

CIVIL AVIATION AUTHORITY
MINUTES OF THE 548th BOARD MEETING HELD ON
WEDNESDAY 16 DECEMBER 2020, 12:00, on Microsoft Teams

Present:

Sir Stephen Hillier

Chair

Richard Moriarty

Rob Bishton

Katherine Corich

Marykay Fuller

AVM Ian Gale

David King

Anne Lambert

Paul Smith

Chris Tingle

Graham Ward

Kate Staples

Secretary and General Counsel

Apologies:

None

In Attendance:

Ben Alcott

Jane Cosgrove

Peter Drissell

Tim Johnson

Jonathan Nicholson

as Interim Communications Director

Philip Clarke

Barbara Perata-Smith

Minute-taker

Glenn Bradley

for item 6

David Malins

for item 6

Phil Dykins

for item 9

Nicky Keeley

for item 9

Norma Hasting

for item 10

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. The minutes for the 18 November 2020 meeting were approved with some minor changes and would be published online in due course.
4. The matters arising from previous meetings were noted.

III. CHAIR'S REPORT (DOC 2020-95) BY SIR STEPHEN HILLIER

5. The Chair summarised a number of headline points for discussion.
 - The risk profile in the sector during the Covid recovery phase when it comes: although industry had made progress in recognising this ongoing issue, CAA would need to see evidence of the practical measures in place to mitigate the risks.
 - The Secretary of State's Priorities Letter had been shared with colleagues. This was an integral part of the planning process as one of a number of important inputs into our strategy and business planning processes.
 - Spending Review 20 (SR20): although CAA's core capabilities would be supported by DfT money, there was still uncertainty on whether the ambition projects would also be funded. Discussions were ongoing and more detail would be provided today under item 4.
 - The conversation on the Max 8 would also take place at today's meeting and would be followed by an Extraordinary Board Meeting on 13 January 2021.
 - The People Strategy would be discussed under item 10, focusing on the deliverables and the Board's role in assuring progress.
6. The Board noted the update.

IV. CHIEF EXECUTIVE REPORT (DOC 2020-96) BY RICHARD MORIARTY

7. Richard Moriarty requested one approval and one item to note from the Board and provided an update on a number of live issues.

Approvals and items to note

8. Item 1: Mr Moriarty invited the Board to note the ASSI's Business Plan. Graham Ward commented that section two of the report included an expression of opinion by the ASSI Board which would need evidence to substantiate. Ben Alcott took an action to explore with the ASSI's CEO.

ACTION: Ben Alcott

9. Item 2: Mr Moriarty asked the Board to delegate the final modifications and closing of the Gatwick Airport Limited's economic regulation licence to Paul Smith and Andrew Walker, with support from the legal team. Mr Smith confirmed that the team would return to the Board if substantial new issues were raised by stakeholders or stakeholders appeared likely to formally challenge any final decision.
10. The Board approved the delegation, subject to the above requirement.

Live issues

11. Passenger Locator Form (PLF): Mr Moriarty explained that the Government was working towards an updated implementation strategy of PLF, and work was on going to determine how passenger and airline compliance would be enforced. Government was keen for airlines to ensure passengers completed the form before boarding. Longer term an integrated IT solution was likely to be required.
12. AVM Ian Gale enquired about our role and responsibility in this matter. In its proposed legislation, the Government had tasked the CAA with undertaking an enforcement role in relation to airline compliance with the new PLF regulations.
13. Wellbeing: Mr Moriarty ran through the emerging headlines from the wellbeing survey carried out in November, which had been completed by around 900 colleagues. Although the percentage of staff that thought CAA cared about their wellbeing had decreased to 74% from 81% in the Summer, the absolute value was still very high. Statistics on workload and pressure were trending up, but these were balanced by appropriate support provided by managers. The team would work to break down the data by department to identify any hotspots and develop plans to address issues. The Chair commented that there could be a correlation between the hot spots and the shortage of resource. Jane Cosgrove said that we are tracking recruitment closely and that the library pack contained information on current resourcing levels and that in future the data would be provided in a table format for ease of reference. The effects of the recruitment freeze during the first half of the financial year 2020/21 were now flattening out due to the increase in recruitment activity and actual budget is being helped by a very low, and decreasing, staff turnover.
14. David King added that, although it was sensible to carry out the analysis, it did not help to understand how close people were to becoming unwell from work pressures. Ben Alcott said that the survey data had indicated that manager support – and thus the mechanics to ensure wellbeing – was in place. Team-level reports would provide further insights. The Wellbeing Board was working on a refreshed

- strategy and on a campaign of activities, including the launch of the headspace app, to ensure wellbeing tools were accessible to colleagues.
15. AVM Gale commented that CAA was very similar to the MoD which had also run a wellbeing survey, which had showed an organisation affected by the uncertainty of the external environment and by challenging work programmes. Data collection was an effective way of identifying hot spots and addressing the problems.
 16. The Chair summarised the discussion and added that change and crisis adaptation was an ever-present feature of our work, not something that happened periodically, and should be considered as something we need to be prepared to manage with on an ongoing basis. The organisation needed to reach a position whereby, in the event of a crisis, it could de-prioritise work quickly, which necessitate some clear instructions to and procedures for colleagues.
 17. Mr Moriarty said that the team would return to the Board once the survey data had been analysed and disaggregated into team levels.
 18. Legal: Kate Staples provided an update on the Shoreham matter and confirmed that the cognitive review report had now been published. Separately, OGC were considering the implications for the inquest of a recent Supreme Court case concerning the applicable standard of proof in inquest proceedings.
 19. Airspace infringements: Mr Moriarty made the Board aware of a complaint against CAA with regard to its airspace infringement processes. It had been alleged the processes were legally flawed. In addressing the complaint, we would be cognisant of the need to consider the allegations, any associated ongoing and new legal cases and consider how to enhance transparency and improve stakeholder participation. Once the review was completed, we would provide an update to the Board.
 20. Refunds: the Competition and Markets Authority (CMA) was continuing its investigation on airline refunds in the context of a 'frustration of contract', with CAA supporting the work.
 21. Heathrow Airport expansion: Heathrow Airport Limited (HAL) won the appeal against the government and the Court of Appeal's judgement that the Paris Agreement had not been properly considered in the Airports National Policy Statement. We would monitor the situation to see how it developed once recovery started.
 22. The Chair noted that the two items specified on the agenda under the CEO's Report had not been discussed explicitly at the meeting, but a briefing had been included in the Library.
 23. The Board noted the report.

V. FINANCE REPORT FOR THE SEVEN MONTHS TO 31 OCTOBER 2020 (DOC 2020-97) BY CHRIS TINGLE

24. Chris Tingle provided an update on the current year finances, on the forecast for the following year and on the outcome of the Spending Review 2020 (SR20). He added that the current year figures were still tracking ahead of the Covid budget, which had been agreed with DfT last April. The positive variance was expected to continue, and he was looking to balance further risk and opportunities during the remainder of the financial year.
25. Graham Ward said that he supported Mr Tingle's approach to the spending profile and asked whether the improvements to the pension deficit were due to the performance of the investment in relation to the markets. Mr Tingle explained that the deficit had reduced, but that he was reluctant to increase contributions before the next valuation in December 2021.
26. Marykay Fuller commented that although she supported making full use of available funds, in light of the results of the wellbeing survey, where colleagues had expressed feeling under pressure, there was a risk that ramping up project work might put even more pressure on an already stretched workforce. Richard Moriarty added that employing temporary staff might also cause resource pressures in the following years, once the contractors have left.
27. Mr Tingle moved onto discussing the budget for 2021/22 and the SR20 and noted we had verbal confirmation from DfT on the outcome of the review: the revenue shortfall from user charges that was necessary to support our core capabilities would be covered with taxpayer funding, with further funding to cover work related to the EU Exit transition.
28. Mr Tingle added that there was currently no additional funding allocated for the security maturity and automation blueprint projects, as well as a shortage of funding for some parts of Horizon and for a number of the ambition activities specified in the Secretary of State's Priorities Letter. The team would compare the budget with the SR20 bid to identify potential areas of flexibility. DfT's updated figures for next year's traffic volumes were similar to last summer's so our forecast was still applicable, though we and DfT would need to keep this under review.
29. The Chair commented that DfT's continued willingness to financially underpin our core regulatory activities was welcome, albeit some of our ambition bids had not been successful which would impact the pace of delivery and on the timeline for their delivery.