

**CIVIL AVIATION AUTHORITY
MINUTES OF THE 558th BOARD MEETING HELD ON
WEDNESDAY 17 NOVEMBER 2021, 11:30, AVIATION HOUSE & TEAMS**

Present:

Sir Stephen Hillier	Chair
Richard Moriarty	
Rob Bishton	
Garry Copeland	
Katherine Corich	
AVM Simon Edwards	
Marykay Fuller	
Jane Hanson	
Anne Lambert	
Manny Lewis	
Paul Smith	
Kate Staples	Secretary & General Counsel
Chris Tingle	

Apologies:

None

In Attendance:

Ben Alcott
Jane Cosgrove
Peter Drissell
Tim Johnson
Alex Kaufman

Philip Clarke	
Graeme Paterson	Secretariat

Julie Bryer	for item 5
Mukarram Chaudry	for item 5
Alex Hutchinson	for item 5
Louise Stone	for item 5
Rob Olney	for item 6
Mark Vincent	for item 6
Alison Naylor	for item 7
Mtinawa Banda	for item 8

I APOLOGIES AND INTRODUCTIONS

1. No apologies were received.

2. The Chair welcomed the Board to the meeting and advised that due to the renovation of Aviation House, Board meetings would likely take place at Westferry until early in the New Year, but Board members would be kept informed of location.

II CONFLICTS OF INTEREST, PREVIOUS MINUTES AND MATTERS ARISING

3. No conflicts of interest were declared.
4. The minutes of the previous meeting were approved.
5. It was advised that further information on the steps taken following receipt of whistleblowing reports had been included in the library pack.

III CHAIR'S REPORT (DOC 2021-84) BY SIR STEPHEN HILLIER

6. The Chair updated the Board on aviation-related discussions from COP26. There appeared to be a great deal of momentum and appetite for delivering sustainable solutions for the sector. There was also a recognition that the recovery of the sector would be linked to improvements in sustainability.
7. The appetite to develop sustainable technologies highlighted the need for the CAA to have a strong sustainability strategy of its own, and to have in place a regulatory system that enabled and encouraged innovation in this area, while ensuring safety standards were met.
8. It was also recognised that there would need to be international cooperation to ensure not only that innovation could occur but also to help ensure that emissions targets were reached. This could include more developed countries such as the UK assisting less-developed countries.
9. It was noted that ICAO would hold its next Assembly in September 2022 and it was expected that sustainability would be a central theme. In anticipation of this, the CAA would provide support and expertise on sustainability to DfT, other national aviation authorities and relevant stakeholders.

IV CHIEF EXECUTIVE REPORT (DOC 2021-85) BY RICHARD MORIARTY

10. *AAT Press Coverage* - The CEO updated the Board on press reports related to the Airfield Advisory Team (AAT). The Board was advised that the AAT's terms of reference were publicly available and that the roles for AAT staff had been advertised properly. It was also noted that a review of the AAT had recently been carried out by the DfT. This had involved obtaining feedback from aerodromes that had made use of the AAT, and this had been positive. The Board confirmed that it was content with the current arrangements and governance.
11. *Covid Recovery* - It was noted that there had been positive signs from industry regarding the recovery from the pandemic. The CAA was continuing to engage with stakeholders to ensure that risks related to safety, security and consumers were managed effectively.
12. It was also noted that sections of industry were experiencing difficulties in recruiting staff.
13. The CAA continued to work with the DfT over the longer-term involvement of the CAA in Covid UK border enforcement as the Government eases and changes travel restrictions.

14. *Post-EU Exit matters* - It was confirmed that a number of working agreements had been put in place with EASA.
15. With the end of the transition period in December 2022, it was anticipated that the volume of personnel licence applications would increase significantly. Communications campaigns for industry and pilots and engineers would be produced with the aim of encouraging personnel to submit applications in advance of the deadline. A discussion on resources to process the expected increase in applications would take place under agenda item 6. It was also noted that an update to the Board on the CAA's wider post-EU workstreams would be provided in January.
16. It was understood that the UK might be excluded from participation on the Network Management Board. The consequences of potentially being excluded from a forum that discussed pan-European airspace issues would need to be fully understood, noting that the UK's airspace was used intensively and was a major transit route. It was agreed that if it became apparent that the UK's departure from the EU could have an impact on safety this should be drawn to the attention of DfT.
ACTION: Rob Bishton to alert ExCo and Board if there were concerns about specific instances where safety might be compromised by EU exit.
17. *Westferry* - The Board was advised that initial discussions had taken place with another regulator about co-locating at Westferry. The Board queried whether steps had been taken to consider the impact of data security/commercial confidentiality if the office was shared with another organisation. It was confirmed that discussions on this had taken place and an overview of these could be provided at a future meeting. On the basis that security/confidentiality matters had been reviewed, the Board was content that discussions continue with the other regulator.
ACTION: Richard Moriarty/Chris Tingle to provide an overview of the security/confidentiality checks that had been undertaken.
18. The Board noted the report.

V MONTHLY FINANCE REPORT FOR THE FIVE MONTHS TO 30 SEPTEMBER, INCLUDING THE OUTCOME OF THE CSR 2021 & CONSEQUENTIAL PRIORITIES AND SCHEME OF CHARGES CONSULTATION (DOC 2021-86) BY CHRIS TINGLE

19. The Board welcomed Julie Bryer, Mukarram Chaudry, Alex Hutchinson and Louise Stone to the meeting.
20. *Monthly Financial Report* - An overview of the CAA's current financial position was provided. An explanation of the differences between the s.12 and s.16 funding mechanisms from the DfT was also given.
21. *Comprehensive Spending Review (CSR)* – The Board was reminded that the CAA had submitted BAU and 'ambition' bids for CSR funding. However, the Board was advised that the BAU settlement was likely to be lower than requested and the 'ambition' bids had been unsuccessful. Work had already commenced to identify steps that would allow all necessary BAU and 'ambition' work to continue, albeit the pace of the latter would likely be affected.
22. The CAA would follow its standard budgeting process in January and February 2022, but a clearer picture of the available funding would not come until March 2022.

23. Noting that the CAA was in a relatively sound position at present, the Board suggested that the organisation could be ambitious in starting to take forward priority pieces of work in the current financial year.
24. It was also confirmed that further consideration would be given to the introduction of a user-pays system for certain functions.
25. *Scheme of Charges* – It was advised that the consultation on the CAA’s Scheme of Charges was due to be published shortly. The charges would come into effect on 1st April 2022. It was confirmed that the DfT had been informed of the proposals to introduce increased charges.
26. The Board was asked to endorse i) publication ii) the application of a 2.9% increase in charges in line with CPI inflation and iii) higher increases to some charges associated with cyber security and certification.
27. The Board endorsed publication of the consultation. The Chair invited comments on the proposed increase in charges. In discussion, the Board noted that while the consultation would take place as the industry had started to recover, it was hoped that this recovery would be more advanced by the time the charges took effect. It was important, in any event, to ensure that the CAA remained appropriately funded.
28. The Board queried whether there was any insight into how industry might respond. It was advised that if the go-ahead for publication was given, the document would first be shared with the Finance Advisory Committee. Other elements of the industry would then respond via the consultation process. It was understood that some stakeholders might be unhappy with higher charges. However, a communications plan was in place to outline the justification for increases.
29. The Board was satisfied that a 2.9% increase in charges be put forward in the consultation, as well as separate increases for cyber security and certification charges.

DECISION: The Board endorsed publication of the consultation, the proposed 2.9% increase in charges, as well as separate increases for cyber and certification work.
30. The Board noted the report.

VI SARG MONTHLY SAFETY ISSUES REPORT (DOC 2021-87) BY ROB BISHTON

31. The Board welcomed Rob Olney and Mark Vincent to the meeting.
32. The Board was advised that a number of new colleagues had joined SARG from industry to help enhance the team’s capabilities in providing oversight of new technologies.
33. With the continued ramping up of industry, engagement was ongoing with stakeholders in all parts of the industry. Additional focus was also being given to mitigate risks associated with ground handling and associated functions at airports.
34. An overview of the top ten risks was provided. The principle of domain risks within the Regulatory Safety Management System (RSMS) was also given. Use of the RSMS enabled the CAA to target its oversight on specific areas that presented the highest levels of risk.
35. *Personnel Licensing* – With the EU exit transition period coming to an end, it was expected that there would be a high volume of applications from pilots and engineers for UK licences over the coming months and there were some concerns as to whether there was sufficient resource to process this work.
36. It was explained that the CAA typically received around 50 pilot licence applications per day and currently around 85% of these were processed within 10 working days (this compares with a service level agreement of 90%). Steps had been taken to try to improve the processes and forms used by applicants so that the processing rate could be higher.

37. However, the Board was advised that the technology underpinning the licence application process was old and that it took time to train new colleagues to process the whole range of licence types. These challenges were further exacerbated by the frequent turnover of licensing staff (as many of these sought to progress to other roles within the CAA) and broader recruitment issues.
38. In discussion, it was queried whether some aspects of the licensing process could be outsourced, or whether all steps needed to be undertaken. It was acknowledged that the CAA had made use of outside organisations to undertake certain work in the past, but consideration had not specifically been given to moving licensing work out.
39. The Board asked for a more in-depth conversation, including a number of NEDs, on the specific challenges and barriers faced by the licensing team, ahead of a further discussion at the December meeting.
ACTION: Richard Moriarty, Rob Bishton and Chris Tingle to convene a discussion on licensing challenges and prepare a paper for the December Board meeting.
40. The Board noted the report.

VII CAA VALUES UPDATE (DOC 2021-88) BY JANE COSGROVE

41. The Board welcomed Alison Naylor to the meeting.
42. It was noted that the CAA Values had been in place for a year. These had been developed through collaboration at all levels of the organisation. It was felt that the values were aspirational but relatable and had started to become embedded within the organisation. They also featured in job adverts for CAA roles.
43. Some 200 colleagues had been onboarded during the pandemic and work had been done to appraise them of the values and the importance that the organisation attached to them.
44. The values had launched very successfully but the Board was advised that there was always more that could be done to fully embed them. This would involve the inclusion of the values in performance outcomes for all colleagues. This had already started for colleagues at the Senior Leadership Team (SLT) level and above.
45. It was also noted that there were some limited instances where colleagues had been offboarded for displaying behaviours that were not aligned to the values.
46. The Chair queried what support the Board could offer in promoting the values, both internally and externally. In discussion, it was suggested that highlighting the values at senior levels with external stakeholders could be a positive step.
47. The Board was advised that the values were just one strand of a broader programme of work to ensure that all colleagues were treated with respect and to create a culture where poor behaviour was acted upon. This had involved the establishment of a network of respect ambassadors, a mechanism for colleagues to speak up and the introduction of 360-degree feedback for colleagues at SLT level and above.
48. The Board noted the report.

VIII HEALTH & SAFETY ANNUAL UPDATE, APRIL 2020 – MARCH 2021 (DOC 2021-89) BY CHRIS TINGLE

49. The Board welcomed Mtinawa Banda to the meeting.
50. The Board was advised that the CAA was considered a low-risk organisation with a positive health and safety culture.
51. Over the past year, the primary focus for the team had been on the Covid response, fire safety, and incident reporting. This had included providing colleagues working from home with the appropriate equipment and development of risk assessments and policies for office and field work. Aviation House had also been fitted with a new fire alarm system and a new fire suppression system.
52. With the shift to hybrid working, it would be important to continue providing support for colleagues working at home and to ensure offices were suitably equipped.
53. In light of the recent incident in Liverpool and the change in the UK's terrorism threat level, the Chair queried whether any additional checks had been put in place for CAA premises or for aviation more widely. The Board was advised that the CAA's premises were regarded as low risk. However, the advice from Government was to ensure that premises were secure and that any suspicious activity was reported. In terms of the wider sector, it was advised that the threat level for aviation was distinct from the general threat level. However, letters reminding the sector of the need to remain vigilant and check processes had been issued.
54. The Board was advised that the Wellbeing Board had published advice on staying healthy in winter. This included information on the employee assistance programme and mental health first aiders.
55. The Board noted the report.

IX SUMMARY REPORT FROM THE CAA AUDIT COMMITTEE (DOC 2021-90) BY JANE HANSON

56. The Audit Committee had discussed the effectiveness of the external auditors. This had come in response to a report by the Financial Reporting Council (FRC) on the accounting sector. Although the FRC's report had noted some issues relating to the CAA's auditors, these were not significant enough to raise with the Board.
57. A lessons learnt exercise had been undertaken in relation to the last annual report and accounts.
58. The Committee had agreed that in future, risks would be discussed by exception.
59. A review of the internal processes for risk acceptance had been done and it was now no longer possible for risks to be cancelled without approval from Internal Audit.
60. The Board noted the report.

X DRAFT AGENDA FOR DECEMBER BOARD AND FORWARD AGENDA

61. The Board was advised that the December meeting would include a number of substantive discussion topics, including airspace modernisation. It was also likely that further discussion would need to take place on matters related to H7.

XI AOB

62. No other business was raised.

**Date and Time of Next Meetings:
Wednesday 15 December 2021, 11:30 hours, at *Westferry House***