



**CIVIL AVIATION AUTHORITY**  
**MINUTES OF THE 522<sup>nd</sup> BOARD MEETING HELD ON**  
**WEDNESDAY 19 SEPTEMBER 2018, CAA HOUSE**

**Present:**

Dame Deirdre Hutton                      Chair  
Mr Richard Moriarty  
Mr David Gray  
Mr David King  
AVM Gerry Mayhew  
Mr Michael Medlicott  
Mr Graham Ward  
Mr Paul Smith  
Mr Mark Swan  
Mr Chris Tingle  
Ms Kate Staples                              Secretary & General Counsel

**Apologies:**

**In Attendance:**

Mr Peter Drissell			
Mr Tim Johnson		Mr Roger Hopkinson (GBASF)	for item VI
Mr Richard Stephenson		Mr Jim Frampton	for item V
Ms Angela Lynch	minute taker	Mr David Oastler	for item V
Mr Ed Weston		Mr Tony Rapson	for item VI
Ms Manisha Aatkar	for item VII		& IX
Mr Marc Bailey (GBASF)	for item VI	Mr Martin Robinson (GBASF)	for item VI

**I. APOLOGIES AND INTRODUCTIONS**

1. There were no apologies.

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

2. No new conflicts of interest were declared.
3. The minutes of the last meeting were agreed.
4. There were no matters arising.

### **III. CHAIR'S UPDATE**

5. The Chair gave an update on recent meetings and events. This included her positive meetings with SARG and SSC colleagues in Aviation House over August and her ongoing work on the ORR Advisory Panel, as previously reported to the Board.
6. She updated the Board on the recruitment process for new members of the CAA Board from next year.
7. The Chair informed the Board of her attendance at the recent Biggin Hill Air Display, accompanied by Chris Kidd (Manager, Air Display Regulation). She engaged with a variety of stakeholders, including from the Flight Display Committee, and observed that it was a well-run event.
8. The Board noted the constructive meeting attended by Mr Moriarty and the Chair with Tim Anderson in his capacity as recently appointed COO of Flybe.
9. The Chair noted that she had already asked the DfT to use its forthcoming Aviation Strategy to provide clarity on how the Government wishes the CAA to prioritise between growth and impact on communities through noise disturbances.
10. The Chair said that her dinner with DfT representatives, Caroline Low, Bernadette Kelly and Dan Micklethwaite had been rescheduled for November.

### **IV. CHIEF EXECUTIVE REPORT (DOC 2018-074) BY RICHARD MORIARTY**

11. Mr Moriarty updated the Board on key meetings and live issues.
12. Mr Smith and Mr Moriarty reported on their recent meeting with Ryanair CEO Michael O'Leary, held as part of ongoing engagement. Issues discussed included Ryanair's stance on consumer compensation following cancellations due to planned strikes, and the airline's progressing application for establishing a UK entity. On the former topic, the point was made that the CAA has not yet reached a decision and would await the independent ADR outcome (expected by the end of the month). Ms Staples confirmed that other regulators' responses to this issue varied, with Spain and France's NAAs indicating a similar approach so far to the CAA's. Mr Smith confirmed that consideration would also be given to the communication issued by the airline in their original statement to passengers. The Board noted that during the visit to Dublin, Mr Smith and Mr Moriarty had also met with the CAA's Irish counterpart.
13. Ms Staples gave an update on work related to the Edinburgh airspace change application, caused by controversy over aspects of the data used as part of the application process. Mr Stephenson highlighted that the issue was attracting

increasing amounts of media and political interest. Ms Staples said that she would circulate a note to the Board.

**Action: Ms Staples**

14. Ms Staples gave an update on the Lasham legal challenge.
15. Mr Smith informed the Board that the CMA had issued its decision yesterday in relation to the anti-competitive car parking arrangements between Heathrow Airport and the Arora Group. Following this, the CAA has issued an open letter reminding airports and other relevant stakeholders of the importance of complying with competition law, and offering to meet with parties to discuss effective approaches to compliance.
16. Mr Drissell gave an update on the results of the recent decision by British Airways (BA) to award its catering services contracts to Do & Co (HAL) and Newrest (GAL) from 2020.
17. In response to a question from Mr Medicott, Mr Swan confirmed that the Helios review on the governance of air displays was expected to be finished at the end of the month and that Ms Staples and Mr Swan would update the Board in due course.

#### **V. CAA BREXIT READINESS UPDATE (DOC 2018-075) BY TIM JOHNSON**

18. The Board welcomed Mr Oastler and Mr Frampton to the meeting.
19. Mr Johnson gave an update on Brexit. The Board noted that Technical Notices from the Government covering most aviation matters were expected to be released next week. It was noted that these were urgently needed, given the increasing volume of industry enquiries. **Post-meeting note:** *The Technical Notices were published by the Government on 24 September, followed by a CAA statement in response. This and further information on the notices can be viewed [here](#)*
20. Mr Stephenson highlighted the CAA's communications plan for Brexit including the setting up of a micro-site that would be launched once the Technical Notices were released and would provide supplementary information for industry. The Board noted that internal communications had also been released and that external DfT-CAA communications had also been planned, to ensure alignment with the Government. Mr Stephenson would circulate the content of the micro-site to members and follow up with the link once the site had gone live.

**Action: Mr Stephenson**

21. Mr Johnson updated the Board on other aspects of the CAA's Brexit contingency planning, which included consideration of a 'no-deal' outcome (to be adjusted as necessary). He highlighted that the priority for the CAA is to minimise potential effects on safety and any potential passenger disruption. Mr Johnson highlighted

progress made in key areas, such as State of Design plans, which had been greatly supported by the Airworthiness team.

22. Mr Johnson confirmed that preparations were underway for ensuring that the Shared Service Centre (SSC) was prepared for potential changes. The Chair stated that this was important as the SSC was already stretched and serious implications for that department had been identified. Mr Johnson acknowledged this, stating that work was ongoing to understand better the volumes of work that could result from Brexit, in order to prepare. Mr Tingle confirmed consideration was being given to options for reallocating and increasing resource within the department.
23. Mr Johnson stated that access to EU related databases after Brexit was an area that was still being looked into, along with considering how CAA resources would be prioritised to continue to meet regulatory duties, as well as deal with short and longer-term changes.
24. Mr Moriarty said that financial modelling was being carried out to look at overall income implications. These could be particularly significant for CAAi. Mr Moriarty confirmed that the Executive Committee (ExCo) would manage colleagues through changes, as required. Mr Tingle added that this year's income figures were not expected to be greatly affected but that the longer-term outlook was not known at this stage.
25. The Board discussed the scenario that could result in asymmetric recognition of licences and permissions. It was agreed that, in the short term at least, it would be important for the UK to continue to recognise EASA certification, for consistency and to maintain existing operations. It was acknowledged, however, that this approach over the longer term might be disadvantageous for some UK entities.
26. The Board discussed ongoing negotiations for Government-led bilaterals on Air Safety and Air Services. It agreed that it was important for the UK during these discussions to give confidence that its approach to safety would continue to be aligned with ICAO and that it would maintain its excellent track record in safety regulation.
27. Mr Moriarty reiterated the point previously made to the Board on the importance of understanding what the main risks were and which of those the CAA was responsible for and could therefore address within its contingency plans. These included putting in place the correct processes to avoid disruption to key CAA activities, such as licencing and aircraft approvals.
28. The Board noted the report.

## **VI. DISCUSSION WITH THE GENERAL AND BUSINESS AVIATION STAKEHOLDER FORUM LED BY MARK SWAN**

29. The Board welcomed Mr Hopkinson, Mr Bailey and Mr Robinson representing the General and Business Aviation Stakeholder Forum (GBASF), and Mr Rapson, Head of the CAA's General Aviation Unit.
30. Mr Hopkinson thanked the Board for their time today. He noted that this was the sixth bilateral discussion of this kind since the group was formed with the purpose of reporting back on the delivery of the Government's reform package for General Aviation (GA).
31. The Board and representatives from the GBASF discussed key topics of interest to both parties. These included:
- the importance of ensuring that GA is fully and appropriately covered in the Government's Aviation Strategy;
  - the scope and aims of the Airspace Inquiry launched by the All-Party Parliamentary Group (APPG) on GA;
  - the CAA's work in developing a longer-term strategy for airspace integration - including consideration of EASA and industry developments under this topic and related areas, such as electronic conspicuity;
  - performance-based oversight (PBO) of aerodromes and the development of pathfinders to support its further development over time;
  - CAA use of civil sanctions; and
  - how to encourage the next generation of GA participants (including through increased diversity).
32. The representatives expressed satisfaction with the CAA's restructuring to create a dedicated GA Unit and praised Mr Rapson for his leadership of it. Combined with the progress made by EASA, it was felt that this focus had brought greater clarity to GA regulation. Mr Robinson, however, did note that some in the community felt that it was challenging to have to follow two regimes (EASA and the CAA), which despite considerable synergies did sometimes diverge in their requirements.
33. The Chair thanked the representatives for their valuable input and agreed that an annual Board session would be scheduled to maintain this engagement with the GBASF.

## **VII. PROPOSAL FOR BOARD ON CAA GOVERNANCE AND FORWARD AGENDA (DOC 2018-076) BY KATE STAPLES**

34. Ms Staples thanked Mr Weston and Ms Lynch for their input into the paper. She highlighted that the CAA Governance document was mostly an amalgamation of existing information. Paragraph 39 had been added to reflect recent safety accountabilities work completed for SARG. A section to reflect accountabilities under the Consumer and Markets Group would be added once similar work had been completed for that area.
35. The Board noted that this document would provide a single source of information on the governance of the CAA to be accessed internally and externally. Members asked for minor amendments to the proposed text, including additions to the examples of governance activities listed and wording to capture the Board's role in setting the CAA's risk tolerance. Subject to these changes, the Board approved the document.
36. In response to a request from Mr Medicott, Ms Staples agreed to circulate to the Board the recently amended authorisations. It was also agreed that the next annual review of the delegations would consider proposals for broader changes to modernise the Board's governance process for delegated authorities.

**Action: Ms Staples**

37. The Board discussed papers scheduled to be presented to the Board for 2019 and the processes involved. Ms Staples and Mr Moriarty noted that at an Executive-level a number of changes were being considered. These included reviewing which papers went to the Board on an annual basis and how to make better use of the less formal 'PIE' sessions (attended by Board members). Mr Gray suggested one option could be to use a PIE session to combine a number of existing annual reports to present a consolidated update from non-core (i.e. corporate) business areas to the Board on the performance of the CAA.
38. The Chair asked that changes would not reduce the scope of the CEO Report and that the separate monthly SARG updates would continue. On the basis of this discussion the Board agreed that ExCo would decide on what changes to introduce in terms of papers to be presented to the Board, and how they are scheduled going forward.

**Action: ExCo**

39. The Board noted the reports.

## **VIII. HR ANNUAL REPORT (DOC 2018-077) BY MANISHA AATKAR**

40. The Board welcomed Ms Aatkar to the meeting. She gave an overview of the HR department's work programme and associated matters over recent months.
41. Ms Aatkar reported that absence and sickness levels had dropped across the organisation.
42. The Board noted work being led by the team, including on improving resourcing models and finalising a revised CAA competencies framework. On the former, Mr Swan noted that the Flight Operations resourcing model had been well-received. The solution had been expensive, however, requiring certain trade-offs to be made and raising the question as to whether it could be replicated in other areas. The Board welcomed the introduction of a competencies framework that supported staff development, the PBR agenda in SARG and was compatible with Financial Council Reporting guidance.
43. The Board noted successful action taken by AvSec, which saw improvements in recruitment as a result of changing the focus to required skills (rather than a specific qualification). Mr Swan confirmed that this was being looked at more closely in SARG and was in line with recommendations from the Cranfield Report (previously discussed with the Board). Ms Aatkar agreed that substantial progress had been made in building CAA capabilities and that work being done over the coming months would continue in this vein.
44. Ms Aatkar highlighted the implementation of the new Performance and Development Conversation (PDC), which was demonstrating the willingness of staff to take on new opportunities to develop their learning.
45. The Board noted the update on the Diversity and Inclusion Annual Plan 2018/19 introduced in July. Ms Aatkar said that initial steps taken had gone well but that more time was needed to give a more definite view on its progress.
46. Ms Aatkar highlighted Brexit as the biggest issue for the department at present. It was particularly challenging to articulate what the impact could be on the business capabilities of the CAA in the long run, given the high level of uncertainty. To address this the team is considering flexible ways of managing resource and identifying areas where more substantial change could be needed. Ms Aatkar confirmed that this would include if required, the offer of support for CAA staff who are EU-nationals.
47. Mr Moriarty told the Board that changes had been introduced at an Executive-level to ensure that there was sufficient time to discuss HR matters and to give Directors greater visibility of these under each of their business areas. He informed the Board that the team was working to develop metrics to convey this information more

effectively, and within the limits of the current IT systems. Mr Medicott commented that from his experience, the CAA Board spent less time on HR matters than other organisation's Boards. Mr Moriarty noted that this would be considered as part of ExCo's review on annual reports.

48. The Board noted the report.

#### **IX. SARG MONTHLY REPORT (DOC 2018-078) BY MARK SWAN**

49. The Board welcomed Mr Rapson back to the meeting.

50. Mr Swan briefed the Board on recent safety events and oversight activities since the last meeting.

51. The Board noted the update in the report on the Korea MUH-1 fatal helicopter accident, previously reported to the Board. The team was continuing to monitor the investigation due to potential similarities between this and other helicopter accidents in the UK and Europe. Mr Swan reiterated that there were no helicopters flying in the UK that linked with these and particularly still no expectation that the EC225 would start to be used again for offshore operations.

52. Mr Swan confirmed that SARG Safety Maturity Model self-assessment scores (referred to at the July Board) had now been completed. A note detailing these would be circulated to members next week.

#### **Action: Mr Swan**

53. Mr Rapson briefed the Board on recent activities of the GA Unit. He highlighted that the Airworthiness team had been particularly busy with high volumes of work over recent months. The embedding of the Performance Based Risk approach across the team and the use of Q-Pulse (quality management software), had helped to manage this workload.

54. The Board noted the safety performance overview for GA. Mr Rapson commented that the good weather was likely to have contributed to the favourable results. Under safety reporting, Mr Rapson confirmed that the peaks in incidents reported were consistent with increased traffic over the summer period and that taken in context they did not represent a significant change in the overall risk picture.

55. The Chair raised the topic of the airspace infringement course introduced by the CAA and GASCO, to enhance the options open to the CAA when deciding if any action is required following an airspace infringement. Mr Rapson said that it was too early to provide conclusive evidence on the success of the course, but initial responses were encouraging. He confirmed that the team had not had to take further action to remove licences from those who had attended the course. It was agreed that a full review of the course and resultant behaviour would be done in

April 2019 and thereafter reported to the Board. This timescale would enable the team to collate enough data to offer a detailed analysis.

**Action: Mr Rapson/Mr Swan**

56. The Board noted the reports.

#### **X. FINANCE REPORT (DOC 2018-079) BY CHRIS TINGLE**

57. Mr Tingle reported the financial results to the end of July.

58. The Board noted the draft budget principles for the 2019/20 Budget that Mr Tingle had included with his report. These would be finalised by ExCo at the end of the month, for agreement by the Board in October. Mr Tingle confirmed that the team was working through more detailed profit and loss estimates as part of this process.

59. Mr King asked whether increased headcount had been considered against available accommodation space. Mr Tingle confirmed that based on current expectations it was likely that the new office space at Westferry would be at near full capacity, but that additional space remained at Aviation House.

60. The Board noted the report.

#### **XI. ANY OTHER BUSINESS**

61. There was nothing to report.

**Date and Time of Next Board Meeting:**

**17 October 2018, Aviation House**