

**CIVIL AVIATION AUTHORITY
MINUTES OF THE 483rd BOARD MEETING HELD ON
WEDNESDAY, 18 MARCH 2015,
BOOKER AVIATION, WYCOMBE AIR PARK, HIGH WYCOMBE**

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Present:

Dame Deirdre Hutton	Chair
Mr Andrew Haines	
Miss Chris Jesnick	
Mr Peter Drissell	
Mr David Gray	
Mr Michael Medlicott	
Mr Iain Osborne	
Mr Mark Swan	
Mr Richard Jackson	
Mr Graham Ward	
Mr David King	
AVM Richard Knighton	
Mrs Kate Staples	Secretary & General Counsel

In Attendance:

Mr Peter Gardiner	
Mr Richard Stephenson	
Ms Manisha Aatkar	
Mr Ian Russell	Minute taker

I Apologies

1. No apologies were received.

II Previous Minutes and Matters Arising

2. The minutes of the February Board meeting were approved.

III Chair's Update – by Dame Deirdre Hutton

3. The Chair provided the Board with a summary of the Regulatory Chairs Meeting that she attended on 19 February. At that meeting, the chair of the UK Regulators Network (UKRN), Richard Price, had provided a summary of UKRN's activity. Moving forward UKRN would concentrate resource on a smaller number of key projects. The Chair reported that there had been limited dissemination of the work of UKRN to the individual regulator Boards. The CEO offered to provide a briefing on UKRN work on the benefits of economic regulation, which the CAA has led.

Action: Mr Osborne

4. The Board noted that the level of activity undertaken by different regulators in the UKRN was variable and that this was largely due to the differing remits of regulators. The Chair highlighted the potential benefits from closer cooperation between regulators in the purchasing of external consultancy services for economic regulation.
5. The Chair also briefed the Board on her meeting with the senior management team of Gatwick Airport Limited.

IV. Chief Executive's Report - Doc 2015-025 by Andrew Haines

6. Mr Haines asked the Board to approve an amendment specification, to take effect from 1st April 2015, for changes to the level of charges levied by NATS for air traffic services in the Northern North Sea. The charge would reduce from £294 to £191. All other charges in the Civil Aviation Authority (Navigation Services Charges) Specification 2015 were proposed to remain the same. **The Board approved the change.**
7. Mr Haines asked the Board to approve the appointment of Mr Bob Jones as a Member Nominated Trustee to the CAA Section of the Civil Aviation Authority Pension Scheme (CAAPS). **The Board approved the appointment.**

8. Mr Haines asked Mr Swan to provide the Board with an update to an aircraft incident involving a Loganair Saab 2000 aircraft in December 2014. Mr Swan reported that he had received a copy of the AAIB¹ report describing how the aircraft had been struck by lightning. It appeared that this resulted in confusion over whether the autopilot was still engaged. Mr Swan reported that a full safety audit of Loganair was scheduled for the last week of March. The Board were told about further CAA action being instigated in this area, which includes a training objective check being included in all flight operation inspections for all airlines. Mr Swan also reported how he was seeking to learn best practice from commercial airlines in relation to pilot training that could then be shared across the industry. Mr Swan then briefed the Board on the work being undertaken by the CAA to improve safety performance in relation to pilots' responses to emergency situations.
9. The Chair agreed to discuss further with Mr Haines and Mr Swan what further discussions could be held at the Board on the matter of automation risks and pilot training to aircraft safety.
10. Mr Haines updated the Board on progress with the issues surrounding the Compton departures.
11. Mr Haines asked Mrs Staples to update the Board on the inquest into the death of Richard Westgate, a former British Airways pilot. The Coroner had issued a Regulation 28 report to prevent future deaths because he had raised concerns about the consequences of health impairment due to the quality of air in aircraft cabins and the contamination of that air by toxic substances. The report had been issued based on evidence supplied by the family of Mr Westgate but without consideration of any evidence or information provided by the CAA and by British Airways. This was unusual and accordingly the CAA proposed to ask the Coroner to withdraw the report. Whilst more assertive action was possible, in the form of a JR challenge, this would be inappropriate. The Board noted and supported the proposals and emphasised the importance of continuing to monitor the availability of evidence in this area and the need to ensure that any evidence available is properly analysed. In this context the Board recalled the conclusions reached by the Committee on Toxicity in 2013.

¹ Air Accident Investigations Branch

12. Mr Haines brought to the Board's attention the positive outcome on conflict zones from the ICAO High Level Safety Conference in February. A website hosted by ICAO would be developed to allow airlines access to unclassified conflict zone advice and instructions.
13. Mr Haines asked Mr Osborne to brief the Board on the latest approach on enforcement of Regulation EC261. Mr Osborne outlined that the CAA has recently focused on breaches to the regulation that were either information breaches (passengers not getting information from airlines about their rights) or compensation breaches (passengers not receiving the level of compensation that they are entitled to). He explained that the CAA would shortly be commencing enforcement action against a small number of airlines refusing to comply with their obligations in these areas. Mr Osborne noted how the CAA's approach to enforcing Regulation EC261 had been effective in changing airline behaviour for the better.

**V Alternative Disputes Resolution (ADR) Consultation - Doc 2015-026 – by
Iain Osborne**

14. Mr Osborne asked the Board for approval to the CAA's approach to ADR to enable the publication of a policy statement at the end of March. Mr Osborne explained that the objective of this work would be to ensure consumers flying in and out of the UK have access to independent ADR which would bring the sector in to line with other sectors. Unlike other sectors, however, no power existed to compel airlines to participate. The CAA would act as the competent authority and be responsible for overseeing the provision of ADR by the aviation sector. Mr Osborne outlined two important points that had been raised by respondents to the consultation: first, that consumers would need to pay a fee to use the ADR service; and second, the approach the CAA should take if the level of airline participation does not ensure that sufficient numbers of passengers are protected.
15. In relation to consumers paying a fee, Mr Osborne explained that there was no legal power to mandate a scheme, but that a voluntary scheme was unlikely to be developed by industry if there were no fee because of airlines fear of encouraging spurious claims. He noted that the ADR Directive clearly provides that a nominal fee may be charged and that the fee would be refunded in

successful cases. The Board accepted this rationale noting that the CAA would need to ensure that consumers were provided with clear information on why charging is needed in this instance.

16. On scheme coverage, Mr Osborne briefed the Board on the need to scale back the existing PACT² service to reduce the risk of airlines having to pay twice (for ADR and PACT). The current CAA position would see the scaling back of the PACT service once 50% of the industry was covered by acceptable ADR services. From this point the CAA would continue to offer a reduced PACT service for passengers with disabilities whose airline was not within the ADR scheme or not wishing to use ADR and a sign posting service for passengers whose airlines are not willing to use ADR. This sign posting service would focus on providing comprehensive advice and information on the law. This approach would also be kept open for review; and if it is deemed that the ADR is providing inadequate coverage the CAA would explore other ways to assist consumers in this area. Examples could include using information powers or exploring a mandatory approach with DfT.
17. **The Board approved the approach and emphasised the need for consumers and other interested stakeholders to be fully briefed on the rationale for undertaking this approach to ADR.**

VI GA ANO Review Consultation Document – oral update by Mark Swan

18. Mr Swan briefed the Board on the thematic consultation the CAA was about to launch on a root and branch review of the Air Navigation Order (ANO) in relation to General Aviation (GA). The review of the ANO had been undertaken under a demanding timescale and the Board was informed that it would be asked to approve detailed proposals for reform that would be made later in the year.
19. The Board asked for the key highlights in the Review. The Skyway Code was viewed as one of the most positive aspects that will help better to educate and inform members of the GA community on compliance requirements. Such a code would help to distil the requirements of the ANO in to a more digestible format. Mr Swan emphasised to the Board that the review has been extremely thorough and that the industry-led Challenge Panel of the review had not

² Passenger Advice and Complaints Team

identified any additional proposals for consideration. The Board was informed that the Review contained a range of measures which taken as a whole, have the potential to make a positive contribution to GA.

20. The Board requested a more detailed briefing on the ANO prior to being asked to formally to approve changes and a readout of the GA stakeholder event being held at Duxford on 28 March.

Action: Mr Swan

VII Whistleblowing and the CAA - Doc 2015-028 by Mark Swan

21. Mr Swan briefed the Board on whistleblowing reports that the CAA had received in 2014 and the current approach that the CAA undertakes. He described how whistleblowing activity will be incorporated in to the CAA's Safety Management System. The Board approved the next steps to be taken in this area which were to make better use of new IT systems to improve data access and sharing; and to promote greater awareness of whistleblowing across the CAA.
22. The Board asked how a whistleblower is protected. The Board were informed of the current CAA process, which is to invite a whistleblower to meet with the CAA to discuss in more detail the nature of their report and where protecting the whistleblower is a prime objective. However, it was noted that it is not possible to guarantee anonymity in any given case. In those cases where the report is from a totally anonymous source the CAA has to take seriously the information provided but the response would be conditioned by the nature and extent of information available and whether additional information could be obtained.
23. The Board requested that in future reports on Whistleblowing, a clearer description should be given of the outcomes of those reports where the allegations could not be confirmed. The Board also requested that SARG analyse the information to establish whether any trends could be discerned and identify any linkages between the reports.

Action: Mr Swan

VIII. Safety and Airspace Regulation Group (SARG) Report – Doc 2015-029 by Mark Swan

24. Mr Swan provided the Board with an update on the progress made with the MD900 main rotor issue that had been raised in the September 2014 Safety Issues Report and the identification of a subsequent similar crack on a MD900 helicopter in January 2015. SARG was liaising with the FAA and EASA so as to ensure the current inspection regime would identify any issues before they became critical.
25. The Board received a further update on the steps being taken following completion of the RAF Northolt JR case and noted that the CAA had set up a meeting with the MAA, MoD and DfT to discuss further.
26. The Board noted Mr Swan's report.

IX Report from the Remuneration Committee (RemCo) – Doc 2015-030 by David Gray

27. Mr Gray presented his report and raised to the Board's attention that the June RemCo meeting had been brought forward to May to allow more time for remuneration arrangements to be formally concluded for inclusion in the 2014/15 Report and Accounts.
28. The Board noted the contents of the paper.

X Finance Report – Doc 2015-021 by Chris Jesnick

29. Miss Jesnick presented her report.
30. The Board reflected on the apparent instability of CAAi income and asked what measures were being put in place to reduce this instability in the future given the importance of the CAAi contribution to CAA income and cash flow. Mr Haines advised the Board that a group of CAA's Top Talent cohort is addressing this with a remit to ask fundamental questions about how CAAi operates. Their conclusions would be discussed at the June Board away day. The Board were also reminded that the CAAi model will differ from traditional consultancy models, because CAAi was about more than income generation with a key aim being to help protect the UK consumer by raising international aviation standards around the world. Furthermore, in response to the Board's desire to reduce the scope for any conflict of interests, the nature of CAAi work

was now focused on working for EASA, providing licensing, training and examinations services and advice to other national regulators, rather than seeking business from airports and airlines etc. Miss Jesnick also reiterated the need to look at performance of CAAi over recent years and that there had been a very significant rise in income in recent years. Mr Haines also identified new opportunities for CAAi in the future, such as potential changes to the EASA Basic Regulation which may see the need for more cooperation between National Aviation Agencies. CAAi is well-placed to respond to these opportunities.

31. The Board noted the rest of the content of the finance report.

XI Live issues and monthly reports

RPG Live Issues – Doc 2015-033 by Mr Osborne

32. Mr Osborne informed the Board that the CAA will be starting an investigation in to two alleged breaches of the Competition Act 1998. Mr Osborne informed the Board that as the Senior Responsible Officer he had formally approved the CAA to take on the case. The Board would be further briefed at appropriate intervals.
33. The Board discussed the CMA policy of leniency in competition cases (if breaches are admitted to) and the potential read across to 'Just Culture' in the safety domain. The Board requested that this be further discussed in the 'Just Culture' paper at the June PIE³ meeting.

Action: Mr Swan / Mrs Staples

34. The Board noted the rest of the RPG report.

CPG Live Issues – Doc 2015-023

35. Mr Jackson brought to the Board's attention that the decision on 'Rebalancing ATOL' had been published and had received largely positive stakeholder feedback.
36. The Board noted the report.

CCD Live Issues – Doc 2015-024

37. The Board noted the report.

³ Policy and Information Exchange

XII Any other Business & Forward Planning

38. There was no any other business.

Date and Time of Next Board Meeting: 15 April 2015, at 09:30am, K5 Earhart Room, CAA House, London