

**CIVIL AVIATION AUTHORITY
MINUTES OF THE 561st BOARD MEETING HELD ON
WEDNESDAY 16 FEBRUARY 2022, 10:15, TEAMS**

Present:

Sir Stephen Hillier
Richard Moriarty
Rob Bishton
Katherine Corich
AVM Simon Edwards
Marykay Fuller
Jane Hanson
Anne Lambert
Manny Lewis
Paul Smith
Jonathan Spence
Chris Tingle

Chair

Secretary & General Counsel

Apologies:

Garry Copeland

In Attendance:

Ben Alcott
Jane Cosgrove
Peter Drissell
Tim Johnson
Alex Kaufman

Philip Clarke
Graeme Paterson

Secretariat

Amy Breckell

Skyline Board Chair (Observer)

Iain Libretto

for item 4

I APOLOGIES AND INTRODUCTIONS

1. Apologies had been received from Garry Copeland.
2. The Chair welcomed Amy Breckell (Skyline Board Chair) to the meeting.

II CONFLICTS OF INTEREST, PREVIOUS MINUTES AND MATTERS ARISING

3. No conflicts of interest were declared.
4. Even though there were no declarations, the Chair reminded the Board that it was a personal responsibility to ensure that any necessary declarations were made.
5. The minutes of the January 2022 Board meeting were approved.
6. There were no comments on the actions from the January meeting.

III CHAIR'S REPORT (DOC 2022-12) BY SIR STEPHEN HILLIER

7. The Chair noted that although the February meeting would be shorter, it was still a formal meeting of the Board and would be recorded as such.
8. In light of the Board Effectiveness Review that was due for discussion in March, Board members were asked to reflect on the shorter format and on how time in meetings was being used.
9. The Board noted the report.

IV CHIEF EXECUTIVE REPORT (DOC 2022-13) BY RICHARD MORIARTY

10. *Scheme of Charges Consultation* – The Board was advised that the Scheme of Charges Consultation had closed. The number of responses was low compared with previous year but there had been some limited pushback on the proposals.
11. Based on the responses, the CAA still intended to implement a price increase of 2.9% based on the Consumer Price Index (CPI) as at September 2021, and to introduce new Design and Certification charges. Endorsement from the Board on these proposals was sought.
12. In discussion, it was highlighted that using the CPI would mean that price increases were likely to be below the current rate of inflation. The Design and Certification charges had arisen from the UK leaving EASA.
13. It was confirmed that the CAA would publish a decision document for the consultation, and this would address points raised in responses from stakeholders.
14. The Board was advised that subject to the Board's endorsement, the CAA would consult the Secretary of State for Transport on the proposed charges. This process would normally involve the exchanging of letters. The Board would be advised if the Secretary of State did not agree with the charges.
15. It was noted that the Finance Advisory Committee was due to meet on the 17th February, and this would be an opportunity to update stakeholders and take questions.

DECISION: The Board endorsed the 2.9% price increase, and the introduction of charges for Design and Certification.

16. *EU Licensing MI* – Following previous Board discussions, data on the processing of EU 'returner' applications was provided.
17. The Board noted that the 10-day SLA for the processing of applications was being met in 70-80% of cases and queried whether this was a cause for concern. It was noted that the 10-day SLA had been in place for a number of years and had not been adjusted for the additional volumes of work that were currently being experienced. There was a need to balance business as usual activities with the returning applications and this was broadly being achieved. It was also noted that in many cases where the 10-day timeframe was not being met, it was being missed by a day or two.
18. It was noted that despite communications activity and engagement with employers and unions, the volume of applications from returning pilots and engineers was not as high as anticipated. This was however, being kept under review.
19. The Board thanked the team for the data, but requested that additional information be included to highlight what capacity was available to process applications and qualitative information on complaints or dissatisfaction from applicants.
20. The Board confirmed that it was happy with the processes that had been put in place to manage applications, and for the data that had been provided.
21. *Risks* – The Board welcomed Iain Libretto to the meeting.
22. The Board was advised that a longer discussion on the organisation's risks was scheduled for the summer. However, comments and questions on risks were welcomed outside of committee.

23. The Board was of the view that the current risk framework functioned well. It was also highlighted that good work had been undertaken on target date reduction. However, some further development was needed in the articulation of the organisation's risk appetite. The Board also noted some potential concern over risks relating to the pace of innovation and Space.
24. It was noted that some risks would never get to green as the impact from an incident in aviation was likely to be significant, even if steps had been taken to reduce the likelihood of an incident occurring.
25. In discussion, the use of red ratings was queried. The Board suggested that red should only be used where risks were new, or where no plans were in place. At present however, red ratings were used in situations where risks had been identified and mitigations had not been fully implemented.
26. It was agreed that separate discussions would take place regarding innovation risks and on the use of red ratings.

ACTION: Iain Libretto to arrange discussions with Marykay Fuller and Jane Hanson.

27. The Board confirmed that it was content with the risks that had been identified and with the processes in place to manage them. This was subject to separate discussions on innovation, Space and use of red ratings.
28. Iain Libretto left the meeting.
29. *H7* – It was confirmed that no appeals had been lodged in respect of the Holding Price Cap that the Board had agreed to in December 2021.
30. In respect of the consultation on the Initial Proposals, the CAA had received extensive submissions from stakeholders. In reviewing these responses, and from continuing engagement with these parties, it was believed that there was a case for altering the timeline for the publication of final price control proposals from the plan to publish a decision in April 2022.
31. Although the changing timelines would cause some uncertainty for the parties involved, there was an appreciation of the CAA's position in wanting more time to review and consider the representations and undertake further analysis.
32. The CAA intended to provide a more detailed overview of the H7 process and proposed timelines to the Board in late March, followed by further discussions in April and May.
33. *Ukraine Situation* – The Board was given an update on the CAA's involvement in discussions with Government departments regarding the ongoing situation in Ukraine. This included an overview of the implications for UK registered airlines if the situation were to escalate.
34. *Horizon* – It was confirmed that an update on the future direction of Horizon would be provided in March. If Board members had any queries on the work, they were invited to feed these into the project team.
35. To aid the discussion, it was requested that information on Horizon's initial purpose and progress achieved be provided.
36. *Board Priorities Update* – The Board was invited to provide comments on the emerging Board Priorities to the project team.
37. The Board noted the report.

V DRAFT AGENDA FOR MARCH BOARD AND FORWARD AGENDA

38. The Board noted the planned agenda. A separate discussion on future agendas involving the Chair had been scheduled.

VI AOB

39. No other business was raised.

Date and Time of Next Meetings:
Wednesday 16 March 2022, 11:00 hours, TBC