

CIVIL AVIATION AUTHORITY
MINUTES OF THE 514th BOARD MEETING HELD ON
WEDNESDAY 20 DECEMBER 2017, CAA HOUSE

Present:

Dame Deirdre Hutton	Chair
Mr Andrew Haines	
Mr Peter Drissell	
Mr David Gray	
Mr David King	
Mr Michael Medlicott	
Mr Richard Moriarty	
Ms Kate Staples	Secretary & General Counsel
Dr Ashley Steel	
Mr Mark Swan	
Mr Chris Tingle	
Mr Graham Ward	
AVM Mike Wigston	

In Attendance:

Mr Tim Johnson	
Mr Richard Stephenson	
Mr Matt Buffey	For item VI
Mr Peter Hammond	For item V
Ms Angela Lynch	Minute taker
Mr John McColl	For item VIII
Mr David Oastler	For item VII
Mr Pedro Pinheiro	For item VIII
Mr Ed Weston	

I. APOLOGIES

1. There were no apologies.

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

2. No new or changed conflicts of interest were declared.
3. The minutes of the last Board meeting were approved, subject to a minor correction in paragraph 69.

4. There were no matters arising.

III. CHAIR'S UPDATE

5. The Chair informed the Board of recent meetings and key events, including update meetings with DfT Permanent Secretary Bernadette Kelly, Minister for Aviation Baroness Sugg and Lucy Chadwick (DfT). Topics discussed included insolvency legislation, ongoing HAL investor discussions, and compensation enforcement powers.
6. Baroness Sugg would spend a half day at CAA House at the end of next month, providing the Chair and other colleagues with a good opportunity to brief her more thoroughly on key issues.
7. The Chair reported on her recent meeting with Which?

IV. CHIEF EXECUTIVE REPORT (DOC 2017-087) BY ANDREW HAINES

8. Mr Haines updated the Board on key meetings and live issues.
9. The Board approved the specifications for air navigation services as circulated in the report and in accordance with the provisions of Chapter 4 of the Transport Act 2000.
10. The Board noted the ASSI Business Plan and Budget. Ms Staples confirmed that interviews for the new ASSI Chair had now been completed with a potential candidate identified.
11. The Board noted the report on NERL service resilience obligations and agreed to delegate final sign-off of the licence modification to Mr Haines.
12. Mr Moriarty and Mr Haines reported on the recent HAL stakeholder dinner. Cost of Capital dominated the discussion with some attendees raising the concern that the CAA's range, as set out in its consultation document was too low.
13. The Board thanked Mr Ward and Mr Gray for their further work in relation to Monarch related hearings.
14. The Board discussed DG MOVE's response to the Monarch slots sale, which DfT would formally respond.
15. Ms Staples provided a brief update on Shoreham work, which GAU colleagues were supporting well. Several workstreams were underway, including consideration of potential regulatory action.
16. Ms Staples confirmed that the inquest hearing was expected to take place in September 2018 and a further update would be provided to the Board in February.
17. Mr Haines noted that Portfolio Delivery work was beginning to see an increase in tangible results. Significant progress had been made with the launches of AvStats,

Windows 365, e-licensing and the online ATOL platform. The Board will receive a full update in January.

18. Mr Haines gave an update on the Voluntary Industry Resilience Group, which had been set up to address key issues relating to network congestion and will publish a report on its work early next year. Overall the CAA found the group's members in agreement on taking some action but it is still uncertain how heavily they will be willing to invest in more comprehensive moves. Suggestions of creating centralised functions to manage issues (e.g. a single systems operator) were not welcomed by the Group though they recognised that such roles might be inevitable if punctuality deteriorated quickly.
19. The Board noted last week's snowfall at HAL, which although handled relatively well had resulted in considerable delays for Terminal 5. DfT has noted a general shortage of de-icing fluid nationwide (not limited to aviation) and is investigating the issue further. AVM Wigston confirmed the RAF has also been checking their contingency plans and readiness to deal with related issues.
20. The Board noted with concern the Which? Report findings that ranked BA poorly for customer service, given its previous high performance.
21. The Board congratulated Mr Stephenson and his team for their recent successes at several prominent communications awards events for work done on drone education and Monarch campaigns.
22. The Board noted the report.

V. CAA 2020 ACCOMMODATION PROJECT UPDATE (DOC 2017-088) BY CHRIS TINGLE

23. The Board welcomed Mr Hammond to the meeting. Mr Tingle provided an overview of progress made, including completion of phase one of the staff consultation and the creation of a shortlist of properties.
24. The Board noted that the staff survey on working preferences had achieved a high rate of response and that they had generally expressed positive views regarding considering new flexible ways of working. Redundancy expectations arising from the relocation were low and there is no risk perceived to CAA critical functions. Directors are aware of staff that could be affected and are working directly with individuals and HR to consider options.
25. Mr King remarked on the findings of the survey, which indicated some lack of trust with management. This had been noted elsewhere in response to similar broader comments.

26. Mr Hammond briefed the Board on the process of creating the final shortlist of properties, describing how they compared against the criteria approved by the Board in July. The team had ranked the shortlisted properties based on this assessment. It was noted that, owing to external considerations the amount of space required had been increased, which had ruled out one of the earlier proposed property options.
27. Mr Hammond confirmed that the team had received property market advice from external experts to inform their choices and the process. The team's strong preference was to have signed Heads of Terms by January. Mr Tingle confirmed he had allowed for only a small amount of slippage within the timeline, in line with commitments made to inform staff of a decision by the end of March 2018 and the timescales to complete an orderly exit from CAA House. From the perspective of space, contingency plans would allow for a short-term reallocation of London based staff to Gatwick if no property were found, but it would be very sub-optimal. The Board agreed to the proposed timeline.
28. It was agreed that a "minded to" decision on location would be agreed by the CEO Designate (Mr Moriarty) and the Chair, who would circulate it to the Board. The Board would be given a short turnaround time to provide their comments and reach final agreement.

Action: Mr Moriarty / Chair

29. The Board noted the report.

VI. ANNUAL REVIEWS FOR THE CONSUMERS AND MARKETS GROUP AND CONSUMER ISSUES PANEL (DOC 2017-089) BY RICHARD MORIARTY

30. The Board welcomed Mr Buffey to the meeting. Mr Moriarty reported on the performance and key projects carried out by the CMG directorate over the past 12 months as detailed in the report.
31. Mr Moriarty briefed the Board on the key challenges the group had experienced including embedding the new ATOL online platform, which would continue into the New Year. He reported that the work was now being much better coordinated between the project team and CMG team members.
32. Under ATOL insolvency protection and airline licensing activities, Mr Moriarty highlighted that contingency plans were being reviewed. They would be updated, incorporating lessons learnt from the Monarch programme. It was noted that the success of the Monarch programme should not cloud the risks associated with repatriation following major airline failures.