

CIVIL AVIATION AUTHORITY
MINUTES OF THE 531st BOARD MEETING HELD ON
WEDNESDAY 19 JUNE 2019, HARTWELL HOUSE

Present:

Dame Deirdre Hutton Chair
Mr Richard Moriarty
Ms Katherine Corich
Ms Marykay Fuller
AVM Ian Gale
Mr David Gray
Mr David King
Ms Anne Lambert
Mr Michael Medlicott
Mr Paul Smith
Mr Mark Swan
Ms Kate Staples Secretary and General Counsel
Mr Chris Tingle
Mr Graham Ward

Apologies:

None

In Attendance:

Mr Peter Drissell
Mr Tim Johnson
Mr Richard Stephenson
Ms Barbara Perata-Smith Minute taker
Mr Ed Weston

I. APOLOGIES AND INTRODUCTIONS

1. There were no apologies.
2. The Chair welcomed Ms Corich who officially joins the CAA Board as a Non-Executive Member on 1 July.

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

3. There were no new conflicts of interest declared.
4. The previous minutes were agreed, subject to the following changes: amend the names in para 8 to Mr King and Mr Ward, rather than Mr Medicott; replace 'overview' with 'update' in para 49.
5. Under matters arising, the Board agreed that the completed actions would be removed from the list for clarity.

Action: Secretariat

III. CHAIR'S UPDATE

6. The Chair gave an update on recent meetings and events she had attended. These included the People Manager Network, a successful and lively event, with Major Tim Peake as the guest of honour, who spoke about the leadership challenges he has faced being an astronaut.
7. The Chair highlighted her attendance at the UKRN Chairs meeting and at the CAA's Annual Recognition Event, which saw Paul Szluha win the Annual Individual Award.
8. The Chair also met Baroness Vere, the new Minister for Aviation and attended a breakfast meeting with Gareth Davies, who has taken over from Lucy Chadwick as the Director General for International, Environment and Security at the Department for Transport (DfT).
9. The Board noted the update.

IV. CHIEF EXECUTIVE REPORT (DOC 2019-045) BY RICHARD MORIARTY

Approvals

10. The Board was asked to approve, by way of resolution, changes in the registered offices of the CAA's two subsidiaries and to the CAA's principal office. The Board resolved that the principal office address of the CAA and the registered office addresses of Air Safety Support International Limited and of CAA international Limited be changed to the Chief Executive's Office, Aviation House, Gatwick Airport South, West Sussex, RH6 0YR.
11. The Board was asked to approve the CAA to issue a statutory consultation on a modification to regulatory accounting requirement in the NERL's air traffic services licence and to delegate the finalisation of the consultation to Mr Smith. The Board approved the request.

Key live issues

12. Mr Moriarty gave a summary of the latest developments at Flybe.

13. Mr Swan updated the Board on the Boeing 737 Max 8 incident, confirming that progress towards a 'return to service' plan was taking place, thanks to the FAA and EASA's efforts and expertise. He added that Mr McColl, CAA Head of Airworthiness, attended the FAA Director General Aviation Safety Summit in Texas on 22-23 May. The event was well attended, with over 31 countries represented. The session was useful in summarising the status of the B737 Max 8 activity.
14. Ms Staples gave an update on the Piper PA-46 Malibu incident.
15. Mr Moriarty provided further updates and confirmed that the office refurbishment was progressing well and that the relocation to Westferry in Canary Wharf will begin in early July. He added that most Board meetings will take place at the Gatwick offices.
16. Mr Moriarty related that the pay settlement had now been agreed and it will be communicated to all staff in late June.
17. Mr Tingle updated the Board on pensions, following his meetings with the pension scheme actuary and the CAA's own pensions advisers to discuss options, and confirmed that a longer discussion has been scheduled for the July Board. He added that he understood that a review of the asset managers' performance would likely take place at the end of this year.
18. The Board noted the report.

V. CAA ANNUAL REPORT AND ACCOUNTS (DOC 2019-046) BY CHRIS TINGLE

19. Mr Tingle presented the draft CAA Annual Report and Accounts for the year ended 31 March 2019, giving the Board an overview of the CAA's performance. The document incorporated all feedback received at the Audit Committee meeting held on 12 June.
20. Mr Ward agreed with Mr Tingle's assessment of the report. He confirmed that the report had been discussed by the Audit Committee and that he was satisfied that the recommendations made had been taken up.
21. The Board approved the Annual Report and Accounts, delegating Mr Moriarty and Mr Tingle to sign the accounts on behalf of the Authority.
22. Mr Ward requested the Board peruse the Letter of Representation to the auditors, highlighting matters of importance. Mr Ward, on behalf of the Audit Committee, recommended that the Letter of Representation was approved and signed. The Board approved the letter, noted the report and authorised the Chair and the Secretary to sign the letter on behalf of the Authority.

VI. CEO's ANNUAL REPORT (DOC 2019-047) BY RICHARD MORIARTY

23. Mr Moriarty provided an overview of the past year, noting what had gone well and not so well, what had been learnt from the latter and what would affect the year ahead. He explored six key themes:
- a) Maintaining and communicating strategic clarity about the CAA's purpose and role. Uncertainty will be our biggest challenge and will shape our operating environment through politics, technology and Brexit.
 - b) Ensuring the CAA remains flexible, agile and adaptable enough to face a range of events enabling us to make planning assumptions.
 - c) Systematising prioritisation, considering resources, as well as risks that are aligned at senior level and owned by the Board.
 - d) Needing to plan for the future while dealing with the present, focusing on exploring our role of regulating digital industry and harnessing the capabilities we require for that, without compromising our relationship with stakeholders and government. Planning for the next five years will be a challenge for the organisation, made more difficult by having to capture lessons learnt from previous successful campaigns such as Monarch into our operating model.
 - e) Focusing on internal enablers as much as external policy outcomes.
 - f) Ensuring we maintain the financial sustainability of the organisation, a corporate responsibility and challenge that we need to consider holistically across all teams.
24. The Board emphasised that it is paramount the organisation clearly communicates its independence to support the decisions we make and to feed into the critical thinking we need to retain to exercise our judgement. The Board noted that stakeholders are generally respectful of the positions we take, and that keeping them informed, being clear on our role and being considerate to suggestions is a good model to follow to maximise engagement benefit.
25. The Board observed that as well as independence, collaboration is a key aspect of good relations, particularly with government, where it is key to understand whom best to deal with on separate issues.
26. The Board recognised and endorsed the six themes outlined and highlighted the relationship with stakeholders, the notion of independence and our future challenges as significant points in the discussion.
27. The Board noted the report.

VII. REMCO REPORT (DOC 2019-048) BY DAVID GRAY

28. Mr Gray welcomed Ms Lambert as a new member of the Remuneration Committee and presented the report from the last committee meeting.
29. The Board noted the report.

VIII. FINANCIAL REPORT (DOC 2019-049) BY CHRIS TINGLE

30. Mr Tingle reported a summary of the financial results for the 1 month to 30 April 2019, which showed a small loss with a favourable variance.
31. The Board noted the report.

IX. ANY OTHER BUSINESS

32. ***Share the Air Electronic Conspicuity:*** Mr Swan related that a lightweight transponder has been designed to identify the position of flying objects, and that it could be fitted in the cockpit and connected to a tablet to view the information. He added that CAA has carried out a preliminary consultation on how best to achieve electronic conspicuity and that pilots had been supportive, providing such devices are used appropriately and proportionately. Mr Johnson commented that this is a good example where CAA and government have collaborated to encourage public support.
33. ***Project Matterhorn:*** Mr Ward and Ms Lambert recused themselves from the meeting and Mr Moriarty and Mr Smith provided an update on Project Matterhorn.
34. The Chair congratulated Mr Gray for this CBE for services to regulation.

**Date and Time of Next Board Meeting:
17 July, 9:30 hours, Aviation House**