

SUMMARY OF RESPONSES TO THE PUBLIC CONSULTATION ON THE CAA DRAFT STRATEGIC PLAN

Introduction

The CAA has recently published its Strategic Plan for 2011-16. It can be found on the CAA website at <http://www.caa.co.uk/docs/1743/CAAStrategicPlan2011-2016.pdf>. The Plan sets out how we intend to deliver our strategic objectives, which are:

- To enhance aviation safety performance by pursuing targeted and continuous improvements in systems, culture, processes and capability;
- To improve choice and value for aviation consumers now and in the future by promoting competitive markets, contributing to consumers' ability to make informed decisions and protecting them where appropriate;
- To improve environmental performance through more efficient use of airspace and make an efficient contribution to reducing the aviation industry's environmental impacts;
- To ensure that the CAA is an efficient and effective organisation which meets Better Regulation principles and gives value for money.

The development of the Plan included informal consultation with stakeholders through workshop events, in the autumn of 2010, and a written consultation on a draft of the Strategic Plan in spring 2011. This document summarises the responses to the written consultation. It also sets out how responses have influenced changes in the final document, as well as explaining why some responses did not result in a change.

Response Analysis

We received responses from 21 organisations, including those representing airlines, airports, ANSPs, consumers, tour operators and General Aviation, and two responses from private pilots. We also received feedback from the Department for Transport and the Ministry of Defence.

The comments covered a wide range of issues in response to the questions posed in the consultation document. In some cases the response was detailed enough to justify a direct reply to the organisation rather than attempt to capture the detail in this summary.

Responses received from:

ABTA	Department for Transport
Airport Operators Association	Gatwick Airport
Association of Independent Tour Operators	General Aviation Alliance
Baines Simmons	Heathrow Airport Consultative Committee
British Airline Pilots' Association	Light Aircraft Association
British Airports Authority	Manchester Airports Group
British Airways	Ministry of Defence
British Air Transport Association	National Air Traffic Services
British Business & General Aviation Association	Thomas Cook
British Hang Gliding and Paragliding Association	Virgin Atlantic
British Helicopter Association	Individual Private Pilots

If you have any queries about this document, contact Lynne Rich at the Civil Aviation Authority, lynne.rich@caa.co.uk.

Responses to Chapter 1: The UK Aviation Sector

Consultation Questions
<p>Q: Would you agree that this is a fair representation of the strategic issues facing the UK aviation sector over the next five years?</p>
<p>Q: Are there key challenges facing General Aviation that are not identified here?</p>
Summary of Responses
<p>Responses broadly recognised the issues set out in this chapter as a fair representation of the strategic issues facing the UK aviation sector. Some stakeholders emphasised the importance of clarifying the CAA's role with respect to EASA and the potential impact of internationalisation of regulation on UK standards and ensuring a "level playing field" of regulatory burdens and enforcement internationally. There was agreement on the importance of proportional regulation across the sector.</p> <p>Some stakeholders particularly emphasised the continuing importance of economic regulation to address the lack of competition in infrastructure provision, and the importance of liberalisation and deregulation in achieving progress so far; and the need for the regulatory framework to encourage flexible investment programme options for airports and airlines. Stakeholders also wanted recognition of aviation's importance to economic revival and the difficulties imposed by rising fuel costs and increasing taxation.</p> <p>Stakeholders agreed on the importance of consistency in regulation across our regional offices, which is part of our Better Regulation agenda. There were differing views on the priority some stakeholders attached to addressing Human Factors as a safety concern.</p> <p>A number of stakeholders questioned the focus on consumer interests, the impact of this approach on GA and on the very different sub-sectors within GA.</p>
CAA Response
<p>The Strategic Plan has been changed to reflect:</p> <ul style="list-style-type: none">• Stakeholders' desire for clarity on the CAA's role as an advisor to Government on, for example, economic impacts of policy;• Our ongoing commitment to the removal of cross-subsidies in charges, according to agreed principles. <p>Concerns raised about future skill shortages will be used to inform future horizon scanning activity.</p> <p>The CAA recognises a wide range of different consumers in the UK aviation system, including GA. We are going to review our approach to regulating those parts of GA which are primarily recreational. We have also published a consultation on our prioritisation approach for consumer issues which shows the breadth of considerations to be taken into account.</p>

Responses to Chapter 2: The Regulatory Challenge

Consultation Questions
Q: Are there other challenges facing the regulator in your view?
Q: What do you think the CAA should be trying to achieve in Europe and internationally?
Summary of Responses
<p>In general, respondents supported the move to risk-based proportional regulation but also felt that a range of possible approaches to regulation should be kept under consideration on an ongoing basis, to ensure that industry and the CAA can meet all the challenges ahead as effectively as possible. There was encouragement for more effective use and management of consultation, as well as criticism for failing to consult when we should have done, for example with respect to the changes to the AUC.</p> <p>Stakeholders wanted to see more attention to capacity issues, and were also concerned about exploiting SESAR innovation without over-regulating, and ensuring that regulatory alignment took place to support the UK – Ireland FAB. Stakeholders recognised the challenges in becoming a more efficient organisation whilst the CAA's remit is expanding and new capabilities are required.</p>
CAA Response
<p>The Strategic Plan content on capacity issues has been amended. There will be attention to how capacity issues can be resolved, both strategically and tactically. A suggestion that the CAA should use benchmarks from other aviation regulators around the world will be included in our development of KPIs.</p> <p>The challenge of implementing SES/SESAR innovations effectively is one that the CAA cannot solve on its own – it will be achieved through detailed collaboration with partner organisations and institutions across Europe.</p>

Responses to Chapter 3: Enhancing Aviation Safety

Consultation Questions
Q: Do you think we have fully captured the challenges of regulating safety?
Q: Have we set out the right outcomes for our regulatory efforts and are they achievable in the period?
Q: Are the strategies we have described sufficient to deliver the desired outcomes?
Summary of Responses
<p>In general, respondents felt that the main challenges of regulating safety were captured. Overall respondents felt that the strategies were comprehensive but ambitious in the timescales set. There was support for the approach to delivering safety outcomes and support for a risk based safety regulatory approach.</p> <p>Stakeholders were keen that the CAA define measurable outcomes and raised issues about the use and interpretation of data, as well as the importance of sharing data across the industry and collaborating with all who may have useful contribution to make to improving safety rather than a “closed-door” approach. The importance of safety culture was endorsed along with the importance of maturity in safety culture for the successful adoption of SMS.</p> <p>Stakeholders challenged the CAA on the success of the Airspace Safety Initiative, the potential impacts of the FAS on GA and whether safety costs should be charged to the beneficiaries of improved safety. They suggested that the CAA should review its skills and capabilities to deliver such a wide ranging strategy in the timescales set and that a joined-up approach and consistency across the CAA would be needed to deliver the desired outcomes.</p>
CAA Response
<p>The CAA is working to identify the best ways of measuring safety. Targets and measurable outcomes will be among the outputs of that work but are not ready for inclusion in the Strategic Plan.</p> <p>The Airspace Safety Initiative has delivered a number of significant improvements in the Class G environment through a collaborative, cross-industry programme. An annual report covering the initiative’s achievements will be published mid-summer.</p> <p>The Strategic Plan has been amended to reaffirm the principle of removing subsidies from charging schemes over time.</p>

Responses to Chapter 4: Improving Choice and Value for Consumers

Consultation Questions
Q: Do you think we have fully captured the challenges of ensuring consumers have choice, value and fair treatment?
Q: Have we set out the right outcomes for our regulatory efforts and are they achievable in the period?
Q: Are the strategies we have described sufficient to deliver the desired outcomes?
Summary of Responses
<p>In general, respondents supported the approach to improving choice for the consumer whilst emphasising that efforts to achieve this ought not to detract from the safety priority. It was felt that there were many different types of consumers and all their needs should be taken into account when addressing issues. Regulating was not the same as acting as a consumer champion. There was agreement with the principle of making clear and concise information available to consumers, but that this should not be at the expense of burdensome data requests.</p> <p>Industry welcomed the need for the new ATOL regulations, and appreciated the opportunity to engage with the CAA and respond to the consultation, whilst recognising the challenging legislative timetable. There were concerns about the future of the Air Travel Trust and the Air Transport Users Committee.</p> <p>Some stakeholders argued that economic regulation at airports has not been successful, and that the regulatory model needs to determine what consumers most need from airport service and then ensure that it is delivered. Others wanted more clarity on future enforcement policy.</p> <p>It was put forward that security procedures should be considered within the consumer satisfaction equation.</p> <p>Questions were raised as to whether there should be consumer protection in case of airline failure, and whether there should be a unitary consumer protection authority to standardise regulation.</p>
CAA Response
<p>Safety is the aviation consumer's primary concern. The CAA understands the consumer's interest to include safety, not as something separate from it, and do not narrowly define it as "consumers' rights", which are only a part of the consumer interest. The CAA acknowledges that there is a wide range of consumers in the aviation sector, whose needs have to be balanced to deliver a safe and efficient aviation system.</p> <p>The form of the Q6 price review will be shaped by the progress of the Transport Bill and the priorities outlined in the Strategic Plan. Value for money for the passenger is a primary consideration.</p> <p>The Strategic Plan has been amended:</p> <ul style="list-style-type: none">• To more clearly highlight consideration of the future of the Air Travel Trust,• To reflect changes to the status of the AUC and its role within the CAA post-integration,• To highlight the plans for the CAA's future enforcement policy.

The European Commission is considering, through its review of the Package Travel Directive and a consultancy study, whether some form of legislation is needed to address the issues arising out of airline insolvency. The CAA will contribute to the development of a UK position. The need for a national consumer protection body is a matter for Government.

The CAA will not be commenting on security procedures at this time.

Responses to Chapter 5: Improving Environmental Performance

Consultation Questions
Q: Do you think we have fully captured the challenges of contributing to improvements in environmental performance?
Q: Have we set out the right outcomes for our regulatory efforts and are they achievable in the period?
Q: Are the strategies we have described sufficient to deliver the desired outcomes?
Summary of Responses
<p>Respondents felt that the Strategic Plan provided a fair representation of the challenges toward improving environmental performance and recognised that both industry and the regulator have a role to play in supporting each other to deliver changes to reduce emissions. Targets should be sufficiently ambitious within the CAA's remit but there needs to be a balance between good environmental behaviour and sound, economical, operational decisions. Respondents felt that the strategies and proposed outcomes were reasonable but felt that the CAA needs to be absolutely clear on what its environmental role is to be able to deliver the right outcomes, and that its regulatory approach should not stifle its ability to engage.</p> <p>Overall, industry supports our stated aims, in particular seeking a reduction in aviation emissions through more efficient use of airspace, and welcomes the continued opportunity to engage with the CAA on the topic of the environment and urged that progress to date should be recognised. Stakeholders suggested the CAA should ensure that it has the required resources and skills capability to meet the environment objective.</p> <p>Responses highlighted the importance of the environment not as a separate issue but as part of a wider sustainability picture and of airspace change in achieving a sustainable aviation system involving and affecting all airspace users. Challenges were acknowledged in really understanding what the public wants in terms of environmental measures, whether better availability of information would make a significant difference, and whether it is the CAA's role to focus on information availability if it could be provided by industry.</p>
CAA Response
<p>The CAA has taken steps to bolster its environmental expertise and capability and continues to assess the requirement for additional resources. It continues to carry out work on metrics and methods to be used in the assessment of aviation's environmental impact.</p> <p>Airspace changes can represent a significant opportunity to improve environmental performance but must always recognise the many different demands on airspace. The environmental aspects of airspace changes are considered within the context of Government policy in the form of Environmental Objectives to the CAA on the exercise of its Air Navigation Functions. The CAA and DfT are working closely to update this guidance to ensure that it reflects current Government policy.</p> <p>The industry's provision of environmental information to date has been limited and inconsistently presented. The CAA would welcome industry-wide initiatives to provide clear, relevant and consistent information to consumers, in such a way that it would help them with their buying decisions and provide an accurate and consistent presentation of aviation's impact on the environment.</p>

Responses to Chapter 6: Being a Better Regulator

Consultation Questions
<p>Q: What are your suggestions for activities that we could stop doing, or regulations that we could drop, without increasing the risks of adverse outcomes for consumers?</p>
<p>Q: What is your view on our thoughts on the emerging role of the regulator to identify emerging system risks and co-ordinate the industry response when well-placed to do so?</p>
Summary of Responses
<p>In general, respondents supported the process to review regulations and activities but felt that were not very many regulations that could easily be dropped. The airspace change process was considered onerous by some. The need for a blanket audit programme for Public Safety Zones was questioned. Responses stressed the importance of conducting consistent and quantifiable cost benefit analysis and impact assessments to ensure that any CAA intervention is proportional and risk-focused. It was suggested that a fully co-ordinated organisation approval process would allow for resources to be allocated on a risk-basis and the oversight of consistent 'good performers' could be reduced.</p> <p>There were general comments around ensuring that any targets set are measurable, that there is a standard approach applied across all areas of the CAA, and that any published data is meaningful and useful.</p> <p>Stakeholders wanted the CAA to ensure that enforcement powers are appropriate and are used appropriately and always as a last resort.</p> <p>Stakeholders made suggestions relating to the handling of security regulation, if airport security activity transfers to the CAA, in relation to smaller airfields.</p> <p>Respondents felt that there is a role for the CAA in identification of system risks but suggested that more thought is needed on the details of that role:</p> <ul style="list-style-type: none">• Establish what the role of the CAA is in identifying risks and what type of lead/co-ordination role it plays;• Look to the work of other economic regulators to identify innovations and best practice;• The importance of working in partnership with industry to achieve the efficiency and effectiveness aims.
CAA Response
<p>The enforcement policy that is in development will address the appropriate use of a range of enforcement tools. Formal powers prescribed in legislation are only part of a range of enforcement actions that the CAA can take to secure compliance with the relevant requirements. Accordingly, it would not be correct to characterise enforcement action as "a last resort".</p> <p>The specific and general suggestions above, on airspace change, organisational approval, proportionality and risk-focus, are all being considered within the development of our new regulatory approach. The schedule for Public Safety Zone audits is determined by the Department for Transport.</p> <p>The CAA intends to work with DfT on the rationalisation of guidance related to airspace changes but the CAA has a statutory obligation to ensure that consultation on airspace changes takes into account a number of factors including environment. The Transport Act 2000 section 70 recognises the possibility of conflicting requirements and instructs the CAA to apply them in a manner it thinks is reasonable having regard to them as a whole.</p>

The CAA is not going to comment any further at this time on aspects of security regulation. Suggestions on the CAA's role in identifying system risks will be considered in shaping that work programme.

Responses to Chapter 7: Being a more Efficient Organisation

Consultation Questions
Q: What skills and capabilities is it most important for the CAA to develop and which skills and capabilities do you see becoming less important in future?
Q: What suggestions would you make for how we could reduce our costs?
Summary of Responses
<p>Respondents felt that the CAA workforce regularly demonstrated the right skills and capabilities but that there was a need to build on these in order to be a more efficient organisation. In particular, respondents suggested the need for better management of the organisation and better use of IT systems in applications processing and greater use of secondments to improve colleagues' skills, knowledge and awareness. The organisation should demonstrate a greater commitment to 'lean principles' to bring about significant improvement in CAA costs. It was felt that moving to risk-based regulation would have cost benefits.</p> <p>Stakeholders welcomed the CAA's recognition of the need to become a more efficient regulator and the focus the Strategic Plan gives this. But it was felt that more clarity was needed on the detail of the savings that would be achieved, how these would be reported and industry's involvement in influencing CAA costs. Options such as outsourcing and private sector partnerships should be considered.</p> <p>Responses requested greater transparency of the cost of regulation, the removal of cross-subsidies, but also a move towards 'beneficiary pays' rather than 'user pays' as a charging principle. It was suggested that consideration be given to charging airlines for consumer protection functions. The importance of addressing risks associated with final salary pension liabilities and ensuring a realistic level of pension provision was also raised.</p>
CAA Response
<p>The CAA is committed to the targets stated in the Plan, and a range of projects are evaluating where savings can be achieved, including consideration of the suggestions proposed above. Further information on how savings can be realised or re-invested in improved performance will be made available once the evaluation and consideration has been completed.</p> <p>The Strategic Plan has been amended to reaffirm the CAA's move towards removing elements of cross-subsidy in charging schemes. Charging schemes will continue to be reviewed and revised to ensure that costs for activities are recovered correctly and in accordance with the agreed Charging Principles.</p> <p>The CAA is committed to ensuring that its pension commitments are sustainable and affordable and wherever possible minimise the financial exposure to the CAA.</p>

Responses to Chapter 8: Delivering the Strategy

Consultation Questions
Q: How should the industry prepare and respond to unpredicted shocks?
Q: What more could the industry do to anticipate unlikely high-impact disruptions?
Summary of Responses
<p>In general, respondents had mixed views on the CAA's role as an industry co-ordinator in a crisis, with specific examples given on the handling of the volcanic ash cloud. A number of useful suggestions were put forward:</p> <ol style="list-style-type: none">The importance of the CAA and industry having crisis plans in place to be able to deal with any type of event and the importance that communication plays in preparation and during an event; linking any such plans to Government crisis plans.Clarity on the CAA's role in a crisis and its role in working with UK Government and EU institutions during the event.Publishing conclusions at the close of an event.Have an airport emergency timetable in place, agreed in advance by airport and airlines, to be enacted during period of disruption e.g. snow crisis. <p>Respondents felt that there was a role for the CAA to facilitate some discussion with respect to high-impact disruptions and also to use other expert resources where possible. Suggestions included:</p> <ol style="list-style-type: none">Convene a cross-industry risk management group to share and discuss views in order to formulate better and earlier responses.Use existing body of research/external expertise on resilience to build capability.
CAA Response
These suggestions are valuable inputs to the work being done on these issues.