

CIVIL AVIATION AUTHORITY
MINUTES OF THE 528th BOARD MEETING HELD ON
WEDNESDAY 20 MARCH 2019 AT NATS, SWANWICK

Present:

Dame Deirdre Hutton Chair
Mr Richard Moriarty
Ms Marykay Fuller
Mr David Gray
Mr David King
Ms Anne Lambert
AVM Gerry Mayhew
Mr Paul Smith
Mr Mark Swan
Mr Chris Tingle
Mr Graham Ward
Ms Kate Staples Secretary & General Counsel

Apologies:

Mr Michael Medicott

In Attendance:

Mr Peter Drissell
Mr Tim Johnson
Mr Richard Stephenson
Ms Laura Milton Deputy General Counsel
Ms Angela Lynch Minute taker
Mr Ed Weston

I. APOLOGIES AND INTRODUCTIONS

1. There were apologies from Mr Medicott due to illness.
2. Board members welcomed new Deputy General Counsel Laura Milton to the meeting, attending as an observer, on this occasion, following her recent appointment to the CAA.

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

2. There were no new conflicts of interest declared.
3. The previous minutes were agreed, subject to minor re-wording.
4. Under matters arising, the Board confirmed that action 46 had been completed. Mr Stephenson confirmed that action 13 was in hand, with a meeting set up for him and Mr Drissell.

III. CHAIR'S UPDATE

5. The Chair gave an update on recent meetings and events attended, including a cyber risk focussed breakfast run by Hoggett Bowers and a Whitehall Industry Group briefing meeting by Network Rail Chief Executive, Andrew Haines, on the organisation's priorities.
6. The Board noted the recent meeting between the Chair and the Non-Executive Chairman of Heathrow Airport Holdings Limited. This followed previous meetings and focussed on current regulatory issues and ongoing planning for the Heathrow expansion.
7. The Board noted the update.

IV. CHIEF EXECUTIVE REPORT (DOC 2019-018) BY RICHARD MORIARTY

8. Mr Moriarty updated the Board on key meetings and live issues.
9. The Board approved the Overdraft Agreement Renewal for the financial year 2019/20.
10. The Board approved the CAAPS reappointment of Mr Chisholm as a member nominated trustee, on the basis of the Executive's recommended action to take. Mr Moriarty confirmed that a briefing on the CAAPS Governance processes would be provided to the new CAA Non-Executive Directors for their general information.

Action: Chair's Office

11. Under an update on the Boeing 737-8 Max incident, Mr Moriarty and Mr Swan informed the Board of the process followed by the CAA safety and legal teams to issue the related safety Directive, which would remain in place until further notice. They confirmed the engagement that had taken place with Government and EASA as part of this. Mr Stephenson gave a brief overview of the communications approach and statements issued in response to media enquiries.
12. In response to a question from Ms Lambert, Mr Swan confirmed the expected next steps. Recognising the technical nature and high importance of this topic, the Chair asked that a more in-depth Policy and Innovation Exchange (PIE) session be scheduled to discuss the topic further.

Action: Mr Swan/Secretariat

13. Ms Staples and Mr Moriarty gave an oral update following the not-guilty verdict on the charges brought against pilot Andrew Hill. As a result of the verdict and as part of the CAA's broader safety remit, a decision was made to initiate and fund a detailed medical review into the type of cognitive impairment described at Mr Hill's trial. The Board supported this decision and noted that, in addition to this, an in-depth further risk management exercise (using the CAA's bowtie technique) would be carried out on air displays.
14. The Board noted the CAA's response to the conviction of Robert Murgatroyd for numerous offences, following an air accident near Manchester in 2017. Ms Staples outlined the licensing actions taken in line with the CAA's enforcement duties.
15. The Board welcomed the introduction of Medical Device Awareness Cards for passengers with medical conditions that necessitate such devices as insulin pumps or Continuous Glucose Monitoring systems. Mr Moriarty noted the support from the Airport Operators Association in enabling this.
16. As part of ongoing engagement, Mr Moriarty highlighted recent CMA proposals to reform the UK's competition and consumer protection regimes. The Board noted the potential link to the BEIS-led five-year review of the Enterprise and Regulatory Reform Act that was expected to be carried out. Recognising the increasing level of discussion on these matters, the Board agreed that a suggestion should be made for the UK Regulators Network to lead on a piece of work considering what a sensible regulatory appeal landscape would look like for a cross-sector approach.

Action: Mr Smith

17. Mr Moriarty provided an update on changes in the senior team at DfT. The Board noted that Gareth Davies will replace Lucy Chadwick as Director General, International, Security and Environment Group (with responsibility for aviation) at the DfT from around Easter. Once in the post, Mr Davies will be invited to meet the Board, ideally through participation in a relevant PIE session.

Action: Chair's office/ secretariat

18. Mr Moriarty and Mr Smith reported on their recent visit to Norwegian Air headquarters
19. Ms Staples gave a further brief update on the Piper Malibu N264DB accident investigation and relevant CAA activities. Mr Swan noted that the Board would receive a more substantial briefing on the broader issues at the April PIE.
20. The Board noted the report.

V. CAA NO DEAL BREXIT READINESS UPDATE (DOC 2019-019) BY TIM JOHNSON

21. Mr Tingle gave a further update on the Shared Service Centre's (SSC) progress on processing licence transfers. He confirmed the latest licence statistics and that, at current rates, the teams were on target to finalise all 11,000 complete licence applications, which had been received on time. The Board reiterated its thanks to Mr Tingle and the teams involved. The Chair confirmed that her office was scheduling some time for her to visit the SSC, when she would personally thank them.
22. Mr Johnson gave a further update on other CAA contingency planning activities under the Brexit programme. He confirmed that the Executive Committee members were committed to supporting the wellbeing of staff as part of this and reported that good progress in completing outstanding tasks was being made. Mr Johnson noted, however, that there remained a risk that some industry preparations were not as far developed as they could be, considering the proximity of the potential EU Exit date.
23. Mr Johnson gave an overview of developments over the past month, including the signing of the Bilateral Air Safety Agreements with the US and preparations for Foreign Operator Permissions. The Board welcomed the news that the Aviation Safety Statutory Instrument had been signed that morning, bringing the relevant safety acquis into UK law.
24. The Board noted the latest preparations and plans for the CAA Government support team. In response to a question from the Chair, Mr Johnson said that around 25% of the Brexit response team were based in London with the rest at Gatwick. Mr Stephenson confirmed that communications plans were in place and that the existing Brexit-focussed CAA microsite would continue to highlight where specific consumer or public enquiries could be answered. The Board reiterated the limitations on what responses the CAA could provide, secondary to the large-scale consumer and passenger communications that needed to be led by the Government and relevant commercial entities.
25. Mr Ward remarked on the risk that a lengthy transition period could give rise to changes in behaviours and further uncertainty. It was agreed that this needed to be carefully managed to avoid any knock-on effects to the CAA's day-to-day operations.
26. The Board noted the report.

VI. SARG MONTHLY REPORT (DOC 2019-020) BY MARK SWAN

27. Mr Swan briefed the Board on recent safety events and oversight activities since the last meeting.
28. The Board noted the update on resourcing in the Airspace, ATM & Aerodromes team (AAA) in the report, with new staff being brought in incrementally in order to sensibly manage the training process.
29. The Board noted the report.

VII. FINANCIAL REPORT (DOC 2019-021) BY CHRIS TINGLE

30. Mr Tingle briefed the Board on the Group's latest financial results, which recorded a small loss for the month of January. Figures for the year continued to track ahead of budget, largely due to short-term higher licensing revenues.
31. Mr Tingle gave a brief update on the introduction of the new HR, Finance and Procurement system, which would take place from 1 April. He highlighted that the team would work hard to address challenges over the first couple of months, including completing required training and the closing-off of the old system.
32. Mr Tingle highlighted that the Scheme of Charges 2019/20 process had been completed, including consulting the Aviation Minister on the proposals and considering input from the Board. The Board confirmed that it was content with the governance process for this.
33. The Board noted the report.

VIII. NOMINATIONS COMMITTEE (NOMCO) REPORT (DOC 2019-022) BY CAA CHAIR

34. The Chair briefed the Board on the latest report from NomCo. She confirmed that she had submitted Board member appraisals formally to the DfT, along with requests for relevant Board member term extensions, as previously discussed.
35. Under succession planning, the Committee had agreed that there is a better internal process in place than previously. The Chair noted discussions at the meeting on the approach to learning and development across the organisation.
36. The Board noted the report.

IX. REMUNERATIONS COMMITTEE (REMCO) REPORT (DOC 2019-023) BY DAVID GRAY

37. Mr Gray gave an update following the latest RemCo meeting, which had included an initial discussion on CAA Directors' objectives for next year. It was agreed that a team objective would be included, following the conclusion of the current one this

summer. It was likely that that the new team objective would be related to managing through the uncertainty caused by Brexit.

38. Mr Gray highlighted that Non-Executive Directors had received a copy of the CEO and Chair assessments for feedback by the 1 April, as part of the annual process.
39. The Board noted the report.

X. ANY OTHER BUSINESS AND FORWARD AGENDA

40. The Chair highlighted that this was the final meeting for AVM Mayhew and extended her and the Board's thanks for his valuable contribution to the CAA. AVM Mayhew thanked the Board and confirmed that he would continue to engage with the CAA as relevant in his new position. The Board noted that AVM Mayhew's successor, AVM I D Gale MBE would take up his post from 15 April, attending his first CAA Board Meeting on 17 April.
41. The Chair noted the departure from the CAA of Maggie Summers, Executive Assistant to Chair & Chief Executive, from Easter. The Chair and Board expressed their thanks for her excellent service and wished her well with her future endeavours. The Chair confirmed that a handover period with Ms Summers' successor, Anita Dennington, would begin from 1 April.
42. Mr Johnson informed the Board of the plans for the afternoon in engaging with NATS management team and touring its operations Headquarters.

**Next Board Meeting:
17 April 2019 at Aviation House from 09.30**