



Planes, trains and Andrew Haines

The CAA's Chief Executive talks to Pat Malone about life, the universe and the IMC rating

Andrew who? Trains? Seriously?

A degree of surprise bordering on incredulity greeted the announcement that the new Chief Executive of the CAA would be a chap called Andrew Haines. The aviation industry dashed to Google. Was he Director of the London School of Tropical Medicine? The well-known acrylic artist? An Andrew Haines from First Great Western? Whichever, he clearly knew the square root of diddly about aviation...

He was indeed the Haines of trains, but one year on the decision looks a lot less bovine. The CAA has not jumped the tracks. It has ridden a number of what we in the media call 'crises', including the interesting volcanic ash episode which could have felled a lesser leader. And those who have dealings with the CEO use terms like 'objective', 'personable', 'determined', 'effective', and 'smart cookie'.

When I interviewed him in his office in August he was up to his knees in collapsing tour operators, the kind of pop-up contingency that makes forward planning endless fun. As regards his appointment, Haines repeats this mantra: "The CAA is not short of aviation expertise, indeed it is internationally famed for

it. My strengths are in the field of management and are applicable to almost any organisation, public and private."

Talents so far demonstrated in the CEO's career include a facility for clear thinking, curiosity about facts, and an appetite for a scrap. What can his history tell us about the way the CAA will operate tomorrow? A profoundly working class son of the Welsh valleys whose father worked on the production line at Hoover and whose mother manned the till at W.H. Smith, Andrew Haines rose to be Managing Director of South West Trains at the tender age of 36. As an outsider coming into the CAA he has been able to question some of our most cherished nostrums and to ask disconcerting, child-like questions about whether the emperor is wearing any clothes. He spends a lot of time talking to the industry and one suspects he is resistant to the CAA's tendency to cocoon and spoon-feed its top people. He has met with AOPA frequently, has flown with the Helicopter Club and has got around the FTOs and airfields with Cabair. He says encouraging but not soothing things about such vital issues as the IMC rating,

medical certification standards, and the cost of flight training. He comes across like a man who is less conservative, less disdainful of GA pilots – especially those who weren't even in the military – than we often meet.

Andrew Haines is the first full-time Chief Executive of the CAA. His half-predecessor, Sir Roy McNulty, was both Chairman and CEO and had another job as Acting Chairman of the Olympic Delivery Authority. Sir Joseph Pilling's examination of this situation led to the decision to appoint a part-time Chairman – Dame Deidre Hutton – and a separate Chief Executive. The volcanic ash episode underlined the wisdom of that move; the CAA behaved less like a loose federation of departments each frying their own fish and more like a cohesive unit. More of ash, and its relevance to GA, later.

The first member of his family to go to University, Haines retains the soft accent of Merthyr Tydfil, and his working class roots perhaps give him a healthy suspicion of old school operators and establishment ways. With a degree in history from the University of London he joined British Rail's general management scheme in 1985 and had a couple of years in line management before a stroke of luck – a lot of his career progression he ascribes to 'a stroke of luck' – put him in Westminster.

"In the days before the Transport and Works Act 1992 you needed a private bill to push major rail infrastructure work through, and BR had two of us in Westminster lobbying for support for those bills," he says. "We were working on the route of the high-speed Channel Tunnel rail link, so I met with MPs, the Prime Minister, the Cabinet Office. My boss reported to the Chairman of British Rail, and when he was away I was the link between the Chairman and the House of Commons. I was 25 at the time and I was probably the most junior person the Chairman spoke to; I was even junior to his secretary.

"But there's an aura around Parliamentary stuff; if you've got Parliamentary contacts, if you understand how the lobby works, it does you no harm. You get lots of attention, so people were trying to offer me jobs a lot. It was fascinating work and it was a good bit of luck because I went on to work for the Channel Tunnel project, helping develop some of the investment cases and seeing them through. I was the first assistant company secretary when Eurostar was formed, involved in the establishment of the Waterloo terminal, overseeing contracts for building, for production of trains, acting as the interface between the French and Belgian railways, and still quite young. Then in 1992 came the Major government with proposals for rail privatisation. The Privatisation Policy Unit was set up to look at the options and I joined that, working for BR.

"At privatisation I chose to work for Railtrack on contracts, and there was a lot of regulation involved – regulated contracts, regulated hearings, setting up performance regimes, all very interesting. Then my wife presented me with a baby and I thought I'd better plan my career rather better, so I started a Master of Business Administration degree in my spare time. With a busy job, a baby and an MBA all at the same time, 1993 to 1995 was pretty hectic."

The MBA was an eye-opener. The rail industry had no end of unsolicited testimonials saying it was rubbish, and if you worked in it the constant stream of negativity saps your confidence. "You start to believe it,



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meant that people have been so dependent on the unions? Above all, you need to give people a clear sense of where you want to go and give them some confidence that you can take them with you. It's great to talk about a brave new world, but if people have no confidence in your ability to get there, that can just be disorientating for the organisation. People need to know that you'll do what you say you're going to do."

After South West Trains Haines was head-hunted by First Group to run a portfolio of six train companies, not including First Great Western which was considered to be the jewel in the crown but was going down the pan. It became 'the most hated train company in Britain'; even the passengers went on strike. Eventually the Managing Director was removed and Haines was asked to step in.

"The first three months were very painful,"



Phil Scott

Above: Haines was instrumental in the establishment of the London Eurostar terminal at Waterloo
Left: part of Haines's cure for South West Trains was the replacement of old rolling stock with modern Desiro units (below)
Right: service was so bad on First Great Western that even the passengers went on strike

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Director much sooner than I might have expected, and at 36 I was the youngest MD on the railways," Haines says.

South West Trains was in a mess; it had sacked too many drivers, it was cancelling trains, its performance was at the bottom of the league, it had some of the oldest rolling stock in the country, and there was endless industrial strife. "It was a brilliant opportunity," says Haines. "It was a company that was pretty close to rock bottom and I was able to completely turn it around. We introduced new trains, raised customer service standards, introduced a new timetable, introduced a whole new culture. It was hard work, it took four and a half years, but we turned it into a company the staff could be proud to work for and the passengers were happy with.

"In many ways my experience was something like Willie Walsh faces at British Airways, but on a much smaller scale. We had long-standing, perennial industrial disputes, and people never believed the company was going to stand up to Bob Crow and the RMT, but it was of first importance that we redress the balance and create a different long-term relationship. There was no down-side to going on strike – every time they did so, they got concessions. I warned people that if they went on strike there would be less money on the table after the strike than before. They didn't believe it, but we ended up imposing a pay deal on exactly those lines. They have not lost a single day to industrial action on South West Trains ever since that time with that union.

"You need company support through the short-term pain, and you must be prepared to take the hit, just as Willie Walsh is doing in the BA scenario. But, as I'm sure BA recognises, you've also got to ask yourself, what is it about our management style and capability that has



he says. "I needed to replace a lot of the senior management team, needed to tackle some difficult issues, get some projects back on track. We'd come within a hair's breadth of losing the franchise,

which I had to renegotiate with the Department of Transport. I went in at the end of September and by the beginning of February we started to see a turnaround, and that company has now significantly improved customer satisfaction and operating performance. It was a genuine surprise to me how quickly the improvement came – it showed just how ready the organisation was for change. I did that for eleven months, and the plan was for me to join the Board of First Group at the beginning of January 2009. But I realised that actually I didn't want to do that. Having had a year of doing Great Western directly, I found I was more animated by leading that organisational change than I was in steady-state management. I saw that if I joined the Board I'd have to stay in that role for several years to have any credibility in it, so I went to the Chief Executive and said I wanted to leave. They thought I was going to a competitor and put me on six months gardening leave."

While he was away on holiday the government advertised for a Chief Executive for the CAA. "Somebody sent me a text saying, did you see the job in *The Sunday Times* at the weekend? I said no – they said they thought it would really interest me. I was fortunate to be offered four or five jobs at the time, but in the end I went for the CAA job because of a combination of issues. It's interesting, I knew enough about transport to be able to add some value, and it plays a critical role in delivering public service, which has been important to

subconsciously," Haines says. "You think, maybe I'm only in this industry because I'm not very good. So the good thing about doing an MBA was meeting people from other industries, sectors, blue chip companies, working in study groups with them, you see you have more management experience than any of them, you can do better than them, you've got something to contribute, and you can get on with them. It was probably the biggest fillip my career had, not just because of the acquisition of the skills but because of the confidence it gave me."

Haines's job at Railtrack was to develop the relationship with train operators. "Very much the airport operator-airline model," he says. "We were the BAA, the operators were the airlines. Eventually I acquired five different operators and I got on so well with one of them, South West Trains, that they asked me to come and join them as a Regional Manager. I went from being a contract developer to managing 1,500 people, engineers, cleaners, station operators, train drivers, so I had a lot of man-management experience there. That was 1997 and I was 33."

By 1999 he'd been promoted to Operations Director, and in September 2000 he had one of those strokes of luck he talks about. The Engineering Director of the parent company Stagecoach resigned following allegations around black male prostitutes in Texas and undercover policemen. His resignation threw the succession plan out of the window. "My boss got elevated and I was made Managing

me. It was at a time of significant policy change with things like the Review of Economic Regulation, but organisational change as well – all of those things meant I found it very attractive.

“I assumed all the way through that my chances would be pretty slim because my lack of direct experience of aviation would be an overwhelming impediment, but I soon realised that the CAA is enormously well endowed with technical experts and the governing structure here is such that the Chief Executive didn’t need to have that. They were looking for somebody who could lead an organisation, who would understand the safety imperatives, who understood the regulatory environment, understood the dynamics of Whitehall, and who had private sector experience.

“Sir Roy McNulty had exceptional skills and experience and managed to do a lot to hold the CAA together at a time of enormous external pressure and internal turmoil. The pressures are different now. We’re entering a period where we’ve got a very significant cost pressures, significant reductions in Whitehall so there’s a possibility of transfer of activity from that, we’ve got the whole development of EASA and repositioning the CAA as a UK and an international regulator in the EASA context, and there are big agendas like Single European Sky which naturally call for a more integrated approach from the CAA.”

Having got the job, Haines hardly had his feet under the desk when the Icelandic volcano known as E+15 kicked off, and knocked all plans for a loop. “This was a problem that no-one at the CAA had experienced, and it was the first time that the CAA was absolutely at the heart of an issue,” he says. “9/11 was difficult, but then there were no decisions for the CAA to take. I was able to act as an interface with government, to pull people together to co-ordinate the response, and to try to put pace and energy into finding solutions. We had a very close dialogue with NATS, who took some operational decisions which means we didn’t have the chance to make a decision. The CAA got a lot of criticism but I think we did a stunning job in stepping up to the plate when very few other parties were able to do that internationally. If you look at the current regime for operating in volcanic ash that’s been adopted throughout Europe and much of the rest of the world, is a CAA-generated regime. It is supported by data which the CAA effectively got the manufacturers to develop. It’s not a perfect solution – you can’t come up with a perfect answer in six days – but it got the show back on the road, and we’re still working hard to develop it.”

AOPA praised the CAA for taking time to consider and exempt general aviation from flight bans. When other European authorities were taking the easy option and banning flight even by gliders and balloons, the CAA allowed GA operations to continue. “We looked at the risk, we looked at the extent to which there was evidence that said that given the characteristics of GA, it would be affected,” Haines says. “There was a moment when a microlight went down near Thruxton when I suddenly thought, what if we’ve made the wrong call here? That was one of the low points for me but fortunately we very quickly

got some early indications from the AAIB that it wasn’t ash-related. It’s very easy to say you over-react in these circumstances, but that was an example of where we were accused of under-reacting. We took a conscious decision that the risks were different for GA, we got criticised for it, but given the evidence it was the right thing to do.”

While the pressures are different from those of McNulty’s day, they are no less onerous. “Commercial pressures on the industry means that there are inevitable effects on the CAA,” Haines says. “Airport charges at places like Heathrow are a significant part of the operating costs of an airline, and that’s something I’m very familiar with from my days working for the train operators. Airlines have a strong interest in making sure those charges



Above: when Gatwick closed down because of the ash cloud, GA was allowed to fly

are right. The job of regulator is to protect the interests of the consumer, so we must find the right balance between efficiency at the airport and the ability to invest. Heathrow’s probably the single biggest source of private investment in the country, about £1 billion a year at the moment – there probably isn’t another operation that’s putting a billion pounds a year into UK infrastructure. They don’t have a lot of choice in that, of course, because that’s part of the regulated settlement, but it needs to be funded.

“At the same time people are looking to be more efficient, and in doing that they are looking to do new activities and looking to reduce the cost of those activities, and we’ve got to make sure that they stay within the superb safety curves that we’ve got in aviation.”

Haines confirms that the CAA is not going to make its required six percent profit this year. “Last year we took a conscious decision not to increase charges at a time when industry is bleeding, but although we are obviously all aware of the economic issues we can’t maintain that position in the future for all our charges,” he says. “If that means there’s more pressure on us to be efficient, that’s got to be right. We can’t sit in the middle of the industry and say that because we don’t have the direct commercial pressures, we don’t have to be more efficient.”

When the day is filled with billion-pound investments, toppling tour companies and strident debates with airlines and civil servants, it seems perverse that the CAA must

concern itself with penny-ante puddle-jumpers with no revenue sources that must, by any measure, cause more grief to the Authority than we are worth. Are we not an irrelevance and a distraction? We fly in the air, but so do pigeons. Is the regulation of GA not disproportionate to its ability to fund CAA regulation?

“One of the first things I got stuck into at the CAA was this question of costs,” Haines says. “In fact, based on the information we have available to us CAA costs are very marginal. I looked at AOC costs, which break down to about 0.4 percent of turnover, something close to that. For the pilot, we’re talking about the cost of a medical, which is about £200, there’s the cost of the grant of a licence, £176 – unless we’re talking about changing to

radically different training standards, these marginal costs will remain. From the professional training point of view the major issue is VAT, and that’s not something we have control over.

“I went to Cranfield with Charles Henry (Chairman of Cabair) and I saw the school, and there were young boys and girls with not one but two generations of family helping to pay for their training – their grandparents as well. These young people were passionate about flying, and two generations of families were prepared to make sacrifices to make that happen, and that was one of those moments that really stuck in my mind, especially as when they get to the flight deck, some

of them won’t even be paid, in the first instance.”

“Given the fiscal state of this country, I have to say I see no chance of zero-rating VAT for flight training at the moment. You have to remember, too, that the CAA is not there to lobby. We are a regulator, and there are statutory limits to what we can do. We have worked with GA to facilitate discussions with the incoming Tory government – it’s not that we’re afraid to give difficult messages to government, we have lots of difficult conversations, but what we can’t do is lobby for the industry. Our aim is to be the expert, independent, specialist aviation regulator – we are a source of expertise and we can give independent advice on aviation, but we are not lobbyists.”

How much of his time can he really afford to give to general aviation? Given that it makes a lot of noise, he has to respond. “GA has been outstandingly good at keeping its issues on the agenda,” he says. “I try to make regular time to meet with the leaders of the GA community like Martin Robinson, and to get to the airfields and the FTOs. Last week I spent time in the tower at Southampton, talking about GA and the difficulties it perceives at crossing the Zone there.

“What I did early on was understand what people’s perceptions were, and it was clear to me that there were a number of issues like pilot medicals, like the IMC rating, where European developments threatened to undermine some of the privileges GA had in this country and where it seemed to me there were strong safety grounds for maintaining them as they were, or rather, there was no good safety grounds for their removal. So I’ve been making sure the organisation is focused on trying to make the case for those things.

"There was a sense, to be honest, that I think some people in the CAA sat on the fence about the IMC rating. To me the case for the retention of the rating is strong. It is difficult in that it doesn't fit in with the European regulatory model of not making exceptions, but we've been making the case to EASA for how they might be able to do that and there have been some encouraging noises out of EASA on that front. I personally feel there is a very sound case for its retention.

"You might say it might have been better to take the best from around Europe and make it the core of safety regulation, but we end up trying to find a single path that meets the needs of a whole host of people coming from different starting points. On the IMC rating, the rest of Europe will say, it's just the UK trying to cling on to one of its privileges, everybody else has managed perfectly well without it..."

But they haven't. I quoted AOPA figures, gathered seven years ago when the Association asked each of its European affiliates to total up all the fatal accidents in their country in all forms of GA in a calendar year. France, about 90. Germany, about 80. UK, 25 to 30. "I hadn't heard those figures," Haines said. "But what proportion of that is due to the IMC rating?" Well, it has to be significant – weather is the biggest single killer of GA pilots, the country with the IMC rating has the lowest fatality rate despite having the most capricious weather. There are no doubt other contributory factors, but the IMC rating is not a privilege, it's a stonewall lifesaver. Is the CAA afraid of being seen as 'un-European' if they shout the odds about the IMC rating?

"Shouting the odds is the wrong approach," Haines says. "It's a misreading of the tactics

that work in Europe. Grandstanding and thumping the table is rarely the best way to get things done in Europe, and sometimes you have to work much more quietly behind the scenes. You have to demonstrate evidence, you have to be more dogged and sometimes you have to bite your tongue. I think, when we get to the end of this year, we could be able to demonstrate in practice that the CAA's approach to these things, working with other people, has been pretty effective; it may not necessarily win us brownie points with people for being outspoken or headline grabbing."

But the proof is whether we can save the IMC rating.

"Yes, absolutely, and the extent to which the CAA is prepared to make the case for that, and be seen to. Were we not in the early days sufficiently forthright in defending the IMC? I don't know the answer to that, but a lot of our public statements were quite equivocal about it – it was, 'we'll have to wait and see what EASA decides'. Industry and the GA community got the impression that we were lukewarm about it, and that doesn't build confidence. In my view with something like the IMC we should be able to look at the evidence, and be prepared to nail our colours to the mast."

The CAA is embarking on another Strategic Review, which according to Andrew Haines will establish fundamental principles which might not be the fundamental principles of yesterday. "Aviation's safety record is staggeringly good, but I think we've come to a point where we need to address whether we are now looking at the right issues. It's partly because of EASA – when you're developing a raft of implementing rules and codifying safety

standards for the next 20 years, you have to ask yourself, to what extent have we reflected, say, technological improvement in general aviation, to what extent have we really got to grips with human factors and their implications. There's a big move to safety management systems, and assessing organisational safety culture... to what extent has the CAA the right skills and tools to do that? For me, this is a root and branch strategic review of how we do safety regulation, how we demonstrate that we're doing the right things, and delivering value for money."

He draws a graph of aviation accidents since the 1960s – it starts off dropping quite steeply, and gradually levels off to flatline at a low value. The steep improvement reflected changes in licensing, introduction of simulators, stress placed on certain factors. "The question is, how did we regulate safety then, and how do we regulate now? Are we concentrating on risks that no longer exist? I don't know the answer, but I want to find out."

Andrew Haines is an impressive achiever with a forthright manner; he doesn't finesse questions or sugar-coat answers, he seems relatively deaf to the siren songs of the status quo, and it's hard to see him being sandbagged by the airlines as Sir Roy McNulty was with the Joint Review Team. Whether he's right about shouting the odds on the IMC rating remains to be seen; it's certain that had we not shouted the odds, the IMC rating would be a dead duck already. But Haines displays a genuine concern for GA, he's not one to shirk a fight, and who knows, if he can save the IMC rating he'll make one of the biggest contributions to aviation safety ever made by the CAA. Watch this space. ■

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