

CIVIL AVIATION AUTHORITY



FOR PUBLICATION

**CIVIL AVIATION AUTHORITY
MINUTES OF THE 473nd BOARD MEETING HELD ON WEDNESDAY, 19th MARCH 2014, AT THE
COMPASS CENTRE BATH ROAD HEATHROW**

Present:

Dame Deirdre Hutton

Chair

Mr Andrew Haines

Chief Executive

Dr Catherine Bell

Mr David Gray

Mr Richard Jackson

Miss Chris Jesnick

Mr David King

Mr Iain Osborne

AVM Edward Stringer

Mr Phil Roberts Vice Mr Mark Swan

Mrs Kate Staples

In Attendance:

Dr Stephen Rooney

Director, Corporate Communications

Mr Dominic Marino For Item V

Mr Peter Gardiner Minute Taker

II Apologies

1. Nil.

II Minutes of the Previous Meetings and Matters Arising

2. The Minutes of the previous Board were approved.

3. The CEO reported that a meeting had been arranged between the CAA and the DfT on 1 April, to discuss cyber issues, when it is anticipated that clarity will be gained on the relative responsibilities between the two organisations and the interplay of cyber security with safety regulation.

III Chair's Update – by Dame Deirdre Hutton

4. The Chair reported on recent meetings she had attended. These included a productive meeting with Gatwick Airport Limited on 26 February, where the factors involved in the CAA's Q6 work were explained to the assembled group and her visit to Leeds Bradford International Airport on 11 March, highlighted that there was a thriving competitive market in the region.

IV Chief Executive's Report - Doc 2014-027 by Andrew Haines

5. Mr Haines opened by speaking about the prospect of appeals on the CAA's Q6 work. The deadline for appeals on market power has now passed without challenge and the deadline for licence conditions is 27 March.

6. Mr Haines highlighted the ongoing work that has arisen from the Airports Commission interim report. Mr Haines agreed to come back to the Board in April with further proposals if there was more clarity to seek the Board's view.

Action: Mr Haines.

7. Mr Haines reported the initial results of the colleague engagement survey to the Board, highlighting that the overall engagement score was down 2% and that many of the negative elements of the survey, were attributed to the Safety and Airspace Regulation Group re-organisation. Further detail would be provided in due course.

8. The recommendation for the Systems Integrator (SI) for the Process and Performance Improvement (PPI) project will be brought before the Board in April.

Action: Mr Haines

9. Mr Haines informed the Board that the 2014 Government Budget statement made reference to creation of a UK Regulator's Network. The April report will therefore, provide an update, including possible plans to consult on a statutory duty on economic regulators to cooperate with and consult each other on progress.

Action: Mr Haines

10. The re-appointment of Mr Jackson as a trustee of the CAA Pension Scheme (CAAPS) was approved by the Board.

11. The Air Navigation Service Charges 2014 for NATS En-Route Limited (NERL) were approved by the Board.

V Draft Principles of GA Regulation - Doc 2014 – 028 by Iain Osborne

12. Mr Osborne reported that the Policy Programmes Team (PPT) had led on producing a framework for the regulation of general aviation, work that would be taken up by the GA Unit in due course. The framework would focus on third party risk and informed consent as the two main principles. The draft was presented to the Board for comment and their agreement on the direction of the work. It was highlighted that the new regime would not be without risk and that there was a need to be clear on how the CAA would manage the consequences of any decisions made. The framework required a recalibration of risk appetite and would also need buy-in from government and the wider stakeholder population. To this end, the plan is to issue the completed framework for consultation at the beginning of June 2014.

13. The Board agreed that third party risk was the key issue and that there were three areas of concern: third parties on the ground, other airspace users and any third party (other than the pilot) flying within the general aviation aircraft. The Board recognised that the context of the work was to

aspire to regulation for GA that is clear and proportionate, but considered that further information was required in order to allow the CAA to make proper judgements in relation to the level of regulation. It was agreed that the paper fleshing out the framework should:

- a. Be framed around the three third party areas of concern.
- b. Be evidence based, using in particular relevant North American experience.
- c. Take into account the public appetite for risk through consultation with stakeholders.
- d. Include an account of the impact of the rules of the air.
- e. Improve the transparency of the regulations.
- f. Be clear about what the CAA currently states it does in this area.
- g. Be clear about what will no longer be done as a consequence of a change of approach and principle.

14. Some concerns were expressed regarding any suggestion that the CAA should 'promote' general aviation. Mrs Staples and Mr Haines explained both the overall policy context with guidance to all regulators issued in summer 2013 and the Secretary of State's letter of objectives to the Chair. They assured the Board that this was consistent with the CAA's statutory duties.

15. The Board were content for the development work to continue and noted the promise of a more comprehensive paper at the April Board meeting, addressing the issues highlighted.

Action: Mr Osborne

VI Offshore Helicopter Review Implementation - Doc 2014-029 – by Mark Swan

16. The Chair opened the discussion by offering the Board's commendation to Mr Swan and his team for their work on the review and Dr Rooney and his team for the media handling around the publication of the report. The Chair added that it demonstrated the value of employing experts within the organisation. Mr Swan provided information on the reaction following publication of the review and gave an overview of the plans to deliver the CAA actions. He advised the Board on progress towards implementation of the governance structure and progress of the industry towards meeting the immediate safety measures mandated in the report. He added that the minutes of the Safety Action Group (SAG) would be publicised to ensure transparency.

VII Safety and Airspace Regulation Group (SARG) Report – Doc 2014 – 030 by Mark Swan

17. Mr Swan reported on the developments at former RAF aerodrome St Athan, which the Welsh Assembly plans to certificate, as a civil facility in 2019. Lessons identified from the transfer of former RAF St Mawgan to Newquay aerodrome would be invaluable and he offered the view that the experience of that transfer, demonstrated that such transition can be challenging for all parties concerned.

18. The workshop on automation in aviation held on 27 February was of interest to the Board and was a critical debate to be had going forward. It was proposed that it might be a suitable subject for inclusion on the agenda for the Board's away-day in June and Mr Swan was asked to consider this proposal.

Action: Mr Swan

19. Mr Swan reported that CAA resource was on standby to assist the Malaysian authorities should any request be presented, to support efforts related to the disappearance of the Malaysian B777.

VIII Whistle-blowing and the CAA – Doc 2014 – 031 by Mark Swan

20. Mr Swan provided an analysis of reports received in the last 12 months and also commented on

internal whistle-blowing within the CAA. There had been a 20% increase in reports which was seen as encouraging, but it was not clear what proportion of issues this represented. The Board considered the question of allowing 'anonymisation' of reports and asked if this policy was discouraging individuals from dealing with issues at source. It was considered that this policy should be measured against the need to encourage reporting 'in the round' and that whilst confidential but identifiable reports were preferred, anonymous reports were preferable to none at all. The Board expressed the view that whistle-blowing policies needed to be embedded in the routine oversight of entities and should be considered alongside assessment of management systems. Consideration is also being given to random drugs and alcohol testing to align with other transport regimes. Questions were asked about the potential role of a non-executive in the whistle-blowing process and the Chair and CEO undertook to consider possible options.

Action: Chair/Mr Haines

IX Aviation Security Transfer Documentation – Doc 2014 – 031 by Kate Staples

21. The Board discussed the documentation set provided in support of the transfer of functions previously exercised by the Secretary of State. It was emphasised that the memorandum of understanding between the DfT and the CAA was a starting point and that there would be incremental developments of the documentation post transfer, overseen by the aviation security management board. There was an intent to publish the memorandum of understanding along with the statement of responsibilities and a general view was expressed about the need for transparency where the CAA was able to provide it. Advice was provided with regard to security vetting appeals with clarification offered that it was an iterative process, where the CAA must have gone through each stage before referral to the appeals panel.

22. The Board noted the contents of the Secretary of State's direction and the Section 16 Civil Aviation Act 1982 request, were content to delegate the approval for transfer to Mr Haines and Mrs Staples when finalised providing there had been satisfactory resolution of the outstanding issues, especially in relation to indemnities. The Board also approved the signing of the memorandum of understanding, the Board delegation and the pension participation.

Action: Mrs Staples/Mr Haines/Mr Drissell

X Aviation Security Bi-Monthly Report – Doc 2014 – 039 by Kate Staples and Peter Drissell

23. Mr Drissell gave the Board an overview of remaining issues prior to transfer on 1 April and gave the opinion that most issues were practically resolved.

24. Mr Drissell talked about an initial scorecard of performance. It focussed on the need to set a baseline of performance against which improvements, post transfer, could be measured. Mr Drissell outlined some changes that would be required to the scorecard, which might change certain parameters. The Board expressed the view that for the first year of the CAA-led regime, two versions of the scorecard were required to ensure clarity and the ability to measure progress accurately. This clarity was particularly important to demonstrate improvement three months after transfer, against the levels attained in the February part of the report.

Action: Mrs Staples/Mr Drissell

25. The Board noted the content of the report and the handling requirements.

XI REMCO Report – Doc 2014 – 033 by Catherine Bell

26. Dr Bell provided an update to the Board on the work of REMCO since February. There have been preliminary discussions regarding objectives and remuneration which were yet to be concluded. Dr Bell added that a policy for departure terms had been developed and she also wished to express her

appreciation to Mrs Norma Hastings for the strong support both she and her team had given REMCO.

27. The Board noted the contents of the paper.

XII CAA Overdraft/Temporary Borrowing Facilities – Doc 2014-034 by Chris Jesnick

28. Ms Jesnick requested approval to renew the CAA's overdraft facility and after confirmation that there was enough headroom for the next year, the Board were content to approve the paper.

XIII Finance Report – Doc 2014-035 by Chris Jesnick

29. Ms Jesnick gave a short overview of the positive results achieved so far and also gave the Board feedback on the pension consultation in relation to moving from RPI to CPI, stating that to date the consultation had received very little response.

XIV Live Issues

RPG – Doc 2014 – 036 by Iain Osborne

30. Mr Osborne informed the Board that the SESAR¹ Pilot Common Project was subject to some legal debate within the UK government although the CAA was broadly supportive of the programme.

31. Dr Bell asked about progress with regard to compensation for passengers involved in the British Airways 'engine cowling' event on 24 May 2013. Mr Haines informed the Board that he had been in conversation with BA on the issue and the possibility of resolution but that BA had not yet provided a formal proposition. There was an assurance that the Authority would not let the matter lie.

CPG – Doc 2014 – 037 by Richard Jackson

32. Mr Jackson provided the Board with an overview of some matters of interest within the industry.

CCD – Doc 2014 – 038

33. Dr Rooney highlighted the high level of local and some national media coverage on the Gatwick Standard Instrument Departure (SID) trial that was affecting the village of Warnham.

XV Any other Business and Forward Planning

34. The Board away-day is booked for the 18/19 June 2014 near Windsor and will start at 1000 on the Wednesday and finish at 1600 on the Thursday.

35. The Chair reported the trial of Huddle for Board papers from April 14. Further information and advice will be provided by the secretariat.

36. As a final note, the Chair offered the Board's acknowledgement of the enormous contribution of Dr Catherine Bell to the CAA from 2006 onwards. She particularly highlighted Dr Bell's contributions to governance, Regulation 6 appeals and REMCO. The Board wished her the very best of luck. Dr Bell thanked the Board for her leaving presents, highlighted the need for consistency in leadership which the CAA has in Dame Deirdre as the Chair and wished the Authority well with the ongoing change programme.

Date and Time of Next Board Meeting: Wednesday 16 April 2014 in Conference Room 1, Aviation House, Gatwick with times to be confirmed.

¹ Single European Sky Air Traffic Management Research.