

CIVIL AVIATION AUTHORITY
MINUTES OF THE 532nd BOARD MEETING HELD ON
WEDNESDAY 17 JULY 2019, AVIATION HOUSE

Present:

Dame Deirdre Hutton Chair
Mr Richard Moriarty
Ms Katherine Corich
Ms Marykay Fuller
Mr David Gray
Mr David King
Ms Anne Lambert
Mr Michael Medlicott
Mr Paul Smith
Ms Kate Staples Secretary and General Counsel
Mr Mark Swan
Mr Chris Tingle
Mr Graham Ward

Apologies:

AVM Ian Gale

In Attendance:

Mr Peter Drissell		Ms Elly Shafran	for item VI
Mr Tim Johnson		Mr Ray Forster	for item VIII
Mr Richard Stephenson		Mr Troy Preston	for item IX
Ms Barbara Perata-Smith	Minute taker	Mr Peter Gardiner	for item X
Mr Ed Weston		Mr Rory Kidger	for item XI
Mr Jon Round	for item IV	Mr Ameen Khan	for item XII
Mr Andrew Walker	for items V, VI	Ms Jenny Willott	for item XIII
Mr Matt Claydon	for item V	Ms Helen Swanbury	for item XIII

I. APOLOGIES AND INTRODUCTIONS

1. There were apologies from AVM Ian Gale.

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

3. There were no new conflicts of interest declared.
4. The previous minutes were agreed, subject to a minor addition and some typographical corrections.

III. CHAIR'S UPDATE

6. The Chair gave an update on recent meetings and events she had attended. These included a lunch with Roger Hopkinson, Chair of the General Business Aviation Strategic Forum and a session with the Care Quality Commission, where the discussion had centred on the safety culture in the aviation industry and ways in which this could be replicated in the health service.
7. The Chair related that the Share the Air Conference, which some of the Board members had attended, had been a success and that electronic conspicuity had been promoted at the event.
8. The Board noted the update.

IV. CHIEF EXECUTIVE REPORT (DOC 2019-050) BY RICHARD MORIARTY

Approvals

9. The Board was asked to endorse the summary paper of the Board Awayday as a fair reflection of the event that could be used to shape the strategy refresh work programme, in the lead up to the next Board discussion in November.
10. The Board was asked to approve the amended statement of what the CAA values meant in a Board context, which now included a specific reference to the CSPL seven principles for public life. Once approved, the statement would be available on the relevant intranet page and to new Board members and regular attendees as part of their induction.
11. The Board endorsed the summary paper and approved the values statement.

Key live issues

12. Mr Johnson gave a brief update on Brexit, following an industry roundtable with Baroness Vere and James Cleverly MP. He commented that although industry did not express concerns with the CAA's contingency plans, the CAA would redouble our efforts to ensure effective measures were in place in the event of a no deal, focusing particularly on maintaining safety standards and consumer protection.
13. Although Brexit seemed to have had little impact on holiday bookings to March, the biggest area of risk for the CAA was its relationship with EASA, which could be affected by the negotiations that would follow once the new PM was in place.

14. Mr Moriarty reassured the Board that should there be significant developments in the summer, a note would be circulated with an update before the September Board meeting.
15. Mr Moriarty then gave a summary of the latest developments, including the Heathrow expansion timetable and the potential addition of UK spaceflight regulation to CAA's remit, which had been discussed at a recent ExCo session. The Board was supportive of the addition, providing clarity on the policy rationale was achieved and a detailed transition plan was in place, including issues on capability, resource bandwidth, financing, risk tolerance and effective government sponsorship. The subject would be discussed again at the October board meeting.
16. The Board welcomed Mr Round to the meeting to provide a brief update on recent developments in the oversight of air traffic management and aerodromes. These had resulted in three ANSPs and an airport being subject to safety findings that warranted the organisations being put 'on notice'. The entities now had a corrective action plan in place and would be subject to increased oversight by CAA. An open dialogue with the airports' senior leadership was also going to ensure a focused approach to the plans.
17. The Board enquired whether a graduated process should be introduced to make the removal of an operating licence a last resort. Ms Staples explained that CAA had previously consulted on introducing civil sanctions to aid such an approach, but that an issue in the parent legislation had delayed the implementation.
18. Ms Corich commented that there seemed to be an issue of culture between aviation entities, where safety is paramount, and commercial entities where speed of action, for example when shipping goods, took priority. The Chair encouraged Ms Corich and Mr Round to discuss this issue in more detail.

ACTION: Mr Round / Ms Corich

19. Mr Round confirmed that a further update on this topic would follow at the next Board meeting.
20. The Board enquired about the Malibu Piper N264DB accident and the CAA's approach to tackling illegal public transport. Ms Staples commented that CAA had an open and trustful relationship with the AAIB whose investigation into the accident continued. In the meantime, steps were being taken to bolster existing means of combating illegal public transport.
21. The Board discussed safety in terms of public perception, following conversations at the Awayday, and considering the economic fallout of large accidents that have a global impact, such as the Boeing 737 Max 8. The Chair suggested engaging a

think tank to conduct some research on how the public looked at safety, to generate insightful, in-depth data and provide a steer.

ACTION: Mr Stephenson to make initial contact

Internal news

22. Mr Tingle informed the Board that the new HQ for CAA had now been transferred to Aviation House and that the office at Westferry was fully occupied. The project had been a success in all aspects, including cost, overcoming technical challenges, encouraging smarter ways of working and setting up a space that people seemed happy to work in. Mr Swan added that the transition to Aviation House had also been successful and that flexible working practices had aided employee retention.
23. The Board noted the report.

V. REVISED RP3 PERFORMANCE PLAN (DOC 2019-051) BY PAUL SMITH

24. Mr Swan recused himself from the meeting and the Board welcomed Mr Walker and Mr Claydon.
25. Mr Smith and Mr Claydon reminded the Board of the development of the final proposals, which were set out in detail in the Board paper. Mr Smith highlighted the proposed revisions already made following consultation with stakeholders, including comments from NERL. These included an amended efficiency challenge to NERL's business plan and a clearer and stronger incentive for programme delivery, including of the airspace modernisation strategy, with a financial penalty for non-delivery. Mr Smith and Mr Claydon explained the need to secure ongoing performance of existing services for the early years of RP3 and that as the period continued airspace modernisation would become increasingly important. It was noted that in RP2 NERL had not delivered the original investment plan expected and action was required to address the risk that it may not deliver its plan for RP3, except where changes to the original plan are agreed with airlines and/ or the CAA. Mr Smith added that early engagement with NERL's senior leadership indicated there was a significant risk that NERL would reject the proposals set out in the paper. The outcome of a refusal would be a referral to the CMA.
26. The Board was keen to understand how the proposed settlement would enable the delivery of the airspace modernisation strategy (AMS), which is a large and complex programme of work, as well as the consequences of a referral to the CMA in terms of impact to CAA resources. The Board emphasised that a combination of meaningful delivery incentives to unlock airspace modernisation and an appropriate level of opex to ensure ongoing performance was necessary. The Board also