

**CIVIL AVIATION AUTHORITY**  
**MINUTES OF THE 550<sup>th</sup> BOARD MEETING HELD ON**  
**WEDNESDAY 10 FEBRUARY 2021, 11:00, on Microsoft Teams**

**Present:**

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

Chair

Secretary and General Counsel

**Apologies:**

None

**In Attendance:**

Ben Alcott  
Jane Cosgrove  
Peter Drissell  
Tim Johnson  
Jonathan Nicholson

as Interim Communications Director

Philip Clarke  
Barbara Perata-Smith

Minute-taker

Jon Round                      for item 6 and 7  
Sophie O'Sullivan            for item 6  
Michael Cox                    for item 7  
Peter Gardiner                for item 7  
Rob Olney                      for item 7  
Mark Vincent                 for item 7  
Stuart Wain                    for item 7  
Frederic Laugere             for item 8

Maria Rueda	for item 8
David Tait	for item 8
Ella Payne	for item 9
Ewa Gowers	for item 10
Nic Stevenson	for item 10
Joel Grundy, Q5	for item 10
Chris Parson, Q5	for item 10

## **I. APOLOGIES AND INTRODUCTIONS**

1. No apologies were received.

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

2. The minutes of the 20 January 2021 meeting were approved with some minor amendments and would be published online in due course.
3. It was agreed that RPAS would be adopted as the standard terminology to describe uncrewed aerial systems.
4. The Board discussed the option to anonymise members' names in the minutes, as per the Cabinet Office's practice, and agreed that this change would be applicable from next month.
5. The matters arising from previous meetings were noted.

## **III. CHAIR'S REPORT (DOC 2021-11) BY SIR STEPHEN HILLIER**

6. The Chair summarised a number of headline points for discussion.
  - The risks highlighted at the last meeting had now increased. These had been caused by the implementation of tighter restrictions which had adversely affected the industry by delaying recovery and lowering the baseline from which the recovery would begin.
  - A recent meeting between the Chair and the President of the ICAO Council had indicated that the relationship between the UK CAA and ICAO is positive. The conversation had touched upon many topics, including sustainability and the potential role of ICAO at COP26 in the autumn.
  - The briefing on ICAO's Council Aviation Recovery Taskforce (CART) had been rescheduled to the ExCo Policy and Innovation Exchange session on 6 May.
  - Work exploring how the Board could engage with external stakeholders more effectively was under way.

- Today's meeting had a number of important papers that would explore the user-pays principle to provide advisory innovation services, the Board's strategic priorities and an emerging Target Operating Model (TOM).
7. The Board noted the update.

#### **IV. CHIEF EXECUTIVE REPORT (DOC 2021-12) BY RICHARD MORIARTY**

##### **Live issues**

8. Recovery: the Government had recently announced imminent tighter border control measures which had adversely affected industry's outlook on the recovery. Additionally, the risk of poor business from the anticipated summer season had increased for both stakeholders and CAA, as the former continued to require bespoke advice and support from our teams.
9. CAA had been given enhanced responsibility for ensuring airlines would comply with extended Passenger Locator Forms and mandatory quarantine requirements. Questions were raised on the extent to which we could accept additional tasks of this nature when colleagues were already under pressure. The concern was noted and the issue would be kept under review, with regular updates provided to the Board.
10. Teams had been tasked with carrying out some scenario planning with industry to map out the challenges of the recovery and put both parties in the best place to deal with the issues. The Board welcomed this action as it would offer useful insights into the risks consequent on pent up demand and put both CAA and companies in the best place to deal with them.
11. EU exit: while disruption immediately following the UK's exit from the EU had been limited in the aviation sector, there had been a few issues. These were in relation to first, the UK-EU nature of the Trade Agreement and the CAA leaving EASA at the same time, which had meant our regulatory charges had to be increased slightly, and second, to trainee pilots from particular UK-based training schools on the matter of the recognition of pilot licences, training and exams following the EU exit.
12. The CEO provided a summary of his meeting with Patrick Ky, EASA's Director, which saw positive support of reaching mutual recognition.
13. On slots, it was explained that the legal responsibility rested with government, but that the success of the negotiations was reliant on both parties – airports and airlines - being coordinated and on the dynamics between new entrants and incumbent owners being balanced. This would be pertinent should the expansion

of Heathrow Airport recommence, as it would require consideration on the advantages of diverging from EU regulations.

14. Space: the programme has been proceeding well, despite a minor logistical challenge on the transfer of resource from the UK Space Agency, which was being addressed. The programme had political impetus and we should demonstrate our ambition to meet the Government's expectations and to be an agile and responsive organisation.

#### Internal issues

15. The Senior Leadership team had recently focused greatly on wellbeing across the CAA, discussing the heat maps that had been produced to show the results of the wellbeing survey at team level. The figures showed that, overall, colleagues recognised that CAA cared for their welfare and appreciated the initiatives in place to support them. This raised the question that we should explore how our role needed to further evolve to adapt to the post-Covid era, where the boundaries of the professional and personal were more blurred.
16. The HR team had been focusing on helping managers to identify and support individuals that they felt might be struggling, for example those colleagues who seemed quieter than the rest. A question was raised to understand whether managers were equipped with the right skills to have conversations with those individuals at risk and assurance was provided that there were clear escalation processes in place to put colleagues in touch with professional services if the managers thought that was necessary. Furthermore, some 50 or so colleagues are trained as Mental Health First Aiders and are able to have difficult or upsetting conversations, with further training of this kind to be rolled out imminently.
17. The figures in the wellbeing heat map, however, were not meant to be read as a league table, but as a visual representation of a positive narrative. A more comprehensive set of data was due to be presented at the Board for discussion in the next few months, covering issues such as reasons for leaving and the extent to which the CAA is attracting, retaining and supporting colleagues from black and ethnic minority backgrounds.
18. A Colleague Experience Survey was due to be launched on 17 February and would be useful to identify a baseline from which to work, particularly in relation to diversity and inclusions. The HR team was also in the process of setting up a network of colleagues that had volunteered to share their own experiences of the pandemic, to help others.
19. The Chair praised the efforts of the team to speed up the recruitment process and to produce the analytics informing valuable conversations. He mentioned the new

CAA Values workshop that he had attended and commented that the launch had been very positive, with a great number of colleagues attending and having lively discussions.

20. The Board noted the report.

**V. FINANCE REPORT FOR THE NINE MONTHS TO 31 DECEMBER 2020 (DOC 2021-13) BY CHRIS TINGLE**

21. The COO provided an update of the current year's finances, which showed a positive variance for the whole year, a slightly negative one for the month, and overall an expectation to be ahead of budget by the end of the financial year, including a good cash position.
22. The Government's new quarantine measures were causing uncertainty on the variable revenue, as the Department for Transport (DfT) were waiting for the numbers to settle before they released the forecast on traffic volumes, which normally informed our predictions.
23. The team had raised two issues with DfT at their regular meeting: first, the business case for funding security maturity and cyber and second, the potential for a portion of the grant drawdown to be deferred to next year. Both requests had been received positively and a further update would be provided in due course.
24. A question was raised on the tax issues that had been identified regarding a number of colleagues who had chosen to work abroad, but assurance was provided that the situation was being addressed and would be resolved quickly.
25. The Board noted the report

**VI. BOARD ORAL BRIEFING ON THE GENERAL AND BUSINESS AVIATION STRATEGIC FORUM (GBASF)**

26. The Board welcomed Jon Round and Sophie O'Sullivan to the meeting, who provided a short briefing on the General and Business Aviation Strategic Forum (GBASF).
27. The Forum was in place to set out the strategic priorities of General Aviation (GA), however, it had become clear that because GA embraced such a wide variety of sub-sectors, it was difficult to find true common themes. The team had been working on a number of pieces of work: first, improving engagement with the GA community and reviewing effectiveness from the perspective of both parties involved. Second, airspace, as a long-running concern for the sector, where the team had attempted to promote the holistic benefits of the Airspace Modernisation Strategy (AMS). The existing GA programme was being funded by DfT and had

deliverables due in the next quarter. Although the progress being made in delivering the programme had received some positive feedback from the community, further work was required to secure better communication and information-sharing.

28. The Board noted the briefing.

## **VI. (A) STAKEHOLDER SESSION: THE GENERAL AND BUSINESS AVIATION STRATEGIC FORUM (GBASF)**

29. The Board welcomed Roger Hopkinson (General Aviation Alliance Facilitator and Chair of the GBASF), Marc Bailey (CEO of the British Business and General Aviation (BBGA)) and Martin Robinson (CEO of the Aircraft Owners and Pilots Association UK (AOPA)) to the meeting.

30. The group set the scene for the sector and highlighted the new and existing challenges it was facing, including the macro landscape of Covid and the EU-exit which could bring opportunities for the General and Business Aviation communities, and the more specific issues affecting the community, such as new technologies, electronic conspicuity and pilot training.

31. The discussion focused on the ways that CAA could explore to modernise regulation for GA. For example Mr Robinson suggested considering whether oversight could be more effectively managed with better use of safety data, to highlight the areas of concern and take individual entity performance into account. Mr Bailey added that the CAA had led the way, with EASA, on performance-based regulation and oversight, as such there could be benefits in identifying areas where future oversight could be developed to require less regulation.

32. Although the Board agreed with Mr Bailey's point, more effort was required to distil the challenge down to the best areas to progress, considering we were part of a system where change had to be measured and proportionate.

33. The discussion then turned to behaviour and language during engagement between the CAA and some sections of the GA community, in light of a few recent incidents where CAA colleagues had been subject to unacceptable behaviour by a minority of representatives from the GA community. Mr Hopkinson, Mr Bailey and Mr Robinson all condemned the instances of unacceptable behaviour and committed to using their positions of leadership to address it and eradicate it, through awareness and education.

34. On the topic of airspace modernisation, the Board recognised that, given the challenges brought by Covid-19 and the changes to the composition and balance of users, it was now the right time to take forward the changes proposed.

Particularly, in relation to uncontrolled airspace and the additional issues that RPAS might bring, the team was very keen to work with the GA sector and community. The AMS had a plan for both short-term and long-term improvements and some of these would be delivered during the course of this year. Mr Robinson requested a more detailed offline discussion.

**ACTION:** Tim Johnson

35. A question was raised on a point made by Mr Robinson that the CAA should look to other countries to explore best practice. Assurance was provided that work was in progress with Australia and New Zealand, to improve the dialogue and training for mountain flying, with the aim to strengthen relationships in this space.
36. The Chair summarised the discussion, underlining that CAA was keen to improve mutual understanding of issues and collaboration, and thanked Mr Hopkinson, Mr Bailey and Mr Robinson for attending the session.

#### **VII. SARG MONTHLY SAFETY ISSUES INCLUDING: CAPABILITY FOCUS: AAA, AND COVID-19 SAFETY RISKS (DOC 2021-15, DOC 2021-16, DOC 2021-20) BY ROB BISHTON**

37. The Board welcomed Michael Cox, Peter Gardiner, Rob Olney, Mark Vincent and Stuart Wain to the meeting.
38. The safety risks had been refreshed, following from an action raised at the previous Board meeting. The review had considered how the risks would change according to a range of scenarios, to highlight the opportunities that might materialise once the restrictions were lifted and inform Covid-19 planning and preparedness. The work had been carried out by a rapid capability team put in place for this purpose.
39. The Board received an overview of Starlight, which was a database system created in response to the pandemic. For example, the system enabled tracking of all the activities related to exemptions that might have been created to support particular entities, thus allowing the team to monitor expiry deadlines, extensions etc.
40. The system also included data to show the impact of the virus on organisations' staffing levels and associated performance levels, thus helping the team to understand whether additional support was required. This function worked in a similar way to the Entity Performance Tool (EPT). Other data collected in Starlight included a summary of financial aid and parked aircraft around the world, tracked through the insurance charter.

41. The Chair enquired whether the evidence collated in the system supported the hypothesis that the risks associated with the recovery were increasing. Mr Cox confirmed that the data did indicate that at sector level but it was an evolving picture. Furthermore, confidence in entities' ability to recover might not mean that risks were low, but that we had confidence that they could deal with them. Starlight was one of the tools that, in conjunction with others, would help us to build a macro picture of the industry and plan accordingly.
42. A summary of the safety risks was provided to the Board. The team had tried to address the challenge from the Board, that the severity of the risks did not always equate to where we prioritised our activity, by making the Regulatory Safety Management System (RSMS) more dynamic and forward-looking rather than static. This new approach would be refined and then presented at the next meeting with a closer look at activities across the short, medium and long-term, and at the scenario planning, which would help to explore the issue of risk increase and resource allocation pressure.
43. The Board responded positively to the new approach to the RSMS and the analysis that had been carried out. A comment was made in relation to the due dates for each risk, suggesting that a range of dates could help to build a better picture of the risk journey, for example by including the date the risk was first recorded, progress and completion.
44. The Chair thanked the team for working towards providing the assurance required in this space and asked that, due to time limits, the discussion on the Safety Assurance Report was deferred.
45. The Board received a brief overview of the Airspace, Air Traffic Management and Aerodromes (AAA) team, with a more detailed report available in the library. The department carried out a huge range of activities and that for today's purpose the focus was on airspace infringements. These had always been difficult to manage due to the differing views between the GA sector and NATS on the level of enforcement required. The CAA had recently set out its rationale for taking a proportionate approach to infringements, which had helped to stabilise our position.
46. Comments were made on the need to promote a clear message that infringements were dangerous and that the CAA took action in order to secure safety, and sought to do so firmly and transparently. This was particularly important where an individual pilot had infringed on more than one occasion, where efforts to educate had not been effective. The team confirmed that colleagues from the legal

departments were working with DfT on exploring ideas to improve the process and decision-making.

47. As regards electronic conspicuity, an update would be provided in due course. In the meantime, however, it was reported that there had been reasonable take-up of the Government's subsidy scheme to purchase electronic conspicuity equipment, which might mean more infringements may be identified in the short-term, as more aircraft would be visible.
48. The Chair requested clarification on an action that had come from the ISO9001 audit of SARG, that had highlighted a lack of evidence in inspection audits closure. The team had started a review to ascertain whether this was a more systemic issue, whether it was symptomatic of a safety issue or related to poor housekeeping. Findings identified pointed to the latter which would need to be carried out with more rigour.
49. AVM Ian Gale recused himself and the Board was briefed on the outcome of two airspace change proposals. A written brief would be sent to the Board after this meeting and published publicly the day after.
50. The Board noted the report.
51. AVM Ian Gale re-joined the meeting.

#### **VIII. PAID-FOR INNOVATION ADVISORY SERVICE (DOC 2021-17) BY TIM JOHNSON**

52. The Board welcomed Frederic Laugere, Maria Rueda and David Tait to the meeting.
53. The team introduced the paper and said the work was focused on creating the conditions for industry to succeed, ensure clarity and transparency and design appropriate mechanisms to increase capacity in the Innovation Hub. This was in line with the Government's ambition to make the UK a leading player in aerospace.
54. However, there were no protocols currently in place, no additional government funding available, and no option to continue to charge industry irrespective of whom the innovation benefitted, as such, the team had proposed a mechanism to charge the innovator, according to a user-pays principle. There were companies willing to pay for our advisory services and the scheme would trial this approach, which was based on the model already in place at CAAi.
55. The Board broadly supported the need for an innovation capability, recognised the work that had gone into designing the proposal and offered a number of comments, as follows.
  - The key challenge was how to set out transparently how the CAA Group was able to carry out its core regulatory functions and provide the proposed

advisory services. The scheme would require robust governance and thorough risk mitigation, so as to address issues such as resource allocation, differences between free and paid-for services and regulatory oversight and appropriate clarity of understanding.

- More clarity was required on how the CAA would preserve its regulatory independence and how we could continue to avoid regulatory capture.
- There needed to be a distinction between explaining what the rules were, how these should be applied in a particular situation and how to comply with them.
- Data security should be considered in detail and the notion of charging for a service should be unpacked to understand whether the activities would be profit-making or for cost recovery.
- It was noted that the priorities set out by the letter from the Secretary of State were highly relevant in setting the strategic context, as was the response that the CAA had sent.
- There was a need to explore the notion of ethics in technology and whether we would need to take advice, at a point in time in our assessment of innovators, whether the ethics needed to be regulated and by whom.

56. The team thanked the Board for the feedback and added that the work was a learning opportunity for the CAA to understand the sort of challenges that technological innovation was likely to bring in the near future, including that of ethics.

57. The Chair suggested the team should review the comments and provide a further iteration of the proposal, including: a set of examples where the scheme could be practically applied, to demonstrate the thought process; criteria to define which activities would fit in the hub and which would be kept under our regulatory banner; and more visibility of risks mitigation and the process required to manage conflicts of interest. The Chair advised the team that a discussion at a PIE would help to explore these issues in detail.

**ACTION:** Tim Johnson, David Tait, Secretariat

58. The Board noted the update.

**IX. 2021/22 BOARD PRIORITIES AND CAA PERFORMANCE UPDATE (DOC 2021-19)  
BY CHRIS TINGLE**

59. The Board welcomed Ella Payne to the meeting.

60. The latest iteration of the work that had been informed by the previous Board discussion and by the comments from the recent ExCo awayday, both of which

had helped to identify the key initiatives. Today's requirement would be to approve the priorities, to then allow the team to develop the delivery plans.

61. The Board broadly agreed with the proposed priorities, but offered a number of reflections, as follows.
  - A better specification of outcomes for the activities was required and would improve understanding of our intentions and a measure of success. This was particularly applicable to the long list of projects under Horizon, which needed to be better organised into a multi-year plan.
  - Security maturity and cyber security for the CAA needed to be considered a priority in itself, especially now that conversations on funding were happening with DfT.
  - The narrative that stated that regulatory functions still needed to be carried out, in addition to the priorities, should be better unpacked.
  - The activities should be road-tested to verify we had capacity in the organisation to deliver them, as well as to ensure we had the capability to meet our ambition. Because our people were a significant contributor to these points, the People Strategy should be emphasised more explicitly. Having the People Strategy as a priority would communicate to colleagues that it was integral to the overall CAA strategy and that the organisation had invested much effort in it.
62. The Chair agreed that security maturity and cyber security should become a sixth priority. The Board endorsed the proposal.
63. The team said that the next iteration would include a set of draft delivery plans which would provide a sense of how achievable the extent of activities was.
64. The Board noted the report.

**X. HORIZON UPDATE: DRAFT EMERGING TARGET OPERATING MODEL (DOC 2021-18) BY TIM JOHNSON**

65. The Board welcomed Ewa Gower and Nic Stevenson, as well as Joel Grundy and Chris Parsons from Q5 to the meeting.
66. The CEO set the scene for the Board and explained that today's conversation would focus on the rationale for the work and the aim of the final product. As the external environment was evolving, the organisation urgently needed to serve both known and relatively predictable demands as well as be agile and do so with an operating model that could be easily understood, embedded and described. The model would need to be conditioned by our view of the external environment,

as well as by the contributing factors, such as the need to be agile, to promote the 'one CAA' principle, to operate with the required capabilities etc.

67. The vision for the model needed to be compelling, fit for purpose and engaging for colleagues, balancing ambition and pace and considering the risks. The work had been undertaken, so far, through a stepped process, and today the discussion should focus on the design principles, to enable progress before the next Board session in March.
68. Feedback included the following points.
- A clarification of the criteria used to generate the diagnostic assessment was required, to understand better where the starting point had been and where the journey was leading. The team explained that there had been intensive engagement and workshops with colleagues from different parts of the organisation that had informed the work so far.
  - More precise language would be beneficial to set out correctly the role of the regulator, as regulator first and shaper second.
  - A more concise version of the model would be required, in order to be able to socialise it with colleagues, taking particular care to explain the 'one CAA' concept.
  - Better information on how much capacity and resilience was needed to deliver all the activities and how the programme could be integrated. The Chair commented that the programme had been described as a set of activities for continuous improvement, based on the recognition that the organisation was at an inflection point that required a review of the operating model. This was brought on by the external environment, and by changing working practices.
  - The CAA's erstwhile transformation programme had activated change in a few areas but not affected the rest of the organisation. The current work had been designed to be understood and adopted by everybody and needed to be communicated as such. The team explained that the comms plan would be considered in due course. The next steps would focus on adding greater detail to activities, in line with the vision, following by planning and budgeting, and then comms. The Chair asked the team to provide a draft of the proposed comms plan at the next meeting.

**ACTION:** Tim Johnson, Nic Stevenson

69. The Chair thanked the team and Q5 for their work so far.

70. The Board noted the report.

## **XI. FORWARD AGENDA AND ANY OTHER BUSINESS**

71. Forward Agenda: there were no comments on the Forward Agenda.

AOBs

72. External engagement: the Chair explained that there was work taking place to improve the Board's engagement with external stakeholders, to ensure a balanced approach and that it was value-adding. There was unanimous support for a different format, which allowed for engagement with a range of stakeholders, offering fair representation from the sectors, bringing value to the Board and offering high-quality presentations that could be used as a basis for discussion and that could be easily distilled into the key points.
73. The Chair confirmed that all the points would be considered and a proposal produced for discussion at a later meeting.

**ACTION:** Tim Johnson

**Date and Time of Next Meetings:**

**Wednesday 17 March 2021, 11:00 hours, on Microsoft Teams**