

**CIVIL AVIATION AUTHORITY
MINUTES OF THE 568th BOARD MEETING HELD ON
WEDNESDAY 19 OCTOBER 2022, AVIATION HOUSE/TEAMS**



Present:

Sir Stephen Hillier Chair
Richard Moriarty CEO
Rob Bishton
Katherine Corich
AVM Simon Edwards
Marykay Fuller
Jane Hanson CBE
Anne Lambert
Manny Lewis
Paul Smith
Jonathan Spence Secretary & General Counsel
Chris Tingle

Apologies:

Alex Kaufman

In Attendance:

Ben Alcott
Jane Cosgrove
Peter Drissell
Tim Johnson
Andrew McConnell for Alex Kaufman
Dave King Independent Safety Adviser to the Board
Philip Clarke
Graeme Paterson Secretariat

Colin Macleod	for item 4	Mukarram Chaudhry	for item 9 &10
Martine Freeman	for item 5	Alex Hutchinson	for item 9 &10
Vera Jakimovska	for item 5	Louise Stone	for item 9 &10
David Oastler	for item 5	Chris Page	for item 9 &10
Nic Stevenson	for item 5, 7, 9	Chris Whitehurst	for item 11
& 10			
Zara Dempsey-Branch	for item 6	Sean Parker	for item 12
Rob Olney	for item 6		
Bronwyn Fraser	for item 7		
Abigail Grenfell	for item 7		
Rob Toal	for item 8		
Andrew Walker	for item 8		
Julie Bryer	for item 9 &10		

CAA Environmental Sustainability Panel Members for item 7

Dr Ruth Mallors-Ray Panel Chair
Prof Charlotte Clark

Dr Martin Hawley
Prof David Lee
Prof Alastair Lewis
Prof Anil Namdeo
Prof Mark Westwood

I APOLOGIES & CONFLICTS OF INTEREST

1. Apologies had been received from Alex Kaufman.

II PREVIOUS MINUTES AND MATTERS ARISING

2. *Minutes* – The minutes of the September Board meeting were approved.
3. *Actions* – It was proposed that the three actions (188,199 and 218) relating to efficiency work be combined into a single action. The move to a single action would also include any further efficiency activities that might arise from discussion under agenda items 9 and 10.
4. Information relating to recruitment and retention had been included in the CEO Report, therefore action 215 would now be closed.

III CHAIR'S REPORT (DOC 66-2022) BY SIR STEPHEN HILLIER

5. The Board noted the paper.

IV CEO'S REPORT (DOC 67-2022) BY RICHARD MORIARTY

6. *Space Licensing* – The Board welcomed Colin Macleod to the meeting.
7. The Board had assured itself of the thoroughness of the licensing process at the September EBM. However, the Board was reminded that a number of issues remained outstanding before licences could be granted. These primarily related to ground safety.
8. The Board was also reminded that the CAA was just one of a number of UK and overseas government organisations that had to issue licences and clearances to enable the launch to go ahead.
9. In considering the applications, the CAA had undertaken its work thoroughly and systematically and with an appropriate pace, though was not working to a specific target launch date.
10. The CAA was using its lines of assurance model to the licensing process; the Space Licensing team who engaged primarily with the applicants; the SARG Director, supported by SARG colleagues, and finally the Board itself.
11. Within SARG, it was confirmed that the information received, and the processes had been reviewed to ensure that decisions had been made based on robust evidence. The Independent Safety Adviser to the Board had also reviewed SARG's activities.
12. The Independent Safety Adviser to the Board confirmed that from his analysis, the CAA had undertaken its work in a proper manner objectively, and without undue influence.
13. Of the outstanding ground safety issues, it was advised that there had been good levels of evidence and engagement from Virgin Orbit (VO), and the aim was to complete the assessment of the final safety case shortly.
14. It was confirmed that Spaceport Cornwall had submitted an updated safety case since the September EBM, which the CAA was satisfied with, and was now in the process of drafting a licence and necessary oversight plans.
15. The Board thanked the team for the update on the assurance process and steps taken since the EBM. In discussion, further clarity was sought on whether the applications under review were likely to be acceptable for multiple launches. It was advised that any licences granted now would be for a single launch. Multiple or repeat launches would require updates to both VO's and Spaceport Cornwall's licences.

16. The Board also sought clarity on whether the CAA could veto a launch once the licences had been granted. It was confirmed that the applicants would be subject to an oversight plan once the safety case had been completed, and the licences had been granted. If the applicants failed to meet the requirements or new information was presented that affected safety, then the CAA had scope to intervene. However, it was confirmed that the final 'go/no-go' decision for a launch would rest with VO's launch director, as it was VO that were ultimately accountable for safety.
17. The Chair advised that a note should be circulated to the Board out of committee which included a summary of the Board discussion, reconfirmed the assurance process that had been undertaken, addressed questions regarding VO's capacity to prepare a satisfactory safety case, and a re-emphasis that the final decision on the launch rested with VO. The note would not be seeking the Board's approval on the course of action.
ACTION: Tim Johnson and Colin Macleod to prepare and circulate a note on Space licensing to the Board.
18. *Mandatory occurrence Reporting (MOR) Update* – Although discussed under agenda item 6, it was requested that an update on MORs be provided in the next CEO Report.
19. *BAU Personnel Licensing* – A query was raised regarding the decision that certification of licences and logbooks was no longer necessary. It was advised that the need to get documentation certified contributed to delays in the application process. However, it was confirmed that the CAA was able to obtain and verify the necessary information about applicants' histories from ATOs.
20. It was confirmed that the information provided by ATOs was itself subject to audits and checks.
21. The Board noted the paper.

V EU EXIT: CAA PREPARATIONS FOR END OF SAVINGS PERIOD ON 31 DECEMBER 2022 (DOC 68-2022) BY ROB BISHTON, CHRIS TINGLE AND TIM JOHNSON

22. The Board welcomed Martine Freeman and Vera Jakimovska, David Oastler and Nic Stevenson to the meeting.
23. The Board was advised of the progress made in processing licence applications ahead of the savings period on 31st December 2022. It was acknowledged that there were still risks associated with applications being sent in late, and dependencies on other national aviation authorities returning documentation to the CAA.
24. The Board noted the work that various teams across the organisation had put in but queried the relatively large number of outstanding applications that had not been processed and the potential impact this could have on consumers.
25. It was advised that although the figure of outstanding applications was relatively high, the impact on passengers was not expected to be significant. A large amount of focus had been given to ensuring that scheduled, or significant airlines and individuals had taken the necessary steps to have the correct licences in place. By doing this, the impact of any disruption would be minimised, but not eliminated.
26. It was acknowledged that there would still be some applicants who would not have the correct licences in place before the end of the year. However, the CAA had issued numerous communications to advise pilots and engineers of the implications of not having a licence and the associated deadlines. Although there had been a long-running communication campaign for pilots and engineers, the Board requested that there be clear lines to take as the end of the year approached.
27. It was possible that the Government could grant some extensions for licences to be issued, but the CAA was working on the assumption that these would not be given.
28. The Board was assured that the correct steps had been taken to process licence applications and communicate the impact if applications had not been submitted in

- time. It was reiterated that there would need to be a clear explanation of what steps the CAA had taken if it was challenged by those who did not have the correct licences in place at the end of December.
29. The Chair would be writing to the Minister shortly to update on progress on licences, and would highlight that the CAA was operating on the expectation that no further extensions would be granted by Government.
 30. *Retained EU Law (Revocation and Reform) Bill* – The Board was advised that the Bill was proceeding through Parliament. This would have the effect of sunseting all retained EU legislation by the end of 2023. If enacted, this would have a significant impact on the legislation the underpinned the safety and operation of the UK's aviation system. A team had been stood up internally to progress work, and engagement was taking place with DfT.
 31. The Chair requested that an update on the likely scale of the work be brought back to the Board at an appropriate time.
ACTION: Jonathan Spence to provide an update on the Bill and its potential impact at a future Board meeting.
 32. The Board noted the paper.

VI SARG MONTHLY REPORT AND ANNUAL PERFORMANCE OF THE CAA SAFETY RISK MANAGEMENT SYSTEM (DOC 69-2022) BY ROB BISHTON

33. The Board welcomed Zara Dempsey-Branch and Rob Olney to the meeting.
34. *SARG Monthly Report* - The Board was informed that there some errors in Annex B of the SARG Library Pack, these had been corrected in an updated version.
35. *Annual Performance of the CAA Safety Risk Management System* – It was advised that there had been a reduction in the number of safety risks. This had been achieved through effective mitigations, or where scores were deemed to be less severe than initially thought.
36. The system would continue to develop domain and key safety risks, to ensure that industry risks were being effectively captured and then subsequently managed.
37. It was noted that the pandemic had not introduced new risks to the system, but had altered the profile of existing ones. Working groups had been convened to address these risks during the pandemic, but had now been reconfigured to support industry as it recovered.
38. The Board queried what level of independence there was in the assurance of risks. It was explained that SARG had its own independent assurance function that operated distinctly from the capability areas (AAA, AW and FO). There was also a rotation of staff in these areas to help mitigate against issues such as regulatory capture.
39. Noting that there had been several developments in the safety risk management system over recent years, it was agreed that the Independent Safety Adviser to the Board would review the approach.
ACTION: Dave King to liaise with Rob Bishton so that a review of the safety risk management system could be undertaken, and an update provided to the Board. Other NEDs were welcome to participate if required.
40. Further to the discussion at September's Board meeting, it was queried what progress had been made in addressing the backlog of MORs. It was advised that there would not be an overnight fix to the issue, but a corrective action plan was being finalised.
41. It was explained that in many cases the reporting by entities had been poor, with several not using the specified formats and this was an area the CAA was seeking to address.
42. It was emphasised though that all MORs were triaged by colleagues in the SSC, with direction from SARG on the reports that should be prioritised. The backlog was made up of those that had not been prioritised.

43. The Chair thanked colleagues for the update and the assurance provided to the Board. It was requested that consideration be given as to the timing of updates on the safety risk management system to ensure that the Board could maintain its assurance of the process.
44. The Board noted the paper.

VII INTRODUCTION TO THE CAA'S ENVIRONMENTAL SUSTAINABILITY PANEL (DOC 70-2022) BY TIM JOHNSON

45. The Board welcomed Bronwyn Fraser, Abigail Grenfell, Dr Ruth Mallors-Ray and members of the Environmental Sustainability Panel to the meeting.
46. The CAA Chair emphasised that sustainability presented an existential challenge to the aviation sector. It was therefore essential that the CAA could demonstrate to others that it was committed to addressing this challenge.
47. The launch of the Environmental Sustainability Strategy was a first step in this process, and was something that would evolve. The constitution of the Environmental Sustainability Panel would help drive the delivery and evolution of the strategy and provide wider insight and knowledge on sustainability issues across the aviation sector.
48. The Panel members and their areas of expertise were introduced to the Board. The Panel Chair thanked the Board for inviting them to the meeting. It was emphasised that the strategy and Panel were both relatively new and it could take some time to reach the level of maturity that other CAA panels had. While the Panel was intended to operate as a 'critical friend' for the CAA, it would not publicly campaign on issues, or handle complaints.
49. The Panel intended to take forward a six-month programme of work, but would in parallel, develop a longer-term work plan. The six-month programme of work would include short 'think-pieces' for the Board on a range of complex issues that could have an impact on the CAA's work.
50. As the longer-term work plan was developed, views would be welcomed from the Board on areas to focus on or broader concerns the Panel should seek to address.
51. In discussion, the Board wanted the CAA to be an authoritative source of information for consumers on the impacts of flying. It was important that the organisation did not duplicate the work of others, but the CAA should aim to be able to present robust data in a succinct way, to support informed consumer choices.
52. It was also suggested that further investigations be undertaken into the impact and effectiveness of carbon offsetting and the development of sustainable aviation fuel (SAF). With regards to SAF, it was believed that having the capacity to produce this at scale, could create other environmental impacts.
53. It was agreed that further engagement should take place between the Panel and the Board, so that the Board could learn more about the key environmental issues, and so the Panel had a clearer understanding of the extent of the CAA's powers.
54. It was also proposed that further consideration be given as to how best to harness the Panel's expertise and input on significant pieces of CAA work.
55. The Board noted the paper.
56. **[Post-meeting note:** A further update for the Board on the Panel's work would be scheduled for Spring 2023.]

VIII THE HEATHROW H7 PRICE CONTROL – FINAL DECISIONS (DOC 71-2022) BY PAUL SMITH

57. The Board welcomed Rob Toal and Andrew Walker to the meeting.
58. The Chair reminded the Board that the price control remained a commercially sensitive matter, even though the final proposals had been published.
59. The Board was given an overview of the steps taken to date, including the publication of the final proposals, accompanying consultation and recent stakeholder meetings.
60. The Board noted the paper.

IX FINANCE UPDATE AND SCHEME OF CHARGES PROPOSALS 2023/24 (DOC 72-2022) BY CHRIS TINGLE

61. The Board welcomed Julie Bryer, Mukarram Chaudhry, Alex Hutchinson, Chris Page, Nic Stevenson and Louise Stone to the meeting.
62. The Board noted the Finance Update.
63. *Scheme of Charges* – The Board was advised that a final decision on the charges was not needed at the meeting, but direction was sought on the proposed cost of living increase (CPI(H)-1% (currently 7.7%)) and inclusion of new activities within the scheme.
64. The Board suggested that in going out to consultation, the CPI-1% increase be put forward, along with the proposals for new activities. However, the consultation document should make clear that these were top level estimates that could come down. The consultation should also refer to the work to develop an efficiency strategy for the organisation.
65. A short EBM to further discuss and approve the Scheme of Charges consultation would take place on 2nd November.
66. The Board noted the paper.

X CAA PERFORMANCE AND EFFICIENCIES NEXT STEPS (DOC 73-2022) BY RICHARD MORIARTY, CHRIS TINGLE & TIM JOHNSON

67. The Board was advised that further work had been undertaken to identify areas where savings could be made. However, it was emphasised that savings needed to be sustainable and not adversely affect the CAA's output.
68. The Board noted the paper.

XI ANNUAL GDPR UPDATE (DOC 74-2022) BY JONATHAN SPENCE

69. The Board welcomed Chris Whitehurst to the meeting.
70. The Board was advised that there had been a decrease in data breaches in several parts of the organisation. It had also been a year since the auto-complete function on emails had been switched-off. This had resulted in a significant reduction in the loss of data via email.
71. Challenges were noted in a couple of areas, namely, Aeromedical Support and Medical. The issues arising in these areas had coincided with the launch of CELLMA. It was emphasised that the system itself did not have specific vulnerabilities. However, the system gave users a heightened visibility of records, and errors that existed within them.
72. Users of the system had been asked to be diligent in their reporting of errors, and most had been corrected quickly once identified.
73. The errors that had been identified had gone on to inform training for new users of the system. The importance of data security had also been reinforced with users, both internal and external.
74. The paper had been presented to the Audit Committee previously, and it was advised by the Audit Committee Chair that they were comfortable with the processes and systems in place to mitigate against data breaches or loss.
75. It was agreed that in future, the GDPR Update could be provided to ExCo and the Audit Committee, with the paper only coming to the Board by exception.
DECISION: The Board agreed that the GDPR Update would be provided to ExCo and the Audit Committee in future, with it only coming to the Board by exception.
76. The Board noted the paper.

XII ANNUAL WHISTLEBLOWING REPORT (DOC 75-2022) BY JONATHAN SPENCE

77. The Board welcomed Sean Parker to the meeting.

78. It was advised that the levels of whistleblowing reports in 2021 were the lowest for 6-7 years. Although industry activity had picked up in 2022, the levels of reports were broadly similar. However, it was not clear as to why this was the case.
79. In discussion, the importance of the whistleblowing process to the overall safety and security system was emphasised. Although the CAA had a thorough audit process when undertaking site inspections, reports from the whistleblowing system could help direct resources in a more focused way.
80. It was agreed that the Audit Committee should review the processes associated with the external whistleblowing process. However, the report should still be presented to the Board.
81. The Board noted the paper.

XIII PEOPLE COMMITTEE UPDATE (DOC 76-2022) BY MANNY LEWIS

82. The Board noted the paper.

XIV DRAFT DECEMBER BOARD AGENDA AND FORWARD AGENDA

83. The draft agenda was noted, but it was acknowledged that there may need to be some amendments to agenda items.
84. The Board was advised that some initial plans had been discussed for an awayday in February and an overnight visit to Scotland in May. Further details would be provided shortly.

XV ANY OTHER BUSINESS

85. *Board Software* – Work to procure a new system for the storage and distribution of Board papers was underway.
86. *ICAO Audit Preparations* – The Board was given an update on the final steps being taken ahead of the ICAO audit.

Date and Time of Next Meeting:

December Board: Wednesday 7 December, 11:00 hours, Westferry House