

## PUBLICATION VERSION



**UK CIVIL AVIATION AUTHORITY**  
**MINUTES OF THE 581<sup>ST</sup> MEETING HELD ON WEDNESDAY 3<sup>RD</sup> APRIL 2024, 13:30**  
**GE AEROSPACE & 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

Mukarram Chaudhry	Item 5	Trevor Metson	Item 6
Ella Payne	Item 5	Jon Round	Item 6
Louise Stone	Item 5	Iain Libretto	Item 7
Nathan Lambrinos	Item 6	Laura Madden	Item 7
Stuart Lindsey	Item 6	Sophie O'Sullivan	Item 8

**I. APOLOGIES & CONFLICT OF INTEREST DECLARATIONS**

1. No apologies had been received.
2. Katherine Corich noted a potential conflict of interest regarding a matter raised in the CEO Library paper.

**II. BOARD APPROVED MINUTES AND MATTERS ARISING**

3. *Minutes* – The minutes of the February Board and Extraordinary March meeting were noted, having been approved out of committee.
4. *Actions* – The Board noted actions and confirmed that 255 and 256 could now be closed.

**III. CHAIR'S REPORT (BRD-2024-017) BY SIR STEPHEN HILLIER**

5. The Chair welcomed the Board to Wales, and reiterated the importance of meeting stakeholders from all parts of the UK.
6. *Priorities Letter* – The Board noted that the CAA had received a draft copy of the Secretary of State's Priorities Letter, which would be one of the Board's considerations for this meeting's Budget Approval discussion.

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7. The Board noted the paper.

**IV. CEO REPORT (BRD-2024-023) BY ROB BISHTON**

8. *Delivery Performance* – The Board was advised that the CAA had delivered a significant number of key projects in the 2023/24 financial year. It was also noted that budget planning had gone well, and that the organisation would have a strong foundation for the new financial year.
9. *Price Controls* – The consultation on the future approach to price controls had concluded, with responses now being analysed.
10. *Property Strategy* – The Board was advised that a substantive discussion on the CAA's Property Strategy was scheduled for July. This was to allow colleagues additional time to work through proposals.
11. *NATS Review* – It was noted that regular meetings were taking place with the NATS Panel Review Chair, and it was anticipated that a further update would be provided to the Board in May.
12. The Board noted the paper.

**V. FINAL BUDGET APPROVAL (BRD-2024-018) BY TRACEY MARTIN**

13. The process for developing the proposed budget for the 2024/25 financial year was outlined to the Board. The Board also noted the achievements that had been made in the previous financial year to ensure efficiencies were delivered, that could then be reinvested.
14. As presented, the budget would fund the delivery of the CAA's Strategy alongside the Secretary of State priorities, Annual Strategic Objectives and Director goals. It would also fund the CAA's planned pay offer to colleagues. The budget included some overprogramming, and the rationale for this had been shared with DfT.
15. The Board queried whether any contingencies had been incorporated within the budget. It was confirmed that no specific contingencies had been set aside and that in the event that income was lower than expected, or expenditure increased, the CAA could seek to apply its reserves policy. It was also possible that trade-off decisions might need to be made on specific pieces of work, or to slow down the pace of recruitment.
16. Noting the Government Grant Funding that the CAA received, the Board queried what would happen if this ceased. It was confirmed that some previously funded activities had already been absorbed as part of the 2024/25 budgeting process and that work would be undertaken to determine whether these activities should continue, or the funding reallocated to other work. Any changes to funding in year and for future years would be managed by ExCo and be factored into the plan. Trade off decisions would be made if necessary to make sure resources remain aligned to delivery of the strategy and priorities.
17. In respect of Future of Flight, which itself was largely Government Grant Funded, it was hoped that this would eventually move to a user-pays model.
18. The Board noted the assumptions on the costs of investment in the Customer Experience & Modernisation (CX&M) programme had changed since approval was granted in January, and requested that an update be provided on anticipated costs.

**ACTION:** Tracey Martin to provide updated CX&M costs data at the May Board meeting.

19. In discussion, the Board noted the process that had been undertaken in devising the budget and the linkage between the budget and the CAA's strategy and priorities for the new financial year. The Board also noted the very good work that had gone into developing the budget from colleagues across the organisation.

**DECISION:** The Board approved the 2024/25 budget.

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**VI. SINGLE DESIGN ENTITY (BRD-2024-020) BY TIM JOHNSON**

20. The Board was reminded that a proposal to develop a new approach for airspace change had been agreed by the Board in April 2023. Since then, a combined CAA and DfT project team had been working to further develop the concept of a Single Design Entity (SDE) into a proposal for public consultation.

**VII. CAA ENTERPRISE RISK MANAGEMENT FRAMEWORK IMPROVEMENTS (BRD-2024-021) BY TRACEY MARTIN & TIM JOHNSON**

21. It was noted that the Audit Committee had reviewed the accompanying paper ahead of its submission to the Board. The Audit Committee had noted the progress that had been with implementing improvements to the CAA's risk framework,

22. *Three Lines of Defence Implementation* – The Board noted the update and progress made so far.

23. *Risk Appetite Statements* – The Board was asked to endorse four risk appetite statements covering: People; Finance; Operations; and, Legal. Iterations of these had been shared with the Audit Committee.

24. In discussion, the Board was supportive of all four statements, subject to some amendments.

**DECISION:** The Board approved the People, Finance, Operations and Legal risk appetite statements, subject to some amendments.

25. The Board was keen that supporting documentation and guidance be produced to help embed the statements and their purpose into the organisation.

26. It was confirmed that a further workshop in April would focus on how best to implement the statements.

**VIII. SARG REPORT (BRD-2024-022) BY TENDAI MUTAMBIWA**

27. The CAA was also monitoring three recent air accidents from a state of design perspective.

28. From May, a third part of the SARG Report would be introduced. This would help ensure the Board received topical updates on the existing system, alongside developments on the Future of Flight.

29. *Part 1* – The Board was advised that a new risk on the use of unapproved parts had been added to the Regulatory Safety Management System. Work to address this would be led by colleagues in Airworthiness.

30. It was also confirmed to the Board that work undertaken by the Future Safety & Innovation function was fully integrated within SARG processes and the safety framework.

31. *Part 2* – The Board was provided with an update on the Future of Flight programme's Strategic Outcome 1 (SO1). The Board noted that the timeline for delivery of SO1 was 2024, and queried what would have to happen to enable the goal to be achieved.

32. The Board was advised that some specific areas of airspace would be required and for manufacturers/operators to be able to build and then demonstrate their aircraft in this airspace. The Board acknowledged that delivery of the objective had a significant industry dependency. It was noted that engagement with industry was continuing, but there was a need to ensure that airframes and systems were built and tested safely. The need to have access to a body of evidence on the safe operation of new aerial vehicles was an issue that other aviation regulators were also having to manage.

33. The Board noted the paper.

**IX. SUMMARY REPORT OF THE AUDIT COMMITTEE MEETING HELD ON 26<sup>TH</sup> MARCH 2024 (BRD-2024-024) BY JANE HANSON**

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34. The Board noted the paper.

**X. SUMMARY REPORT OF THE PEOPLE COMMITTEE MEETING HELD ON 6<sup>TH</sup> MARCH 2024 (BRD-2024-025) BY MANNY LEWIS**

35. The Board noted the paper.

**XI. DRAFT MAY BOARD & FORWARD AGENDA**

36. The draft agenda was noted.

**XII. ANY OTHER BUSINESS**

37. *Paul Smith* - At what would be his final meeting, the Board expressed its thanks to Paul Smith for his substantial contribution to the CAA over the past six years. The Board wished Paul every success in the future.

38. No other business was raised.