriarty to review the Annual Report and consider whether references to particular companies were appropriate.

Action: Mr Moriarty

34. The Board noted the report.

PPT Live Issues – Doc 2016-069 by Mr Johnson

35. The Board noted the report.

CCD Live Issues – Doc 2016-070 by Mr Stephenson

36. Mr Stephenson updated the Board on a forthcoming MoD press conference about a change it had decided to make to the nature of the Red Arrows' flying activities at the Farnborough Air Show. AVM Knighton explained that this was done according to military regulations, particularly with regard to the societal concern of potentially dangerous displays. The CAA would not be involved in the press conference, though there was expected to be media interest relating to CAA recommendations from the Air Display Review.

37. The Board noted the report.

AvSec Live Issues – Doc 2016-071 by Mr Drissell

38. The Board noted the report.

IX Any Other Business & Forward Planning

39. The Chair informed the Board that Dr Steel would join the Audit Committee.

40. Mr Moriarty provided an oral update on Project Selkirk.

**Date and Time of Next Board Meeting: 20 July 2016 at 10.30am, K5 Earhart,
CAA House, London.**