

PUBLICATION VERSION



UK CIVIL AVIATION AUTHORITY
MINUTES OF THE 579TH MEETING HELD ON WEDNESDAY 24TH JANUARY 2024, 11:00,
AVIATION HOUSE & TEAMS

Present:

Sir Stephen Hillier	Chair
Rob Bishton	CEO
Katherine Corich	Non-Exec Director
Marykay Fuller	Senior Independent Director
Jane Hanson	Non-Exec Director
AVM Tim Jones	Non-Exec Director
Anne Lambert	Non-Exec Director
Manny Lewis	Non-Exec Director
Tracey Martin	Chief Financial Officer
Paul Smith	Group Director, Consumers & Markets
Jonathan Spence	General Counsel & Secretary

Apologies:**In Attendance:**

Dave King	Independent Safety Adviser		
Tim Johnson	Communications, Strategy & Policy Director		
Tendai Mutambirwa	Interim Group Director, Safety & Airspace Regulation		
Emma Brown	Business Manager		
Graeme Paterson	Corporate Governance & Secretariat Lead		
Briar Mulholland	Item 5	Jenny Willott	Items 8 & 9
Nic Stevenson	Items 5 & 6	Anna Bowles	Item 9
Chris Page	Item 6	Helen Swanbury	Item 9
Ella Payne	Item 7	Sophie O'Sullivan	Item 10
Neil Aldridge	Item 8	Jeff Halliwell	Item 11
Germaine Faulkner	Item 8	Rob Toal	Item 11
Matt Taylor	Item 8		
Sophie Vintner	Item 8		

I. APOLOGIES & CONFLICT OF INTEREST DECLARATIONS

1. No apologies had been received.
2. No conflict of interest declarations were made. The Board noted that in respect of agenda item 5, Jane Hanson was a Non-Executive Director of HM Treasury.
3. AVM Tim Jones was welcomed to the Board as the new RAF/MOD Non-Executive Director.

II. BOARD APPROVED MINUTES AND MATTERS ARISING

4. *Minutes* – The minutes of the December Board meeting were noted having been approved out of committee.
5. *Actions* – The Board agreed that as drafted, action 249 could be closed. However, it was requested that a risk be raised in respect of the challenge of entities' ability to manage multiple regulatory regimes.

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ACTION: Tim Johnson to raise a new risk on the CAA's risk register.

6. With regards to action 251, it was requested that this remained open pending further discussions taking place between Tendai Mutambirwa, Marykay Fuller and Dave King.

III. CHAIR'S REPORT (BRD-2024-001) BY SIR STEPHEN HILLIER

7. The Board discussed the emerging themes from the Post Office Inquiry, and the potential lessons that the CAA could take from this, both as a public sector body, and as an organisation with prosecution powers.

8. The Board noted that the CAA only undertook a limited number of prosecutions, and in cases where there was a financial penalty, the CAA was not a recipient of any payments. It was also noted that the CAA published data on successful prosecutions it undertook.

ACTION: The Board requested that a document be produced outlining the CAA's legal authorities and prosecution powers, and the oversight employed on these duties. Jonathan Spence to lead this work.

9. In discussion, the Board noted the importance of ensuring the CAA had an open and learning culture, particularly when interacting with customers and the wider public. It was noted that over the past year progress had been made in improving customer service and experience, and this would continue through the customer experience and modernisation programme.

ACTION: The Board requested that a review be undertaken of publicly available information from the Inquiry and other high-profile cases involving public authorities in order to identify key themes and lessons that the CAA should be alive to. Tim Johnson and Jonathan Spence to take this forward.

10. It was acknowledged that a key part of this programme would involve increased use of technology. Therefore, it was essential that the CAA could have confidence in the integrity of data within these new systems. The CAA should also look to strengthen agreements it had with suppliers to ensure that it could exit from contracts in the event of poor performance.

ACTION: The Board requested that testing and analysis be undertaken of new systems to ensure that the CAA could be assured of the quality and accuracy of data. The CAA's supplier contracts should also be reviewed to ensure they included adequate provision for the CAA to exit them in the event of supplier poor performance. Tracey Martin to lead this process.

IV. CEO REPORT (BRD-2024-002) BY ROB BISHTON

11. The Board noted that demand levels within industry were now approaching, and in some cases exceeding, those from 2019. Although staff recruitment issues had largely been abated, it was possible that there could be supply chain resilience issues that the CAA would need to exercise a convening role in bringing different parts of the sector together.

12. Following the recent 737 MAX9 incident, the Board was advised that none of these aircraft were on UK or EASA registers. The incident had resulted in discussions on the type of certification role the CAA should take now that it operated outside the EASA system.

13. Noting the demand for individuals with design and certification skills, it was queried whether the CAA could meet existing demands. It was confirmed that the CAA had the resources to deliver against current projects. It was also noted that engagement took place with industry and the education sector to try and improve the pipeline of candidates who had the requisite skills.

14. The Board welcomed the positive outcome for consumers arising from the Wizz Air legal undertakings.

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V. CAA FRAMEWORK DOCUMENT (BRD-2024-003) BY TIM JOHNSON

15. The Board was reminded of previous discussions on the development of the Framework Document, and that it was a recommendation from the ALB Review.
16. The Board was advised that the document was largely finalised, but there were still some aspects that would require further discussion with DfT and HMT as the latter also had a role in approving the document.
17. These aspects included the scope of a DfT sponsorship board that would be established to monitor the CAA's performance against the Framework Document. The Board requested that it be given visibility of the sponsorship board's proposed terms of reference.
18. The Framework Document also included provision for HMT to approve the CAA Scheme of Charges. Further discussions were taking place to determine how this process would be taken forward.
19. The CAA would also become subject to Managing Public Money. Implementation of this would be gradual, but some changes would be in place for the start of the 2024/25 financial year, as per the recommendations from the ALB Review. CAA Internal Audit would be responsible for assuring the CAA's compliance with Managing Public Money.
20. The Board noted that logistical arrangements for DfT attendance at two Board meetings, and committee meetings would need to be formalised.
DECISION: Subject to the above points being addressed, the Board approved the new CAA Framework Document. The Board delegated authority to sign-off the final document to the Chair and Chief Executive.
21. If any further material issues or concerns arose, the Board would be informed.

VI. CAA STRATEGY REFRESH (BRD-2024-005) BY TIM JOHNSON

22. Following the Board's discussion on the strategy refresh in December, work had been undertaken to refine the mission statement, and a strategic focus area (SFA) title. This had involved engagement with colleagues to understand their views on the CAA's purpose.
23. *Mission Statement* - The Board was invited to consider three draft mission statements which had been devised based on colleague feedback. In discussion, the Board endorsed proposed mission statement 1 to be used in the CAA's refreshed strategy.
DECISION: The Board endorsed the use of proposed mission statement 1.
24. *Strategic Focus Area* – The Board endorsed the reworded SFA title. The Board noted the revised first strategic aim within this SFA, but requested that the word 'regulate' also be incorporated within the aim as well.
DECISION: The Board endorsed the reworded SFA title, and the incorporation of 'regulate' into the first strategic aim.
25. The Board thanked colleagues for their work in developing the refreshed strategy.

VII. DRAFT 24/25 ANNUAL CHIEF EXECUTIVE & DIRECTORS OBJECTIVES (BRD-2024-004) BY ROB BISHTON

26. The Board was invited to comment on the draft director objectives; however, final approval would rest with the People Committee.
27. An explanation was also provided to the Board on how the objectives had been prepared and the weightings allocated to specific objectives for performance assessment purposes.
28. In discussion, the Board emphasised the importance of including objectives that were measurable.

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29. The Board confirmed that it was content with the process followed to develop the objectives.

VIII. CUSTOMER EXPERIENCE & MODERNISATION PROGRAMME BUSINESS CASE (BRD-2024-006) BY BEN ALCOTT

30. The Board was provided with an overview of the improvements the CAA had made to the customer experience over the past year, and the aspirations for the coming years. It was emphasised that the CAA was committed to delivering good customer service, but at the same time would not compromise the regulatory decision-making process.
31. The request of the Board would be to approve the overarching programme governance structure for the Customer Experience & Modernisation Programme (CX&M), including the establishment of a programme board chaired by an accountable ExCo member. Within the programme, individual workstreams would also be headed by accountable individuals. Performance of these programme and workstreams would be monitored by ExCo via the Performance & Prioritisation Board, and subject to review by CAA Internal Audit and external expertise.
32. The programme would encompass the overall CAA service design strategy and approach, the Modernising Aviation Services: Licensing & Oversight (MASLO), the Web strategy (and future delivery against) and ATOL modernisation. It would have a close relationship with other in-flight projects with a strong customer experience theme such as DiSCo, whilst not adding additional governance at this time.
33. The aim of the governance structures was to allow each workstream to be governed proportionately for the work being undertaken and to give flexibility as the programme developed.
34. In addition to approving the overarching programme, the Board was asked to endorse the plan for the MASLO workstream. If approved, this would commence from July 2024. This workstream would start by conducting a discovery phase for all personnel licensing processes, then move to the modernisation of Air Traffic Control Officers (ATCO) licences.
35. Improvements to the licensing process were a key recommendation from the ALB Review, however, the CAA had also recognised that enhancements needed to be made in this area. Once the full range of licensing improvements had been made (at the end of the 2026/27 financial year), they will have had a benefit to c.60,000 licence holders and for many of the organisations who employ them.
36. Funding for the MASLO workstream would be provided via efficiency savings that the CAA had committed to, also as part of the ALB Review. If additional efficiencies were identified in-year, these would also be made available for investment in the programme.
37. It was noted that some external resource would be brought in to support delivery of MASLO, however, a substantial amount of the work would be undertaken by CAA colleagues. This would provide the opportunity to upskill staff, and help support the longer term maintenance and development of the new processes and systems. The assumption was that the new services would be based on widely-used technologies, which were already in use by the CAA, rather than bespoke systems.
38. In discussion, the Board noted the good progress that had been made in improving the experience of customers who had to interact with the CAA.
39. The Board was supportive of the proposed governance arrangements that were to be put in place, including the naming of accountable individuals.
40. The Board recommended that lessons learned from other public digital prioritisations be considered where available.

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41. The Board requested that as part of the modernisation process, the ongoing support and maintenance costs be clearly identified in order to future proof as far as possible.
42. The Board noted that the discovery phase for each service would need to capture any organisations that had delegated authority from the CAA in the relevant area.
43. The Board queried whether the benefits of the wider CX&M Programme had been captured. It was confirmed that the business cases of each strand of the programme would have their own benefits realisation sections. These would be a product of the discovery phase for each service, and as this had not commenced, the benefits realisation had not been included in the Board paper.
44. The Board endorsed the proposed governance structures and the funding for the first year of the MASLO workstream. An update on progress would be provided at the October 2024 Board meeting.

DECISION: The Board approved focus, structure and governance framework for the first year of the programme. The Board also agreed to the delivery plan for the 2024/25 financial year. The funding for MASLO had already approved by ExCo.

IX. 2023 CONSUMER OUTCOMES AND DASHBOARD DEVELOPMENT (BRD-2024-007) BY PAUL SMITH

45. The CAA's Consumer Strategy had been published in September 2023. This had been a recommendation arising from the ALB Review.
46. The Board acknowledged the work undertaken to review the accessibility of airline websites, the continuing review of airport accessibility performance and a consultation on establishing a similar framework for airlines.
47. From the accompanying paper, the Board noted that the volume of consumer complaints submitted to Alternative Dispute Resolution providers had remained high. Although the CAA had visibility of numbers of complaints going to ADR providers, there was no visibility of first-tier complaints to airlines. Consequently, it could be difficult for the CAA to monitor trends or take action in respect of airline complaint handling processes.
48. It was intended that a review of the ADR process and providers would be undertaken over the course of 2024, and this would help provide a clearer picture of issues experienced by consumers.
49. The Board queried whether intelligence on the consumer experience could be obtained from other means, particularly in instances where formal complaints might not be made. It was confirmed that an aviation consumer survey was undertaken and the results from this would be provided in early spring.
50. A draft dashboard to monitor the effectiveness of the strategy was provided and a final version of this would be presented to the Board later in 2024 and on a regular basis thereafter.

X. SARG REPORT (BRD-2024-008) BY TENDAI MUTAMBIWA

51. *Future Safety & Innovation* -The Board was provided with an update on organisational design changes within SARG to establish the Future Safety & Innovation function. This function would be key to the delivery of the government's Future of Flight activities.
52. The Board noted the agreed strategic outcomes for the Future of Flight programme, the first of which would be the demonstration of beyond visual line of sight operations in non-segregated airspace. This would be due for delivery in 2024. The Board was advised that colleagues were continuing to engage extensively with industry to identify operators who would be able to demonstrate this capability, and arrangements that the CAA would put in place to ensure the demonstrations were undertaken safely.

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53. The Board acknowledged the challenge of the Future of Flight programme, but also recognised the opportunities this could create. A substantive update on this work would be provided to the Board in July, with an interim provided at the April meeting.
54. *Regulatory Safety Management System* – The Board undertook its annual review of the Regulatory Safety Management System (RSMS). The material in the accompanying paper had been reviewed by the Safety Leadership Group in December.
55. The Board confirmed that the purpose of the review was clear and that it adequately described the current safety risk landscape.
56. In respect of the top safety risks, it was queried why the target date for resolving the risk on insufficient take-off thrust was at the end of 2028. It was noted that industry and the CAA were currently using non-technical measures to mitigate the risk, but expected a technical solution to become available to address it by the end of 2028.
57. *Other Safety Matters* – As discussed earlier in the meeting, it was confirmed that there were no 737MAX9 or 737-900ER aircraft on the UK register. Noting the 737MAX9 incident and the accident at Haneda Airport in January 2024, the Board was advised that the CAA was conducting after action reviews.

XI. NATS REVIEW PANEL UPDATE

58. The Board was provided with a further update on the work undertaken by the NATS Panel.

XII. SUMMARY REPORT OF THE AUDIT COMMITTEE MEETING HELD ON 18TH JANUARY 2024 (BRD-2024-009) BY JANE HANSON

59. The Board was advised that the Audit Committee had discussed the plan for the production of the CAA's annual report and accounts, and possible options for environmental social governance (ESG) frameworks that the CAA might wish to adhere to in future.
60. The Committee also reviewed proposals for the evolution of the CAA's Internal Audit function.

XIII. DRAFT FEBRUARY BOARD AND FORWARD AGENDA

61. The Board noted the agendas.

XIV. ANY OTHER BUSINESS

62. No other business was raised.