

**CIVIL AVIATION AUTHORITY
MINUTES OF THE 572nd BOARD MEETING HELD ON
WEDNESDAY 5 APRIL 2023, 11:00, AVIATION HOUSE**



Present:

Sir Stephen Hillier	Chair
Richard Moriarty	CEO
Rob Bishton	GDSARG
Katherine Corich	NED
Marykay Fuller	SID
Jane Hanson	NED
Anne Lambert	NED
Manny Lewis	NED
Paul Smith	GDCMG

Apologies:

AVM Simon Edwards
Jonathan Spence

In Attendance:

Ben Alcott	Professional Services Group Director
Julie Bryer	Head of Finance & Corporate Services
Dilsha Caldera	Deputy General Counsel (for Jonathan Spence)
Peter Drissell	Aviation Security Director
Tim Johnson	Policy Director
Dave King	Independent Safety Adviser to the Board
Alison Naylor	People Director

Emma Brown	Business Manager
Graeme Paterson	Secretariat

Alex Bobocica	Skyline Board Chair
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Ella Payne	Item 6	Stu Lindsey	Item 9
Louise Stone	Item 6	Trevor Metson	Item 9
Nic Stevenson	Items 7-8	Jon Round	Item 9
Chris Page	Item 8	Rachel Sowerby	Item 9
Nathan Lambrinos	Item 9		

I. APOLOGIES & DECLARATIONS OF INTEREST

1. Apologies had been received from AVM Edwards and Jonathan Spence.
2. No declarations of interest were made.
3. The Board was reminded that this would be Richard Moriarty's final meeting as CEO. At the conclusion of the meeting, the interim joint CEO arrangements would take effect.

II. MINUTES AND MATTERS ARISING

4. *Minutes* – The Board noted that a date had not been included on para 41 of the minutes, but was advised that a more substantive discussion on future flight activities would be scheduled for a PIE session in June or July.
5. The minutes of the February Board meeting were approved.
6. *Actions* – The Board was advised that an update on action 80 had been received in advance of the meeting.

III. CHAIR'S REPORT (2023-20) BY SIR STEPHEN HILLIER

7. The Chair highlighted the interconnectivity of several agenda items, and the link to the outcomes of the ALB Review. Although publication of the review was expected for later in the year, it was important that matters such as setting of budgets and priorities continued. However, it was acknowledged that aspects of these may need to be adjusted when the Review's final recommendations were known.

IV. CEO REPORT (2023-21) BY RICHARD MORIARTY

8. *Approvals – Consumer Panel Chair* – Board endorsement was sought to reappoint Jenny Willott as Consumer Panel Chair for another term.

DECISION: The Board endorsed the proposal to reappoint Jenny Willott.

9. *SORA (Specific Operational Risk Assessment) Business Case* – The Board was advised that the CAA had already committed to undertaking work to develop SORA. This platform would enhance the CAA's ability to authorise risk assessments for RPAS users.
10. The business case had been reviewed by ExCo in advance of the Board meeting. However, due to the cost of the project, final approval would need to be provided by the Board. It was proposed that a panel of two Board members scrutinise and approve the business case.
11. The Board acknowledged the importance of developing a solution to aid drone users, but queries were raised about how a new system would align and integrate with others used by the CAA, but also avoid constraining future development.
12. It was agreed that the business case would be circulated to Board members for review, and to raise any further comments. Following this, the Board agreed that Katherine Corich and Jane Hanson would form the panel to review and approve the business case on behalf of the full Board.

ACTION: SORA business case to be circulated to Board members for review, and a meeting of the Board panel to be convened.
13. *Wizz Air* – The Board was advised that further engagement had taken place with Wizz Air regarding delays to consumer refunds.
14. *Space* – The Board was advised that as part of the space licensing process, further assessment of an applicant's finances would be undertaken.
15. *Pro-innovation Regulation of Technologies Review – Digital Technologies* – The Board noted Sir Patrick Vallance's report and its assessment that the CAA's risk appetite for new technologies was too cautious. The Board was advised that a number of organisational design changes were underway, and it was hoped these would better support innovators. The Board also acknowledged its role in setting risk appetite for the organisation. It was agreed that as part of the PIE session on future flight activities, risk appetite be considered.
16. *Auditor Resource* – The Board was advised that there was currently a reduction in security auditor capacity. The Board was assured however, that this was a temporary issue that was being managed via a surge capability from other AvSec colleagues, and an increase in courses for auditors. It was also reiterated that the quality of auditing activity was not affected.

V. SARG MONTHLY REPORT (2023-23 BY ROB BISHTON)

17. *Summer Resilience* – The Board was advised there was an increased confidence that UK airports and airlines would be better equipped to manage the peak summer season. However, caution was noted, as strike action, and capacity issues in other parts of Europe could still have an impact.
18. *Safety Risks* – Engagement continued with DfT on *the inbound carriage of lithium batteries into the UK*.
19. *Cabin Safety Updates* – The Board was provided with details of work undertaken in respect of cabin air quality, and the broader safety of passengers when travelling by air.
20. The Board was assured that in monitoring air quality, the CAA benchmarked its data and approach against EASA and FAA.
21. On broader cabin safety matters, the Board noted that work was ongoing to understand whether families with young children were routinely being separated when travelling. This followed reports of similar instances occurring in other countries. The Board was advised that in the UK, guidance was that children under 12 should be sat in the same row as their primary care giver.
22. In broader discussion, the Board noted that issues caused by splitting families up could put additional pressures on cabin crew, and create challenges in the event of an emergency evacuation.
23. *CT Scanners* – Noting the introduction of new scanners at UK airports, and the removal of limits on liquid, the Board queried how security standards would be maintained. It was noted that the technology underpinning the scanners had taken over a decade to develop to ensure that it could detect prohibited articles and substances. The scanners used at airports had to meet European standards, and the technology used was continually developing.

VI. FINANCE UPDATE (2023-26a), FINAL BUDGET APPROVAL (2023-26b) AND BOARD PRIORITIES SIGN-OFF (2023-26c): BY RICHARD MORIARTY

24. The Board welcomed Ella Payne, and Louise Stone to the meeting.
25. *Finance Update* - The Board noted the CAA's financial position. It was requested that a discussion take place at the Audit Committee to consider the organisation's liquidity policy.
ACTION: Julie Bryer to prepare a liquidity policy paper for discussion at the Audit Committee.
26. *Budget Approval* – The Board was advised that the budget presented had been developed based on previous Board discussions, and review by ExCo.
27. It was expected that the budget would need to be revisited once the ALB Review had concluded, but the Board was advised that the proposals would enable the CAA to deliver the Board's and Secretary of State's priorities.
28. It was forecast that the CAA would make efficiency savings over the course of the year. However, where possible steps would be taken to make *further* savings, in line with the target for year three set in the efficiency strategy. These efficiency savings were based on the CAA's budgeted cost base for the 2022/23 financial year.
29. The Board was advised that the CAA's headcount would grow over the course of the 2023/24 financial year. It was emphasised however, that some of the growth would take place in new areas not covered by the efficiency strategy, particularly in innovation activities and responsibilities taken on following the UK's exit from the EU.

30. It was confirmed to the Board that the digitalisation element of the efficiency strategy would not start within the 2023/24 financial year. However, activities related to project scoping, resourcing and capabilities, and funding streams would take place, with the intention of being able to commence substantive work in the 2024/25 financial year.

DECISION: The Board approved the CAA budget for 2023/24, but noted a further review may be required following the outcome of the ALB Review.

31. *Board Priorities* – The Board was advised that the priorities had reflected comments previously provided by NEDs. It was also confirmed that the Secretary of State’s priorities had also been considered, and informed the Board priorities.
32. Key milestones and deliverables for achieving the priorities would be included within CEO and ExCo objectives. It was also agreed that data showing progress against delivery of the priorities would be included within the CEO report.
33. The Board approved the priorities, noting that some amendments may be required following the outcome of the ALB Review,

DECISION: The Board priorities were approved, but noted a further review may be required following the outcome of the ALB Review.

VII. ALB REVIEW UPDATE (2023-25) BY TIM JOHNSON

34. The Board welcomed Nic Stevenson to the meeting.
35. The Board was provided with an update on the progress of the ALB Review.
36. The Board noted the update.

VIII. REFRESH OF THE CAA STRATEGY (2023-27) BY TIM JOHNSON

37. The Board welcomed Chris Page to the meeting.
38. The Board was invited to consider several options for refreshing the CAA’s Strategy. It was highlighted that the existing strategy had originally been written in the context of the sector’s recovery from the pandemic, but the operating context had since moved on.
39. In discussion, the Board was supportive of refreshing the strategy, but noted that a combination of the ALB Review, recruitment process for a new CEO and proposed timeline for completion of the work could present challenges. The Board was supportive of ensuring that a new CEO had sufficient ability to contribute to the strategy following their appointment.
40. Based on the Board’s discussion, it was agreed the strategy should be updated before the end of the summer 2023 to remove dated references and include details of work such as the Sustainability Strategy. This update would allow the strategy to align with finalised Board priorities post-ALB Review, and to reflect the Secretary of State’s current priorities. A fuller refresh should also be undertaken in 2024, with feedback sought from stakeholders, and from the new CEO once in post.
41. The Board was also supportive of proposals to review and refresh the strategy on a continuous basis.

DECISION: The Board agreed to an update of the strategy by end of summer 2023, a full refresh in 2024, and a continuous review of the strategy once a full refresh had been undertaken.

ACTION: Tim Johnson, Nic Stevenson and Chris Page to lead this work.

IX. AIRSPACE CHANGE (2023-28) BY TIM JOHNSON

- 42. The Board welcomed Nathan Lambrinos, Stu Lindsey, Trevor Metson, Jon Round and Rachel Sowerby to the meeting.
- 43. The Board discussed airspace change activities.
- 44. The Board noted the paper.

X. SUMMARY REPORT OF THE AUDIT COMMITTEE MEETING OF 31 JANUARY 2023 (2023-29) BY JANE HANSON

- 45. The Board noted the update report on the 31st January meeting.
- 46. In addition, the Board was appraised of items discussed at the Committee's 3rd April meeting.

XI. SUMMARY REPORTS OF THE PEOPLE COMMITTEE MEETING OF 7 FEBRUARY 2023 & MEETING OF 22 MARCH 2023 (2023-30 & 2023-30b) BY MANNY LEWIS

- 47. The Board noted the People Committee's summary reports.

XII. DRAFT MAY BOARD & FORWARD AGENDA

- 48. The Board noted the agenda for the meeting in Scotland. The final schedule for visits was still to be confirmed, but a draft version would be shared with Board members.

XIII. ANY OTHER BUSINESS

- 49. *CEO* – On behalf of the Board, the Chair thanked Richard Moriarty for his exceptional leadership as Chief Executive. The Board wished Richard every success for the future.
- 50. No other business was raised.

Date and Time of Next Meeting:
Wednesday 17 May, Glasgow Airport