



CIVIL AVIATION AUTHORITY
MINUTES OF THE 519th BOARD MEETING HELD ON
WEDNESDAY 16 MAY 2018, CAA HOUSE

Present:

Dame Deirdre Hutton	Chair
Mr Andrew Haines	
Mr David Gray	(until item X)
Mr David King	
Mr Michael Medlicott	
Mr Richard Moriarty	
Ms Kate Staples	Secretary & General Counsel
Mr Mark Swan	
Mr Chris Tingle	
Mr Graham Ward	

Apologies:

Dr Ashley Steel
AVM Mike Wigston

In Attendance:

Mr Peter Drissell	Ms Vanessa Jones	(for item VII)
Mr Tim Johnson	Mr Sean Parker	(for item VIII)
Mr Richard Stephenson	Mr Phil Dykins	(for item IX)
Mr Mike Smethers (for item VI)	Mr Peter Fiddy	(for item IX)
Mr David McMillan (for item VI)	Mr Peter Kirk	(for item IX)
Mr David Oastler (for item VI)	Mr Iain Libretto	(for item X)
Ms Caroline Chalk (for item VII)	Mr Rob Bishton	(for item XI)
Mr Chris Whitehurst (for item VII)	Ms Angela Lynch	Minute taker
	Mr Ed Weston	

I. APOLOGIES

1. There were apologies from Dr Steel and AVM Wigston. Mr Gray confirmed he would need to leave early owing to other commitments.

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 meeting were agreed.
4. The Board noted that actions 40-41 (Budget Proposals) were complete and, based on the information received, it approved the CAA Budget 2018/19.

III. CHAIR'S UPDATE

5. The Chair gave an update on recent meetings and events including her participation in the UKRN Annual Conference. Her remarks on the Monarch repatriation programme had been well-received with a high level of interest shown. It was clear that the details of the programme were not widely known amongst other regulators. For this reason, the Board agreed the work being undertaken by Cass Business School in writing up the experiences as a case study, could be of value to them, as well as to the CAA. The Chair confirmed that it is intended that the final report will be published.
6. The Chair gave a summary of her recent meeting with Lord Deighton KBE (Chair of Heathrow). The discussion had proved useful and regular meetings would be arranged to maintain communication on key issues.

IV. CHIEF EXECUTIVE REPORT (DOC 2018-037) BY ANDREW HAINES

7. Mr Haines updated the Board on key meetings and live issues.
8. The Board approved the change to the CAA's banking mandate, adding the new Head of Finance and Corporate Services (Julie Bryer) as a panel "A" signatory.
9. Mr Moriarty gave an update on recent activity related to the Heathrow expansion. He confirmed that the CAA was on track to deliver on its current project commitments and was continuing to monitor external developments. He reiterated the CAA's support for further engagement between Heathrow and third parties, including in-depth exploration of all commercial options. It was recognised that ongoing uncertainties over the decision-making process and the high level of scrutiny required at each stage added complexity to the project, with investors keen for answers.

10. Mr Swan gave an update on the safety team's ongoing work in relation to Trent engines, which is being carried out in accordance with existing SARG processes. He confirmed that further information would be circulated to the Board as required.
11. The Board was informed of auditing work the CAA is carrying out on behalf of the DfT in Guernsey and the resultant engagement with the DfT. Ms Staples confirmed that Guernsey's status as a self-governing Crown Dependency places it outside the remit of the CAA regulation and that the governance framework is unique and different from that applicable to the UK's overseas territories in respect of which ASSI has certain responsibilities.
12. Mr Johnson gave an update on the CAA's response to NERL's initial business plan for 2020-2024 (RP3), received last month. Mr Moriarty confirmed he would continue to engage with NERL over the next 12 months, to oversee the transition into the RP3 period.
13. Mr Johnson updated the Board on the drone registration scheme that DfT has mandated the CAA to deliver. He confirmed that project scoping was underway and that governance and procurement arrangements were in the process of being finalised with DfT. Mr Haines suggested that within the final terms, it should be made clear whether the scope of work or the timeline is the overall determining factor and who is responsible for owning the project risks. Mr Johnson confirmed the CAA's costs in setting up the scheme will be borne by DfT and operating costs by registered users. He also confirmed that the scheme would require a standalone IT system.
14. The Board noted that EasyJet's corporate restructuring meant that it now has 3 operating airlines (Switzerland, Austria and UK).
15. In response to a question, Mr Haines confirmed that annual CAA pay discussions with the trade unions were ongoing.
16. Under lines to take from Communications, Mr Ward asked that use of the word 'ensure' be reconsidered where appropriate.
17. The Board noted the report.

V. CEO ANNUAL REPORT (DOC 2018-038) BY ANDREW HAINES

18. Mr Haines presented the Annual CEO Report. He gave an overview of how the past 12 months had compared with last year's predictions of major challenges for the CAA. He also provided a detailed summary of the high- and lowlights experienced.
19. Mr Haines noted challenges that the CAA had faced in preparing for Brexit, although recent UK Government and European Commission statements indicated

the potential for positive outcomes for aviation, including possible continued engagement with EASA.

20. Mr Haines noted that despite the political uncertainty, legislative progress had been seen over the past year in significant, targeted areas. He was hopeful that there would be further appetite for introducing legislative change in uncontentious areas and that would bring practical benefits to the aviation sector.
21. Under internal highlights, the Board noted that good progress had been made in planning for next year's accommodation move and in the establishment of a new personal development process, which had been designed by colleagues from across the organisation. In addition, Mr King felt that the CAA's risk management processes had continued to improve and safety reporting to the Board was now of a consistently high standard. The Chair also felt substantial progress had been demonstrated in the handling of resourcing and ad hoc 'spikes' in activity.
22. Mr Haines noted that the CAA's work on emerging technologies had not progressed as quickly as had been hoped, owing to a range of internal and external factors. The Board agreed that discussions planned on this topic over the coming months would help to address this and provide direction for the CAA's strategic approach.
23. The Board agreed that areas where improvement had been made would continue to be monitored, to maintain the high quality already achieved and prevent any slippage.
24. The Board noted Mr Haines' suggestions on areas to focus on for further improvement. Mr Ward also felt that further improvement was needed on ensuring that deadlines were met and understanding whether reported missed deadlines resulted from a change in scope or lack of discipline. The Board agreed that it was important that the attitude of the Board and staff continued to demonstrate a desire to learn, question and improve.
25. Mr Moriarty outlined the direction for the CAA over the next year, stressing the need to continue to work across teams in order to deliver the complex and multifaceted programmes it needed to. He shared his intention to lead a stronger focus on internal development, including further investment in strengthening management and colleague behaviours. Mr Medicott noted that this also should include significant consideration of engagement scores. He suggested that softer initiatives were needed to create social, as well as professional, opportunities for staff to engage with each other and the organisation. The Chair asked that the forward work programme factor in ad hoc and crisis management activities.