

CIVIL AVIATION AUTHORITY
MINUTES OF THE 530th BOARD MEETING HELD ON
WEDNESDAY 15 MAY 2019, CAA HOUSE

Present:

Dame Deirdre Hutton Chair
Mr Richard Moriarty
Mr Peter Drissell
Ms Marykay Fuller
Mr David King
AVM Ian Gale
Mr David Gray
Ms Anne Lambert
Mr Graham Ward
Mr Paul Smith
Mr Mark Swan
Mr Chris Tingle

Apologies:

Ms Kate Staples
Mr Michael Medicott

In Attendance:

Ms Laura Milton	for Ms Staples	Mr Rob Olney	V
Mr Tim Johnson		Mr Richard Hallett	VI
Mr Peter Drissell		Mr Graham French	VII
Mr Richard Stephenson		Ms Anne-Marie Hopcroft	VII
Ms Barbara Perata-Smith	minute taker	Ms Nicky Keeley	VIII
Mr Ed Weston		Mr Iain Libretto	IX
Ms Angela Lynch		Mr John McColl	XI
Mr Jon Round	V		

I. APOLOGIES AND INTRODUCTIONS

1. There were apologies from Ms Staples and Mr Medicott.
2. The Chair welcomed Ms Laura Milton, Deputy General Counsel, attending for Ms Staples.

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 typographical changes.
4. Under matters arising, the Board agreed that the list of actions would be reviewed by Mr Johnson to ensure it was fully up-to-date by the next meeting.

Action: Mr Johnson, secretariat

III. CHAIR'S UPDATE

5. The Chair gave an update on recent meetings and events she attended. These included: a dinner with the London Stock Exchange and a meeting with Katherine Bennett, in connection with her work with the International Aviation Women's Association.
6. The Chair highlighted her attendance at a session organised for CAA staff for a speech given by the US Secretary of the Airforce. The Chair confirmed that Non-Executive Directors were welcome to attend future 'lunch & learn' speaker sessions, alongside staff members and Mr Stephenson said he would ensure invitations for these events were sent to the Board as well.
7. The Chair attended a farewell dinner for Lucy Chadwick, who was the Director General for International, Environment and Security at the Department for Transport (DfT) and who has now been replaced by Gareth Davies.
8. The Chair confirmed the formal extension of Mr King and Mr Ward's service on the CAA Board, following approval from the Government.
9. The Board noted the update.

IV. CHIEF EXECUTIVE REPORT (DOC 2019-036) BY RICHARD MORIARTY

10. Mr Moriarty updated the Board on key live issues.
11. The Board approved the proposal to add CAA International (CAAi) Managing Director Maria Rueda to the Company Board of CAA International.
12. Mr Moriarty and Mr Smith updated the Board on a confidential licensing issue.
13. Mr Moriarty noted that the report on the independent Airline Insolvency Review had just been published. He confirmed the CAA would assist the Government if requested to consider the report and the way forward.
14. Mr Johnson gave an update on the Drone Registration Scheme Charges consultation and feedback received so far on the topic, including from representatives of the model aircraft community. The Board noted progress with the project and the ongoing engagement with industry stakeholders and the DfT

on the topic of Drone Registration, ahead of the scheme's planned launch in October 2019.

15. Mr Moriarty gave a summary of his visit to Flybe at its Exeter base.
16. Ms Milton gave a procedural update on the preparations for the Shoreham Inquest.
17. The Board noted the report.

V. UNMANNED AIRCRAFT SYSTEM INCURSION OF FLIGHT RESTRICTION ZONE (DOC 2019-037) BY MARK SWAN

18. The Board welcomed Mr Round and Mr Olney to the meeting.
19. Mr Swan noted the contribution that Mr Round and his team made to supporting the recovery of operations during the drone incursions at Gatwick and Heathrow. The CAA's safety team has now undertaken a review of the two recovery operations and, with input from industry, has identified a number of lessons learnt that can inform future responses in the event of similar occurrences. Mr Round briefed the Board on the draft safety protocol that was the output of this work. He confirmed that many parties had been involved in developing the operating procedure.
20. Mr Olney confirmed that the team was finalising the protocol before sharing it with all industry stakeholders. The Chair asked that some of the references to the CAA's role in the current protocol be reviewed to ensure clarity.

Action: Mr Round

21. Mr Olney confirmed that in future the CAA would continue to build on the protocol document, to ensure quicker and more effective responses to this type of drone incursion, diminishing the disruption for airline passengers. AVM Gale requested that once finalised the protocol be shared in confidence with the Ministry of Defence.

Action: Mr Round

22. The Board discussed the role and remit of the CAA in relation to airspace decisions in cases of emergency. Mr Swan clarified the CAA's legal authority in this area.
23. Mr Round gave an overview of the Government discussions in relation to drone counter-measures. It was noted that many counter-drone systems employed by airports were expected to be assured for safety under their existing Safety Management Systems (SMS) and as such in some circumstances the CAA could have an assurance or oversight role. The Chair suggested communication of the CAA's specific role be reviewed to ensure the delineations between security and safety were clear to all involved. Mr Round confirmed that the current oversight

practices of the CAA's safety team reflected this role distinction, but he would make sure this was reflected in the communication of the protocol.

24. A brief discussion was had on events not covered under the new draft protocol, but that could also create potential safety risks, such as addressing multiple incursions at the same time. Mr Round confirmed that a protocol in the event of multiple incursions was due for completion before the end of the year. It was agreed that this would be shared with the Board upon completion.

Action: Mr Round

Mr Round confirmed that the CAA would be sharing its work with the relevant European and International authorities given the wider interest in drones.

25. The Board noted the report.

VI. SHARED SERVICES CENTRE ANNUAL REPORT (DOC 2019-038) BY CHRIS TINGLE

26. The Board welcomed Mr Hallett to the meeting. He gave an overview of key successes and challenges in Shared Services Centre (SSC) over the past year. These included Brexit no-deal preparations; the replacement of legacy systems and digitalisation of some products and services; and responding to increased demand for Flight Crew Licensing. Mr Hallett highlighted that there had been a significant level of internal reorganisation of SSC staff over the past year.
27. The Board acknowledged the important role the SSC plays in supplying skills to the rest of the CAA, but that this is also a challenge to the SSC in terms of turnover. Mr Hallett informed the Board of methods to mitigate this, such as reducing training times by selecting areas of focus more tactically, expanding the skill set of part-time staff to provide flexibility and setting up a pipeline to better monitor and forecast staff movements in and out of SSC. At present Mr Hallett said there was a need to adjust the span of contact of some managers to allow them to help with setting the strategic agenda as well as focusing on day-to-day operational management. Mr Tingle added that improved IT and digital systems were key to delivering more effective customer services, recognising that this process for improvement would be likely to be iterative over the next 5-10 years.
28. The Board expressed interest in the results of the recent staff engagement survey, which showed steady improvement, but there are still areas of concern, such as the branding of SSC and promoting a more open culture. Mr Hallett confirmed that the reasons behind these concerns had been identified and that further work to address them was being undertaken.

29. The Chair highlighted the excellent work of the SSC in rising to this year's challenges and reiterated the key role it plays in the CAA. She noted that she had recently visited SSC colleagues and was very impressed by their energy and teamwork. The Board expressed its formal thanks for the SSC's work in processing the unprecedented high volumes of Brexit-related licensing applications over recent months.
30. The Board noted the report.

VII. CAA RESPONSE TO AVIATION STRATEGY GREEN PAPER (DOC 2019-039) BY GRAHAM FRENCH

31. The Board welcomed Mr French and Ms Hopcroft to the meeting. Following previous discussions, the Board discussed the updated draft of the CAA's response to the Government's Aviation Strategy Green Paper.
32. Mr Johnson noted the recent report by the Committee on Climate Change and the reference in the Aviation Strategy to the challenge of climate change. The Chair asked that consideration be given to expanding the CAA's response in this area, acknowledging the limited role of the CAA but the importance of this topic more broadly.

Action: Mr Johnson

33. Under the topic of slots, Mr Johnson agreed to amend the wording to reflect the Board's previous discussion on the subject.

Action: Mr Johnson

34. The Board provided further comments on the positioning and wording of the CAA's response for incorporation under the relevant sections relating to consumers and General Aviation.
35. The Board delegated to Mr Johnson the final oversight of the CAA's response to the Green Paper, having taken into account the Board's feedback.

VIII. CYBER SECURITY OVERSIGHT UPDATE (DOC 2019-040) BY PETER DRISSELL

36. The Board welcomed Ms Keeley to the meeting. Mr Drissell gave an overview of the CAA's approach to meeting our statutory cyber security obligations under the Network & Information Systems (NIS) Directive. The approach was consistent with the implementation plan that was approved by the Board in July 2017 and the National Cyber Security Centre's (NCSC's) standards of cyber security.
37. The Board endorsed the collaborative approach taken by the CAA with the DfT and NCSC on the implementation of the plan. It was noted that this included ongoing

work to implement a third-party audit framework (ASSURE), with suppliers expected to be confirmed in July 2019. This strategic approach followed that of safety regulation, with the regulated entity accountable for identifying and mitigating risks.

38. The Board noted the key risks identified under the CAA's cyber security programme and the relevant mitigations. It recognised that the strategy would be iterative and noted Ms Keeley's update on the next steps. It was agreed a further update on this work would be given to the Board in October 2019.

Action: Mr Drissell

39. The Board noted that the aviation sector cyber security baseline assessment was scheduled to be completed by April 2020. Mr Moriarty asked that the framework should be applied in a proportionate way to the CAA's own cyber security. Ms Keeley confirmed that internal discussion had taken place on establishing a CAA cyber controls framework assessment. It was agreed that the outcome of the assessment should be presented to the Board when complete.

Action: Mr Tingle

40. The Board noted the report.

IX. ANNUAL BOARD RISK REVIEW (DOC 2019-041) BY IAIN LIBRETTO

41. The Board welcomed Mr Libretto to the meeting. He briefed the Board on key changes to the risk register over the past 12 months. A briefing session was offered to new Board members.

Action: Mr Libretto

42. Mr Libretto briefed the Board on the top risks to consumers and the public. He noted that many of these topics were familiar to the Board as they had been addressed individually at recent Board meetings.

43. Mr Libretto gave an overview of the key strategic risks, outlining actions taken by CAA teams and their current risk levels.

44. Mr Ward reported that the Audit Committee had held a thorough and useful discussion on the full risk register at a recent meeting. The review indicated that the framework is effective, well understood by Directors and staff alike, and generally shows good evidence of prioritisation.

45. The Chair commented that it is a good framework, producing user-friendly reports. She encouraged Mr Libretto to issue an iComms article to emphasise to CAA colleagues the uses of the register to all colleagues and the necessity of their continuous engagement with the process.

Action: Mr Libretto

46. The Board noted the report.

X. DRAFT FINANCIAL REPORT TO 31 MAR 2019 (DOC 2019-042) BY CHRIS TINGLE

47. Mr Tingle gave an overview of the draft CAA Group's financial results for the full year to 31 March 2019, which were slightly ahead of budget.

48. Mr Tingle commented that not all income sources that were ahead of budget were sustainable or continuous. Mr Ward confirmed that the year-end adjustments made had been agreed by the Audit Committee.

49. Mr Tingle gave an update of the 2019/2020 budget. The Board noted the key challenges and the opportunities to this baseline.

50. The Chair noted progress made towards establishing 3-year budgetary forecasting processes across the organisation. Mr Moriarty commented that forecasting at the corporate level for 2 years was well-established but further work was needed to embed this across individual groups and take a longer-term view beyond 24 months.

51. The Board noted the report.

XI. SARG MONTHLY SAFETY ISSUES REPORT (DOC 2019-043) BY MARK SWAN

52. The Board welcomed Mr McColl to the meeting.

53. Following on from previous discussions, Mr Swan reported the latest incidents and the overall oversight activity.

54. The Board noted ongoing activity and engagement in relation to the Boeing 737 Max 8. Mr Swan briefed the Board on a number of recent discussions with EASA, the FAA, Boeing and a number of airlines.

55. Mr McColl updated the Board on oversight activities relating to the Trent 1000 engine.

56. Mr McColl provided an overview of the airworthiness capability team. Key points highlighted included the team's reorganisation as a result of changing priorities and strengthening of the Performance Based Regulation (PBR) oversight regime. He informed the Board of current skills requirements and the results of Brexit no-deal activities.

57. The Board noted Mr McColl's update on the regulation of helicopters, including an overview of UK maintenance operations.

58. The Chair noted that Mr McColl will retire in the summer. As this was his final attendance at the Board, she thanked him for his tremendous contribution throughout his time at CAA. The Board added its thanks and best wishes for the future.

59. The Board noted the report.

XII. ANY OTHER BUSINESS AND FORWARD AGENDA

60. **Staffing change:** The Chair noted that this was Ms Lynch's last Board meeting as minute taker, thanked her for her excellent work and wished her well in her new CAA role. The Chair welcomed Barbara Perata-Smith as the new secretariat.

Date and Time of Next Board Meeting:

19 June, 10:00 hours