

CIVIL AVIATION AUTHORITY
MINUTES OF THE 504th BOARD MEETING HELD ON
WEDNESDAY 18 JANUARY 2017
AT CAA HOUSE, LONDON

Present:

Dame Deirdre Hutton Chair

Mr Andrew Haines

Mr David Gray

Mr David King

AVM Richard Knighton

Mr Michael Medlicott

Mr Richard Moriarty

Dr Ashley Steel

Mr Mark Swan

Mr Chris Tingle

Mr Graham Ward

Mrs Kate Staples

Secretary & General Counsel

Apologies:

Mr Richard Stephenson

In Attendance:

Mr Tim Johnson

Mr Peter Drissell

Ms Angela Lynch

Minute taker

Mr Ed Weston

Ms Sarah Doherty (for item 8)

Mr Stephen Gifford (for item 5)

Mr Jon Round (for item 8)

Mr Andrew Walker (for item 5)

I Apologies

1. Apologies were received from Richard Stephenson who was unwell.

II Previous minutes and matters arising

2. The Board approved the previous minutes from December.

III Chair's Update – by Dame Deirdre Hutton

3. There were no formal meetings to report due to the Christmas break. The Chair reported that as part of ongoing engagement with the Department for Exiting the EU (DExEU), a cross-regulators meeting had been organised with Parliamentary Under Secretary of State Robin Walker MP. She would report on the outcomes of this meeting at the next Board meeting in February.

IV Chief Executive Report – Doc 2017-001 by Andrew Haines

4. Mr Haines updated the Board on recent meetings, including engagements with Heathrow shareholders to discuss initial input on the new runway project, and a visit to Airbus Helicopters. Board members requested a full briefing on the Airbus Helicopters subject to inform them of the current situation.

Action: Mr Swan

5. Mr Haines highlighted to the Board that Voyages of Discovery and Swan Hellenic had ceased trading over the Christmas period. He praised the work by the CMG team to support repatriation of all affected customers. He also noted the nature of the press coverage that the failure had generated.
6. Mr Johnson reported to the Board that the Modern Transport Bill was under consideration within Government. It was uncertain whether it would be introduced this parliamentary session. The CAA had been providing input to the DfT on areas relevant to aviation, particularly relating to the enforcement of the licence of NATS En Route Ltd (NERL) and the ATOL scheme. These areas of the bill were almost complete. The sections relating to space planes legislation require more work and have proved more contentious. The CAA has made its position clear and raised a number of issues concerning the framework established by the Bill and what the implied role of the CAA would be. It was noted by the Board that there would be resource implications during the passage of the Bill, to enact secondary legislation and implement the resultant regime.

V Economic Regulation of New Runway Capacity at Heathrow: consultation on priorities and timetable for R3 - Doc 2017-004 by Stephen Gifford and Andrew Walker

7. The Board welcomed Mr Walker and Mr Gifford who presented the CAA's draft consultation on priorities and timetable for the new runway project. Mr Moriarty informed the Board that the consultation was intended for stakeholders with a relatively high amount of interest or knowledge of the aviation sector and the project.
8. The paper focused on consumer interests as the top priority. The CAA had been strongly encouraging airlines actively to involve themselves now in the project's early stages to optimise input from all parties. The CAA would be making quarterly reports on the engagement between HAL and its airline customers to the Secretary of State for Transport.
9. The Board requested minor changes relating to the language used to bring greater clarity throughout. It asked that the paper state more clearly that it is for Heathrow to provide the financing package for the project and the airport as a whole (not the CAA) and that the CAA would look to secure an affordable and financeable regulatory framework.
10. With the above considerations, the Board approved the report and the timeline for Board updates throughout 2017.
11. The Board agreed that as the runway project continues it would receive regular updates and take critical decisions relevant to the CAA. Mrs Staples confirmed that appropriate arrangements would be made for additional legal assurance for decisions to be taken.
12. Mr Moriarty confirmed that resources were currently sufficient to carry out the required CAA work supplemented by external resource, such as the hiring of independent financial advisors and programme management. He highlighted, however, that the CAA would need to shortly step up its resourcing as the intensity grows. He also highlighted that, owing to marketplace shortages, some areas of expertise such as civil engineering or construction, might be harder to procure. This would make it even more important that the CAA work closely with industry to incorporate their expertise. The Board confirmed their support for ensuring that the project received the required resources.

VI Policy Programmes Team Annual report - Doc 2017-003 by Tim Johnson