

CIVIL AVIATION AUTHORITY
MINUTES OF THE 554th BOARD MEETING HELD ON
WEDNESDAY 16 JUNE 2021, 11:00, on Microsoft Teams

Present:

Sir Stephen Hillier

Chair

Richard Moriarty

Rob Bishton

Katherine Corich

AVM Simon Edwards

Marykay Fuller

David King

Anne Lambert

Paul Smith

Kate Staples

Secretary and General Counsel

Chris Tingle

Graham Ward

Apologies:

None

In Attendance:

Ben Alcott

Jane Cosgrove

Peter Drissell

Tim Johnson

Alex Kaufman

Philip Clarke

Barbara Perata-Smith

Minute-taker

Jenny Willott

for items 7

Maria Rueda

for item 8

David Tait

for item 8

Iain Libretto

for item 9

Jon Round

for item 10

I. APOLOGIES AND INTRODUCTIONS

1. No apologies were received.
2. The Chair welcomed AVM Simon Edwards who replaced AVM Iain Gale as the Ministry of Defence representative.

II. CONFLICTS OF INTEREST, PREVIOUS MINUTES AND MATTERS ARISING

3. No new conflicts of interest were declared.
4. The minutes from the previous Board meeting were approved and would be published on the CAA website in due course.
5. The matters arising were reviewed and a number of actions highlighted to be closed.

III. CHAIR'S REPORT (DOC 2021-49) BY SIR STEPHEN HILLIER

6. The Chair summarised a number of headline points for discussion, including the Annual Report & Accounts, the Consumer Panel Annual Report, which would be presented by the Panel's Chair, Jenny Willott, and the paper on Innovation Advisory Services.
7. The draft agenda for the Board Awayday would also be discussed later in the meeting.
8. The Board noted the update.

IV. CHIEF EXECUTIVE REPORT (DOC 2021-50) BY RICHARD MORIARTY

Approvals

9. The CEO asked the Board to approve two items, as follows.
10. First, the CEO asked the Board to endorse the proposal to replace Kate Staples with Anna Bowles as the employer nominated trustee of the CAA Pension Scheme from 1 July 2021. This was due to Ms Staples leaving the CAA at the end of this calendar year which meant she would step down from her trustee role with effect from 30 June 2021. The Board approved the request.
11. Second, the CEO asked the Board to endorse the proposal to appoint Dr Mike Trudgill, currently Chief Medical Officer, as Responsible Officer (RO), a required role of the General Medical Council (GMC). Effective from 1 July 2021, this proposal was to replace Dr Sally Evans, the current GMC RO who would retire at the end of June 2021. The Board approved the request.

Live issues

12. Recovery and response: industry frustration has increased at the Government's plans to maintain the current RAG-based allocation system for countries, with a Judicial Review having been launched by a number of stakeholders in the aviation and travel sector over the effectiveness of the criteria used for allocating countries to RAG categories.
13. The delayed re-start to international travel meant the potential risk of a surge in the level of aviation activity, with its possible implications, had not materialised. However, the more prolonged the current restrictions, the more prominent the risk of skills fade and the financial situation faced by entities becoming critical.
14. The CEO explained that, although the main focus was on the effects of the crisis on human factors, the team was also concentrating on the engineering side and had responded quickly to an issue raised by the AAIB with regard to pitot tubes.
15. The CAA had gained a minor new role on Covid enforcement, in relation to arrivals from red countries being permitted only to dedicated terminals at Birmingham or Heathrow airports. The requirement was unlikely to be breached on the commercial passenger side of the sector, although there could be a slight risk with private jets, and in those cases, it would be immediately notified to CAA by Border Force. The team would write to all airports to provide instructions.
16. The Board discussed the further accretion of new Covid related enforcement roles, but the Board was reassured that this was only a minor increment to the existing role, with a very small additional resource and legal commitment, both funded by DfT.

Regulatory developments

17. The CEO provided a summary of the meeting that he and the Chair had attended with the Secretary of State (SoS). The discussion focused specifically on the Level 3 Case Handling Review process associated with the CAA's decision-making. The CAA had already taken action to more clearly identify a Level One process for airspace infringements, and would also have a Level Two process in place shortly. We had also previously identified to Ministers that we were considering a Level Three process for airspace infringements. This meeting focused on Level Three, which would be independent of both the CAA and other parties. The Secretary of State had agreed that this case handling review process should relate to private citizens, not commercial entities; that the process should be implemented as soon as practicable; and, importantly, that the scope of review should be procedural justice grounds rather than safety merits, given the vital importance of the CAA remaining the ultimate authority on safety across the system. It was also agreed that access to Level Three should have appropriate barriers, with an expectation

than only a handful of cases would be heard at this level, rather than it being the appeal by default. SoS directed that additional funding should be made available by the DfT to allow for implementation. We were now working to agree the Terms of Reference with DfT officials and an update would be provided to the Board in July.

18. The CEO updated the Board on the diversion of the Ryanair flight in Belarusian airspace. He noted the interest of the Transport Select Committee in the incident and what it might mean for aviation law and accepted international aviation protocols. He described the ongoing ICAO investigation into the facts and the rationale for the decisions taken by DfT and the CAA in relation to our issuing of two NOTAMs and the removal withdrawal of the Foreign Carrier Permits (FCPs) from certain operators.
19. The CEO and the Aviation Minister attended a Transport Select Committee Hearing on 15 June to discuss the situation.
20. Shoreham inquest: a brief overview of the developments on the Shoreham inquest was provided.

Internal issues

21. DfT audit: The CEO noted that DfT's Internal Audit function would conduct a routine review of how DfT conducted its sponsorship functions of CAA as an Arm's Length Body.
22. New medical system: The CELLMA implementation, which the Board was briefed on last month, was now proceeding more smoothly, with outstanding portal registration applications down to 1,400 from over 4,000. It would be a few weeks until the system was stabilised and the focus was on the wellbeing of the processing and project team, as well on communications to stakeholders, particularly to address points raised on data security.
23. A question was raised on whether regular lessons learnt sessions were held to ensure issues with implementation of new IT system could be understood. The team assured the Board that was the case and added that many system changes did not get reported because they tended not to encounter problems, so this was not a regular occurrence. In particular, the CAA team had managed to implement SAP and SuccessFactors successfully, the former being notorious for causing issues, showing the organisation definitely had the capability to integrate complex systems. The key point to note was that many systems needed to be customised for CAA operations rather than bought off the shelf which often brought snags.
24. The Chair noted that the KPIs included in the report for the SSC were mainly green and asked the team to reflect whether the right measures had been set, as

stakeholders experiencing delays in the processing might disagree with the green rating. The team observed that most licensing services were performing well, but the SSC has struggled with the incremental work caused by the CELLMA implementation and EU exit. However, they agreed to review the KPIs to be more reflective of the whole picture.

ACTION: Chris Tingle

25. Space: A question was raised in relation to media coverage on CAA's space regulation function, in particular, in relation to whether unlimited third-party liability for space activity would sit with government or innovators. The team explained that in anticipation of it taking up its space functions in summer 2021, the CAA was reaching out to all stakeholders, including Parliamentarians across the UK. The issue of unlimited third-party liability was a decision for Government (with whom any unlimited liability would rest), with CAA testing as part of the licencing process whether operators had the requisite level of insurance in place. The Government had undertaken a consultation on the draft insurance and liability framework, and a final position would be confirmed through the imminent approval of secondary legislative by Parliament. CAA now had the capacity, capability and a programme of work in place for fulfilling its new regulatory functions.
26. National Aviation Authorities Network: The Chair noted that the 5 NAAs Network had agreed that the UK would lead the group for the first two years.
27. The Board noted the report.

V. FINANCE REPORT FOR THE ONE MONTH TO 30 APRIL 2021 (DOC 2021-51) BY CHRIS TINGLE

28. The COO noted that there had been a good start to the financial year with positive variances thanks to a combination of revenue, for example from personnel licences and AOCs, and cost control, including staff costs as the CAA is under budget on headcount.
29. Staff resourcing was recently discussed by ExCo and, in particular, the variance between actual and our budgeted headcount. There were no immediate areas of concern and it was noted that there had been some frontloading of approved vacancies for the full financial year.
30. There had been a request from DfT to update the organisation's s.12 grant forecast for 2021/22, including a BAU forecast for the next three years. The key variable in the figures would be passenger volumes, in line with the estimated recovery timeline. DfT were not in a position to share an updated forecast yet, to allow CAA to reflect this in the s.12 forecast. The team had decided to err on the