

CIVIL AVIATION AUTHORITY
MINUTES OF THE 542nd BOARD MEETING HELD ON
WEDNESDAY 17 JUNE 2020, 11:00, BY SKYPE

Present:

Dame Deirdre Hutton
Richard Moriarty
Rob Bishton
Katherine Corich
Marykay Fuller
Sir Stephen Hillier
AVM Ian Gale
David King
Anne Lambert
Paul Smith
Kate Staples
Chris Tingle
Graham Ward

Chair

Apologies:

None

Secretary and General Counsel

In Attendance:

Peter Drissell
Tim Johnson
Richard Stephenson
Ben Alcott
Jane Cosgrove
Philip Clarke
Barbara Perata-Smith

Minute-taker

Nic Stevenson for item 5
Jenny Willott for item 6
Harriet Gamper for item 6
Ella Payne for item 9
Jon Round for item 10 and 11
Stu Wain for item 10
Colin Chesterton for item 10
Stephanie Shaw for item 11

Handling Instructions:

David Malins	for item 11
Glenn Bradley	for item 11
Michael Cox	for item 11

I. APOLOGIES AND INTRODUCTIONS

1. No apologies were received.
2. The Chair welcomed Sir Stephen Hillier, who had been appointed as a Non-Executive Director until he takes up his role as CAA Chair on 1 August 2020.
3. The Chair noted that Ben Alcott and Jane Cosgrove would join the entire meeting today.

II. CONFLICTS OF INTEREST, PREVIOUS MINUTES AND MATTERS ARISING

4. No new conflicts of interest were declared.
5. The minutes for the April 2020 meeting were approved subject to some minor amendments and would be published in due course.
6. The matters arising from previous meetings were noted but there were no comments.

III. CHAIR'S UPDATE

7. The Chair commented that she had had no face-to-face meetings recently, due to the lockdown restrictions, but had had many online meetings. She had dialled into the CAA Gold Command meetings once a week to keep abreast of developments.
8. Other virtual meetings included a session with Mark McAlister, the Chair of the Office of Nuclear Regulation (ONR), which had been useful as the ONR had a similar safety objective to CAA. The Chair mentioned that Peter Wyman, Chair of the Care Quality Commission, had now taken over chairing the Chairs of Safety Regulators group and that the ONR was a big supporter of the group.
9. The Chair also mentioned that she had received a joint letter from the Secretary of State and Aviation Minister praising the CAA for its excellent performance so far in supporting the aviation industry and the Government with the Covid-19 crisis. The letter was a very welcome recognition for CAA colleagues for all their efforts. The letter had been published on iComms for all colleagues to read.
10. The Board noted the update.

IV. CHIEF EXECUTIVE REPORT (DOC 2020-47) BY RICHARD MORIARTY

11. Richard Moriarty provided an update on a number of live issues.

External issues

12. Brexit: CAA was prepared for the potential range of negotiated outcomes. The CAA was making good progress on licensing and security arrangements, and was in the process of identifying suitable candidates, internally and externally, to create a State of Design capability. The team's size had been based on current resource allocated by EASA to UK based design approval holders and, although there remained some uncertainty as to the volume of work, we would match the team to the pipeline of work.
13. With regard to changes to EU regulations that would be incorporated into UK law, we were currently in talks with the DfT to understand the CAA's future role and the changes that would require the Government's support through legislative change. The risks were that industry would expect a high level of change in existing regulations. This topic was scheduled to be discussed at the Board, for a deep dive, in the Autumn.
14. Tim Johnson observed that the CAA would look to establish and then evolve an appropriate relationship with EASA within the framework and parameters of the overarching UK/EU trade agreement.
15. Mr Moriarty said that we were looking to form relationships with other entities, including the US Federal Aviation Authority (FAA), whom we had met at a recent joint FAA/DfT roundtable. The session had been aimed at discussing aviation's recovery in our respective countries and we had agreed to engage, in the future, on technology and innovation as the FAA were interested in the CAA's Innovation Hub and we were keen to learn more about their R&D function. A working group would be formed to ensure this work was taken forward in a structured manner.
16. Furthermore, the FAA had agreed, at Mr Moriarty's request, to carry out a peer review of our Electronic Conspicuity Strategy and would offer guidance and advice. The FAA also regulated space activity, closely with NASA, and would offer an opportunity for CAA to learn more on this area, particularly the engineering capability.
17. The Chair praised the excellent collaboration and useful peer-to-peer conversations that were being set up.
18. Space Regulation: Mr Johnson commented that the single regulator function had now been signed off by Ministers and confirmation would be subject to a Statutory Instrument in Parliament. Commencement was likely to be the Summer of 2021 which would provide time to resource and organise the team and grow it as necessary. A detailed paper was scheduled to be presented to the Board in the Autumn 2020.

Handling Instructions:

19. Ian Gale enquired whether the arrangements with the UK Space Agency (UKSA) were in place to support a smooth transfer of people and functions. Mr Moriarty confirmed that was the case and explained that their recently appointed Deputy CEO was monitoring this as part of his project delivery role.
20. Dave King enquired about the relocation arrangements for UKSA staff. Mr Moriarty explained that the initial agreement had been for UKSA colleagues to stay in their offices in Swindon and Hartwell for two years after the initial transfer of functions, and that we were in the process of thinking about the ability to integrate with our staff in the current circumstances once the phase-in period was over. The current remote working arrangements forced by the Covid-19 crisis had actually helped as it had made colleagues able to work and collaborate with each other virtually which would have been the same for the UKSA staff.
21. Graham Ward asked whether we had taken into consideration the lessons learnt from the integration of AvSec into CAA and Peter Drissell confirmed that was the case and that these had been built into the plan.
22. Heathrow Airport Limited (HAL) and NATS economic regulation: Mr Moriarty provided an update on HAL and NATS.

Internal issues

23. Staff pay: Mr Moriarty requested Board support to extend the pay reduction arrangements for colleagues for a further three months from the start of July. He explained that this approach had the support of the CAA's unions but that, although phase one had had 100% uptake from all eligible staff, phase two might not and we should clarify that the extension would not be prolonged further beyond that.
24. Dr King added that, in the pre-Board discussion, it had been confirmed that provisions for hardship were being made via the Benevolent Fund and the Employee Assistance Programme and that financial wellbeing information was available on the intranet.
25. The Board agreed the request and Mr Moriarty thanked the members for their personal support of this issue in the past few months.
26. Diversity: Mr Moriarty thanked the Board for their support on the statement he had made on racism, in light of the Black Lives Matter movement. He added that since publication, he had received many messages from colleagues, showing that it was a conversation that many wanted to have and that the organisation should listen, reflect and bring the topic into the CAA's Diversity & Inclusion work.
27. Marykay Fuller commented that the organisation might want to explore the possibility of splitting CAA's BAME data into its constituent elements. She added

that in the future , the recruitment freeze brought about by Covid-19 might provide an opportunity to select and develop staff and should be brought into the Project Horizon conversation.

28. Mr Moriarty agreed on the second point and said that the reporting was not yet sufficient to be able to report comprehensively on diversity figures, which might make splitting BAME data complex. Jane Cosgrove commented that ethnicity disclosure rates were still under 60% which made it difficult to understand the spectrum of diversity in the organisation. As for BAME data, the organisation was quite small meaning that, if we split the data, it could become granular enough to identify people within teams, causing GDPR issues. Ms Cosgrove agreed to take away and reflect and added that the focus for now was on raising disclosure rates and said the listening sessions might help open the conversation.

ACTION: Jane Cosgrove

29. Ian Gale suggested the organisation should reflect first on the difference between a tolerant organisation and an anti-racist one; and second, on what steps we could put in place to address this issue, such as removing names from CVs. The Chair agreed it was an important subject and a dedicated Board debate would be arranged.
30. Mr Ward commented that the table on page 19 of the CEO report illustrated the criteria for airspace classification should start with safety rather than CAA resource. Mr Johnson thanked Mr Ward and confirmed it would be corrected.

ACTION: Tim Johnson

31. The Board noted the report.

V. PROJECT HORIZON (DOC 2020-50) BY TIM JOHNSON

32. The Board welcomed Nic Stevenson to the meeting.
33. Mr Johnson provided an overview of the context and purpose of the project. Mr Johnson recognised that, although the Covid-19 crisis had caused uncertainty and disruption, it had also provided an opportunity to review how we approach a number of issues, some of which could become more prominent, such as decarbonisation and new and more disruptive technologies, requiring that we work in a more agile and flexible way. Our financial position was strained, however, and over the short and medium term our financial resilience had to be considered.
34. Project Horizon, therefore, was aimed at designing the regulator we wanted and needed to be in the future and what changes would be needed to get there. Delivering our core functions would always remain fundamental. However, we should review our approach to how we undertook other activities, considering

outcomes and efficiencies. The five themes identified by the project illustrated some of the options we had to realise these objectives.

35. Mr Johnson said that he and the team would not require decisions from the Board today, but they would take any feedback from today's meeting to inform the Board Away Day in July and to ensure that the project was following the appropriate direction of travel. The team would return to the Board in July to discuss issues and priorities. Mr Ward commented that we should offer proper consideration to the balance between being an independent regulator and supporting a growth duty.
36. Mr Stevenson explained that the Horizon project group, working with colleagues across CAA, with ExCo members and their leadership teams, had identified five themes. Each theme summarised and represented potential areas of investment to drive change and position us for current and future challenges, whether that investment was through time, money or reallocated focus. The first iteration of the themes were: continually challenging our regulatory approach; accelerating digital adoption; capabilities fit for the future; restoring our financial resilience; and delivering unique values.
37. The Chair asked the Board for feedback and summarised the comments as follows. The general message indicated that the Board broadly supported the themes identified, but that some of the elements within those could be more ambitious; the timeline of two years was quite short, as CAA already had a current strategy, and should be taken further in the future. Financial resilience was important and required an overhaul of the scheme of charges model, however, we should be wary not to restrict our ambition because of our focus on reviewing the financial model; a part of designing the future CAA was to complement its core regulatory functions with enabling and facilitating the development of the sector. We should scrutinise the activities that had been accelerated and decelerated by the virus crisis and aim to support an innovative, enterprising and competitive market that delivered consumers' safety, security and economic interests.
38. Kate Staples recommended that at the appropriate time we should engage with partners outside of the organisation to ensure diverse thinking. Mr Moriarty agreed, and both acknowledged the benefits of conducting this work in-house and the need to stress-test it with the outside world appropriately.
39. The Board noted the report.

VI. CONSUMER PANEL REPORT (DOC 2020-49) BY PAUL SMITH

Handling Instructions:

40. The Board welcomed Jenny Willott, the Chair of the CAA's Consumer Panel, and Harriet Gamper to the meeting.
41. Ms Willott highlighted the key points of the Consumer Panel Annual report, commenting that the world had changed considerably since the report had been written. She said that the Panel had worked on the Aviation Strategy 2050 with the DfT, on consumer redress and protection, on vulnerability, on regulation of data by industry and on identifying opportunities to improve the consumer experience, for example by automating the EC261 refund and compensation process. For the next work programme, the Panel had planned to focus on some of the outstanding issues that had originated from the above work, as well as other topics, such as ATOL reform, environmental information provision and matters that had come from the Covid-19 disruption, for example competition, recovery, health screening etc. The Panel anticipated that the work programme would remain flexible to accommodate urgent or topical issues.
42. The Chair commented that the Board had just had a discussion on environmental issues and asked whether the Panel had managed to understand what information could be useful or wanted by consumers. Ms Willott said that the public's interest in this area had definitely increased, but that industry was still reluctant to release data, although the tide was changing there too. Although there were many carbon calculators available, these were difficult to use and confusing and we were a long way from having data that was granular enough. AVM Gale agreed that decarbonisation was clearly on the Government's agenda and that perhaps CAA could support this aim by providing leadership in this area. Furthermore, we should explore whether more accurate data would be available post-flight and whether this could be shared appropriately. The Chair commented that there was a possibility that aircraft engines could communicate emission figures and added that this project had a lot of similarities with the food labels traffic light system that had been implemented by the Food Standards Agency.
43. Ms Willott observed that there was work still to be done to understand consumers' wishes and expectations from government and the regulators, but that beyond a certain point, the CAA did not have powers to act or make others act and therefore the Government would need to decide whether to strengthen the law in these areas. Furthermore, there were many trade-offs in the interaction of environmental issues, for example between noise and emissions, and that had a responsibility towards the non-travelling public.
44. Ms Fuller enquired whether there was a way to monitor what consumers did with the information available, for example with regard to carbon offsetting. Ms Willott

Handling Instructions:

explained that carbon offsetting was a difficult issue as the information did not come to consumers at the right time in the purchasing journey and the practice was not generally trusted which meant there was little take-up. There was an opportunity for the Panel to explore the area of environmental information provision further, together with the CAA team that was taking this project forward, focusing on what data was most useful, where it should be provided, how and when to maximise its efficacy and enable choice.

45. The Chair asked whether the Panel intended to work on consumer confidence post-Covid-19. Ms Willott said that she had already talked to Rob Bishton with regard to health screening. After 9/11, the recovery of consumer confidence had been quite fast due to a number of security measures that had been put in place, so the Panel would focus on what customers would expect and be ready to accept and the role of airports and airlines in this. Katherine Corich commented that she had spoken to Cranfield University in relation to the work they were doing to test the transmission of a virus inside an aircraft cabin as this had been highlighted as one of the issues consumers were most concerned about. Cranfield were in the process of finalising the work which could be shared with the public as a form of reassurance. Mr Bishton added that we should try to keep the topic of cabin air quality separate from other aspects of public health. He added that Easyjet had installed a set of filters that it asserted removed 95% of impurities circulated inside a cabin.
46. Mr Moriarty thanked Ms Willott and the Consumer Panel for bringing an independent and constructive challenge and value. He enquired whether the interface between CAA and the Panel was the right one and Ms Willott confirmed that to be the case and said that, although the Panel primarily liaised with the Consumer and Market Group, it also talked to other teams in the organisation, keeping a watchful eye for issues that could be relevant for consumers.
47. The Chair thanked Ms Gamper for her secretariat work for the Consumer Panel and Ms Willott for her excellent chairing of this group.
48. The Board noted the report.

VII. COVID-19 UPDATE

49. Mr Moriarty said that the Gold Command group was still meeting three times a week.
50. Refunds: Paul Smith updated the Board on refunds and commented that the team now had data on how airlines were performing, with the majority of UK operators providing refunds to consumers at a reasonable rate. Mr Smith explained that

Handling Instructions:

some airlines were being very proactive, with good customer interface as well as speed of turnaround; others had been less forthcoming, as such the team had written to them to set out the correct terms of engagement. Almost all of those had come into line without CAA undertaking formal enforcement action. A significant number of refunds had been made by airlines that had reasonable customer propositions, but some had a sizeable backlog and varying degrees of speed. We were in the process of agreeing a way forward focusing on a better customer outcome rather than relying on a lengthy enforcement process. The team was working with the Communications Team to agree a suitable public message to highlight the above.

51. Richard Stephenson commented that his team was dealing with political, media and consumer correspondence on a daily basis and that it was proactively responding. Journalists interested in these issues were being given regular updates and the time frame for responses to social media messages had been increased to two working days to manage expectations. We were also continuing to discuss the remit of our powers to ensure government supported us to have what we needed in the future.
52. People: Ms Cosgrove said that Aviation House was now Covid-19 secure. A small number of colleagues had visited, and everybody had been allowed to enter. Risk assessments had been completed for each area of work. The current arrangements for remote working were expected to continue until the start of September, at the earliest, and this had been communicated to colleagues.
53. Ms Cosgrove provided details of a wellbeing survey that had been carried out which had received 800 responses from staff. The full report would be circulated to the Board after this meeting.

ACTION: Jane Cosgrove

54. The report indicated that 85% of colleagues confirmed IT was working well allowing them to carry out their job; 82% felt connected to their team; 85% felt supported and with clear priorities; however, 55% was unsure that good performance would be noticed while working from home. Many colleagues were worried about their potential commute once lockdown restrictions were released, but 81% agreed that CAA cared about their wellbeing. The data will feed into Project Horizon providing an insight into how people would like to work in the future.
55. The Board noted the update.

VIII. FINANCIAL REPORT FOR THE MONTH TO 30 APRIL 2020 (DOC 2020-47) AND BUDGET UPDATE (DOC 2020-54) BY CHRIS TINGLE

56. Chris Tingle summarised the financial results for April; the budget update, compared to the version shared the previous month; and progress on resolving the organisation's financial challenge.
57. The financial results showed a loss and a decline in revenue compared to the previous year, in line with the forecast, although the cash position was reasonable thanks to payment of invoices by a number of stakeholders.
58. The budget update indicated a deterioration of the figures previously presented, highlighting the significant impact of reduced traffic volumes on our income. Mr Tingle asked the Board to reflect on a possible further deferral of the increase to charges beyond the initial three months of the financial year it had previously discussed: ExCo's proposal was to continue deferring the increase for a further quarter, given the challenges being faced by industry. The Board agreed with the proposal.
59. Mr Tingle highlighted the volume reduction assumptions that had been made as part of the forecast and commented that these could be slightly too pessimistic, but only by 5-10%. These were the figures driving the profit estimates and in turn the recovery plans. Furthermore, having assumed CAAi would deliver a small profit, it was now apparent that would not be the case. EASA had its own challenges and had decided to move more of its activities in-house, which had in turn further adversely impacted CAAi's revenue projections.
60. Mr Tingle summarised progress with the discussion with DfT on our addressing our current year financial liquidity challenge. Good progress was being made and formal agreement was still needed from relevant Ministers. Providing the financial support package and the accompany financial support letter from Government was signed, the CAA would likely meet its going concern test.
61. Mr Moriarty said that the Board was likely to need more time to reflect on the new information provided on the challenges facing CAAi before approving its budget.
62. AVM Gale commented that, although the recovery required a collaborative approach between CAA and DfT, ultimately it was up to the latter to confirm whether CAA was needed or whether it was fit for purpose. Internally, CAA should focus on the automation of certain tasks, to avoid head count increases and should reflect on whether difficult decisions would be required to get the organisation back on track to recovery, for example, selling assets or moving offices.
63. The Chair observed that DfT had clearly understood the CAA's financial challenge, the role of the CAA in supporting the sector at this challenging time and was

Handling Instructions:

therefore prepared to be supportive. Mr Johnson, Mr Tingle and his team were working diligently in the negotiations with DfT

64. The Board thanked Mr Johnson and Mr Tingle for their work to date.
65. Mr Ward commented that the budget proposals seemed very sensible. With regard to the going concern, the auditors might raise that it was not the continuation of aviation regulation that needed to be ensured, it was the continuation of CAA, as an entity. The concern went beyond July 2021 and it was tied in with the Viability Statement, however CAA was taking a sensible approach. Mr Ward asked Mr Tingle to share the letter of comfort.

ACTION: Chris Tingle

66. The Chair asked the Board to approve the budget, subject to further discussions on the CAAi position. The Board endorsed the request.
67. The Board noted the report.

IX. 2020/21 CAA BUSINESS PLAN (DOC 2020-48) BY CHRIS TINGLE

68. The Board welcomed Ella Payne to the meeting. Chris Tingle explained that a number of assumptions had been included in the business plan, which reflected decisions Directors had made to deliver the required short-term priorities, particularly to support the Covid-19 crisis response.
69. Ms Payne emphasised that the plan included both new workstreams and ones that Directors had elected to prioritise. The allocated resources were business owners' best guesses, some based on detailed analysis and evidence, although not all. The resource for Project Horizon would be dependent on the options selected by the Board. The delta between the resource and the budget did not indicate any spare capacity, as the resource might have been allocated to activities that had not made the prioritisation cut. The summary also included recommendations on what should be stopped or paused between now and March 2021, as well as examples of activities that had had a positive financial impact by being stopped or paused, such as no pay increase, no international travel, the natural attrition of staff etc. The list of paused activities also included those which had been stopped due to external factors beyond our control, such as the airline insolvency review. These would be reinstated as soon as practicable.
70. The Chair opened the item for discussion.
71. Mr Ward enquired whether the items that were excluded could be restarted if the circumstances allowed it. Ms Payne explained that the plan was flexible and had a built-in review process on a quarterly basis. Mr Moriarty added that due to the constant uncertainty there was a requirement to have a clear indication of what

could be stopped and started and having quarterly reviews ensure clarity and flexibility.

72. Ms Corich commented that, despite the financial challenge, the organisation should continue to progress the pilot licencing digitalisation project, as it had potential to improve the services provided to stakeholders and deliver future cost savings and for CAA to become a leader in this space. The project could perhaps be taken forward in agile mode. Mr Tingle said that the project was paused because it required a great deal of engagement with stakeholders, which, in the current crisis was not possible. The team had, however, started to transfer some of the forms online, which was a short-term approach, with a view to reinstate the project as soon as possible.
73. The Chair noted that apprenticeships had been stopped and commented that first, the organisation had a social responsibility towards young people having to face a likely recession and that second, launching the programme internally only would not help diversity. Ms Cosgrove explained that the cohort recruitment had to be paused due to bandwidth, but that now that the team had recruited a Talent Development Manager it would restart. The internal apprenticeship was focused on developing data scientists, which would be an essential capability for the organisation of the future. Mr Moriarty added that apprenticeships were a very effective way to recruit great staff, as demonstrated by the many apprentices that worked on Matterhorn.
74. The Chair asked the Board to approve the business plan, subject to recognising the requirement for flexibility and regular reviews. The Board endorsed the request.
75. The Board noted the report.

X. BOARD DIRECTION TO IMPLEMENT A GENERAL ELECTRONIC CONSPICUITY EQUIPAGE MANDATE (DOC 2020-51) BY ROB BISHTON

76. The Board welcomed Jon Round, Stu Wain and Colin Chesterton to the meeting.
77. Mr Bishton introduced the paper and praised Mr Round's leadership and the team's commitment to the work. He explained that maintaining and improving safety standards whilst enabling access for new and different types of airspace user, both manned and unmanned/autonomous, would require changes to current procedures and full exploitation of the safety benefits afforded by new technologies. This was important for the UK given our already complex and increasingly busy airspace. The current approach to safety management relied on reducing conflicts between different airspace users by segregating finite

Handling Instructions:

airspace. With the predicted increase in the demand for airspace access from all existing and future users and the increasing constraints that would impose on all airspace users, the current approach was not sustainable. Many UK airspace users already carried some form of conspicuity devices. Many of these devices have been developed bottom up without a common technical standard. However, the absence of common technical standards meant that not all airspace users can at present see and be seen by each other. As such, this presents a safety risk.

78. Mr Bishton went on to say that a future airspace model should be predicated on integration and airspace sharing if it is to accommodate safely the competing demands for a finite resource. Creating a situation where all users can see each other would be an essential building block for achieving this outcome. The proposed approach to a common EC standard would help achieve that in a proportionate way, did not constitute a gold-plated solution and would encourage a new market to develop for equipment that met the standard. It was a compelling piece of work which was being taken forward in some other parts of the world successfully and we had reached a phase in the work which meant we could share it with the Board for a 'minded to' decision. There would be further engagement with key stakeholders including the GA community and Government in order to test our thinking further and consider further feedback.
79. Mr Round explained that whilst there was support and agreement on the approach amongst some parts of the sector, it remained contentious with others in respect of the technical standards, whether a mandate was justified and the ability to bring together a diverse range of users' opinions. Following discussions with some parts of the sector, which had been chaired by DfT, we had agreed as a form of further assurance, to obtain a peer review of our strategy by the FAA, share a technical paper (which had been done) and engage again with the GA community in an open minded way to further test our approach.
80. The Board strongly endorsed the principle that electronic conspicuity was an essential tool for driving safety standards, enabling airspace access for existing and new users, and innovation. Any form of conspicuity device was better than no device, providing pilots were fully aware of the benefits and limitations of devices and at all times maintain high standards of pilot competence. But in order to achieve the wider safety, innovation and airspace access benefits described above, the CAA Board's strong view was that there will need to be a single standard for EC for all users in the UK airspace system. To ensure reliability and awareness of other operators within airspace the standard would need to define both data integrity and transmission requirements. Whilst the Board was

Handling Instructions:

committed to advancing this work – because of the clear safety and airspace access benefits for all users, both current and future - it recognised that there were some unresolved differences that had to be addressed and that further open-minded engagement with key stakeholders should take place.

81. Discussion covered the nature of the engagement that would take place before a final approach was agreed. The rationale for the outcomes and our approach was sound, but further engagement was required to share knowledge and understanding of the purpose and benefits of the proposed approach and enable stakeholder groups who were unconvinced to comment further. Those groups might include airspace users who disagreed with the mandate as they felt that the equipage was unnecessary to their activities or that the system they already had on their airframe was adequate despite not meeting the required standards. The CAA would also continue to encourage bottom-up innovation into areas which might provide further opportunities for other new technologies to improve conspicuity and safety, working with other nations, providing they conform to the right standards.
82. Mr Bishton emphasised the material safety benefits for all airspace users that would result from a consistently applied and reliable electronic conspicuity solution in UK airspace. There is a compelling body of evidence which indicates a need to address conspicuity-related safety concerns which have been reflected in recent accident and incident investigation reports published by the AAIB. The Board also recognised that if a common conspicuity standard was to be mandated in law, it would need to secure the support of the Government which would be responsible for securing the necessary legislation. The Government would therefore also need to consider desirable policy outcomes and our proposed strategy before making a final decision.
83. The Chair summarised the Board's agreement on this issue: first, that the electronic conspicuity strategy had a compelling rationale to deliver safety, innovation and airspace capacity improvements in the UK; second, that it was minded to endorse a standard based on ADS-B out transmission and dual 978/1090 frequencies; third, that it was minded to recommend a national mandate is introduced by the Government in 2024; fourth, that this standard would allow and encourage a vibrant and competitive conspicuity equipment and services market to develop; and that we would initiate further engagement on an implementation plan, including an open-minded engagement with key stakeholders groups with considerations including how any standard might be implemented, for example the case for mandate and its timing.

84. The Board noted the report.

XI. SARG MONTHLY SAFETY ISSUES REPORT (DOC 2020-52) BY ROB BISHTON

85. The Board welcomed Stephanie Shaw, David Malins and Glenn Bradley to the meeting. Mr Bishton commented that the team had successfully adapted the operating model to monitor industry's decisions as they went into cash-saving mode. There were a number of areas still to address, such as the FCO's overseas travel advice, quarantined areas and the UK's infection rates. The Government appeared to be very keen on the concept of air bridges, however, the renewed lockdowns in China showed that the virus was still active. The presentations in the Board pack outlined the way the teams had planned and dealt with the issues brought on by the crisis, in the context of our risk picture.

86. Ms Shaw provided an overview of the oversight measures adopted by the Safety Performance and Risk (SPR) team to support industry during lockdown and the recovery phase. Ms Shaw explained that the team was focusing on industry's challenge to their finance and service levels, using Performance Based Oversight as the lens for the crisis.

87. Mr Round then followed, commenting that the Airspace, ATM and Aerodromes team focused on the impact of the crisis on the core areas, with a set of aligned plans to ensure high level of need (and an opportunity to review once efficiencies could be made, post-crisis). Mr Round said that the team were coping well, thanks to the excellent relationships with the entities, however the team would need to return to having physical meetings eventually, as remote working was not suitable for training new staff. Although we were keeping a close eye out for signs of safety issues, the true extent would only become clear after the crisis. AVM Gale challenged the requirement to return to physical meetings, particularly if a second wave of the virus were to strike. Mr Round explained that, should that occur, the team would return to remote working and focus on those entities who did not own simulators.

88. Mr Malins summarised the approach that the airworthiness team had taken and commented that industry had not shut down to the same extent, as the management of organisations still functioned. We were able to carry out a certain amount of work remotely. The focus had been on change management taking place within entities, for example the process of reducing fleet size and how an organisation could resize itself proportionally. We had received some whistleblowing reports about a variety of issues. We were in the process of reviewing how to conduct effective remote oversight, working with the SPR team,

Handling Instructions:

with plans to roll out more in September. In the meantime, we had been deploying teams on site, in accordance to health guidelines, to monitor large airlines, poor performance and approvals for change management to maintain industry in working order.

89. Mr Bradley introduced the human factors issues and commented that the crisis had created a challenging set of circumstances: the restart was happening, and at pace, with change management required, and although industry had generally been good at dealing with previous crises, there was a risk that the human factors aspect would be neglected. The team had been emphasising to entities the importance of considering human factors as part of their recovery planning and it had designed and published a checklist to aid the process, as well as safety information through SkyWise.
90. Mr Ward enquired whether entities and CAA would have the capacity to prioritise and service the demands in terms of human factors. Mr Bradley replied that, from the human factors point of view, restart would be based on a phased approach, framed around activities, run through a checklist and highly managed.
91. Mr Bishton commented that all teams provided regular updates, recorded in a log and shared widely with interested parties showing what was happening and the plans in place to address the situation.
92. The Chair thanked the presenters and added that, although the restart had risks, the work presented provided reassurance that the risks were properly managed.
93. Boeing 737 Max 8: Mr Malins provided an update on the return to service process and commented that there had been very effective engagement between all parties involved. In terms of recertification, there were three points to note. First, the latest revised production of the MCAS software had been almost finalised and would be followed by the system assessment and integration. Second, the question on the cockpit warning was whether we could accept that the modification would be safe in an aircraft that was likely to be around the next 20-30 years. EASA was supportive. And third, the views on the “stick-shaker”, which distracted the crew in the original accident, were still not aligned and discussions on this would continue.
94. The next steps included flight tests with the revised software in July, followed by crew training, with a draft proposal provided to but not yet signed off by the Joint Operational Evaluation Board (JOEB), who determine how much training is required to qualify on a type of aircraft, and finally a return to service date likely in the Autumn.

Handling Instructions:

95. As well as the above, there was a proposal for CAA temporarily to lift the airspace restrictions in the UK to enable ferry flights so that Boeing could carry out the modifications in their specialist hanger at Gatwick Airport, around mid-July. We were still in the process of considering this request with the team to analyse the risks involved properly and would likely visit the facility and the first aircraft to assess the work being carried out.
96. The Chair enquired whether there were provisions to ensure the route chosen did not fly over populated areas. Mr Bishton assured those procedures would be in place.
97. Mr Moriarty encouraged the team to liaise with Mr Stephenson on communications around the Max 8 as likely to raise a lot of interest.
98. The Chair commented that the team should provide regular reports of progress to the Board, but that the process presented sounded sensible in principle. Mr Bishton confirmed that would be the case and offered offline briefings to those interested.
99. Starlight presentation: The Board welcomed Michael Cox, who provided an overview of the Starlight system, which had been designed at first to keep track of exemptions. The team had then recognised that the system could be used to monitor a number of other areas and elements for each entity, such as confidence in the SMSs, financial aid summary and details of parked aircrafts. It was designed as a modular platform which could support additional databases and the team had worked closely with relevant organisations to ensure data accuracy.
100. The Chair praised the team and commented the system looked like a useful tool.
101. The Board noted the report.

XII. REMCO UPDATE BY DAVE KING

102. Dr King said that, at the last RemCo meeting, Executive Directors' (ED) performance was reviewed, noting strong delivery of objectives by EDs, in what had been a very challenging year. Directors had requested to forfeit performance-related pay, due to the ongoing financial issues, for the CAA and RemCo had agreed, but would revisit when circumstances allowed it.
103. The Committee discussed performance objectives for next year and agreed that a greater emphasis should be put on objectives for the Groups rather than the individuals. Dr King commented that he was hoping the 360 performance feedback would be in place soon. The Committee also reviewed the Chair's performance and noted that the objective set by the Secretary of State had not changed since 2013, so would expect to have this reviewed when the new Chair was in the role.

104. The Board noted and approved the report.

XIII. NOMCO UPDATE BY THE CHAIR

105. The Chair provided an update of NomCo that had met that morning and said that the Committee had primarily discussed NED matters, as the Board would be recruiting two new NEDs to replace Dr King and Mr Ward who stand down from the CAA Board in 2021. As part of the recruitment, the panel would be looking for collective experience to be part of the role specification, rather than just individual skills.

106. The Chair added that DfT had asked whether the Board would benefit from an additional NED, in view of the new functions the organisation had now responsibility for, and the issue of nominating a Deputy Chair was also raised.

107. The Board noted and approved the report.

XIV. FORWARD AGENDA AND ANY OTHER BUSINESS

109. All comments on the Forward Agenda should be directed to Mr Johnson.

110. The Chair commented that the team was in the process of organising for the Board Away Day in July to be “ in person” at Aviation House and were reviewing the challenges this would bring, including travelling to the office and maintaining social distancing. More information on the event would be circulated soon.

Date and Time of Next Meetings:

Away Day: 15 July, Time 0900, Location Conference Rooms 1 & 2 Aviation House

Board Meeting: 16 July, Time 0900, via Skype/Telephone