

CIVIL AVIATION AUTHORITY
MINUTES OF THE 540th BOARD MEETING HELD
ON WEDNESDAY 15 APRIL 2020, BY SKYPE

Present:

Dame Deirdre Hutton

Chair

Richard Moriarty

Rob Bishton

Katherine Corich

Marykay Fuller

AVM Ian Gale

David King

Anne Lambert

Graham Ward

Paul Smith

Kate Staples

Secretary and General Counsel

Chris Tingle

Apologies:

None

In Attendance:

Peter Drissell

Tim Johnson

Richard Stephenson

Ben Alcott

Jane Cosgrove

Philip Clarke

Barbara Perata-Smith

Minute-taker

Andrew Walker

for item 7

Nic Stevenson

for item 8

I. APOLOGIES AND INTRODUCTIONS

1. No apologies were received.

II. CONFLICTS OF INTEREST, PREVIOUS MINUTES AND MATTERS ARISING

2. No new conflicts of interest were declared.

3. Mr Johnson ran through the amendments to the minutes that had been agreed at the previous day's pre-Board. The minutes for the March 2020 meetings were approved subject to the changes being made and would be published on the CAA website in due course.
4. The matters arising from previous meetings were noted and Ms Staples confirmed that action number 1 had been completed.

III. CHAIR'S UPDATE

5. The Chair commented that she had had no face-to-face meetings recently, due to the lockdown restrictions, but that she had participated in many phone calls with EDs, NEDs, the Gold Command group and external stakeholders, such as the DfT.
6. The Chair asked the NEDs whether they would like a weekly email summarising the latest developments for CAA on the Covid-19 crisis, and they welcomed the proposal.

ACTION: Dame Deirdre

7. The Board noted the update.

IV. CHIEF EXECUTIVE REPORT (DOC 2020-35) BY RICHARD MORIARTY

8. Mr Moriarty noted that he would not include updates on the Covid-19 crisis as these were covered in a later agenda item.

Update on live issues

9. **Brexit:** Mr Moriarty commented that negotiations were continuing, despite the crisis, with the UK keen to secure an air traffic agreement and a broad bilateral air safety agreement (BASA). The EU wished instead to agree a narrower BASA, more focused on air-worthiness and environmental standards, with little recognition of the UK's certification function. Mr Moriarty noted that we would need to invest in capability and ensure the organisation was prepared.
10. In particular, we needed resource in place for the State of Design and rulemaking programmes. The former was a competency to be returned to the CAA from EASA, and required around 21 FTEs to match the current capacity EASA had working on UK matters. Ten potential candidates had already been identified within the organisation, but there was a plan to also consider contractors.
11. Rulemaking required us to have greater clarity on our role and the responsibilities we would have, taking into account the respective roles of DfT and EASA. We would need to be mindful of those wishing to make amendments to current rules and therefore manage expectations as well as the process.

12. Overall, our Brexit preparedness was at a satisfactory level, but we still needed to recruit and to test the processes before full assurance could be provided, and as such this programme of work was as much of a priority as the current crisis.
13. Mr King enquired whether we could manage the additional recruitment for the BASA development, in light of the recruitment freeze that was in place. Mr Moriarty explained that some of the capacity could be drawn from skill-sets already existing within the business, however, as this would be a core function it would have to be resourced and thus funded, either by government or through our Scheme of Charges. Mr Moriarty added that this area would be an exception to the recruitment freeze due to its strategic value and the fact that government was keen we were properly resourced, as this would be key to the UK's preparedness. Mr King asked there was merit in a review of our funding model, which did not seem to be wholly suitable for these instances and Mr Moriarty acknowledged that was the case, although we were not ready with a plan yet.
14. **Overview of financial situation:** Mr Moriarty commented that he had received helpful feedback from the organisation on the financial-saving measures recently announced and added that the situation would be reviewed at the end of June.

Other issues

15. **Future Flight initiative:** Mr Johnson provided an overview of the activity and explained that it was an aerospace research and development programme sponsored by government and worth around £300m, which focused on developing unified traffic management solutions and electric propulsion engines for aircraft. The consortium featured around 120 companies which would then be split into sub-consortia to work on specific areas of the programme.
16. For CAA, there was additional funding to that for the Innovation Hub - which would be sufficient for around 10 FTEs. Our input and resource requirements might increase over time although we should ensure that not only our regulatory independence was maintained, but that the regulatory framework developed benefitted everybody across the board, not just a few.
17. Mr Johnson added that CAA was in discussion with the Aerospace Technology Institute to agree the scope of the work; the point around maintaining regulatory independence and how we could input into novel technologies.
18. **Travel operators:** Mr Moriarty commented that the Thomas Cook refunds were now 99% complete and extended his thanks to the team for a great result.
19. With regard to the ATT, Mr Smith advised that the ATT no longer had insurance cover in place. Accordingly, the Trustees had been in discussions with DfT officials, as a result of which it had been proposed that HMG would stand behind the ATT for

a period of 18 months or so and do so in such a way that any vouchers issued by ATOL holders in lieu of refunds would be subject to ATOL protection. This would enable the ATT both to sign off its accounts for 2018/19 and cope with potential demands consequent on the impact of Covid-19 on the travel industry. The Chair extended her thanks to Ms Fuller for her useful interventions as Chair of the ATT and to the team working on the Thomas Cook refunds for their work to date.

20. AVM Gale suggested that 99% of claims settled could be a good news story amid the various challenges and Mr Stephenson replied that the Communications Department had already been in touch with the media to ensure progress was recorded and had a piece ready to be published on our website. The Chair commented that we should be mindful of the fact that the position we were in with regard to Covid-19 refunds was very different from the Thomas Cook one and that we should manage expectations.
21. **CMA reference:** Mr Smith provided an update on the CMA reference and explained that discussions continued as to how best to acknowledge the impact of Covid-19 on NATS' business.
22. The Chair encouraged the Board to note Annex A which featured a summary of the work we had done to date to support industry in relation to the impact of Covid-19. The document had been compiled at DfT's request and showed the extensive breadth and depth of the CAA's engagement with industry to help it through the crisis.
23. The Board noted Mr Moriarty's report.

V. COVID-19 UPDATE

24. Mr Moriarty set the scene and commented that ExCo had a framework in place to help identify the different phases of the crisis and the appropriate type of decision-making required in each. He set out four stages to the framework: resolve, resilience, recovery and re-imagination.
25. Mr Moriarty explained that in his view we were very advanced in the resolve phase, as nearly the entire organisation was working remotely effectively, with calls to the IT Helpdesk having reduced. Westferry and the other regional offices were closed and Aviation House was open only for specific activities, such as collecting IT equipment, carrying out IT maintenance and dealing with incoming and some outcoming post that could not be handled electronically.
26. As for the resilience phase, we were making good progress on the financial challenge, and as such attention would be on the latter two phases, recovery and re-imagination. On the first, there was much work that was still continuing and some