

Being a more efficient organisation

As we continue to develop the CAA as an organisation, improving our efficiency continues to be one of our key focuses.

As the aviation and travel industries continue to suffer as a result of recession we are acutely aware of the impact our regulatory work can have and therefore the need to be as efficient as possible.

We are determined to deliver long-term efficiencies and better customer service by modernising the way we manage and carry out our activities and the way we interact with the industry we regulate. This will need investment in new processes, systems and skills. This means that while we continue to look at long-term savings, we will have to make modest increases to some of our charges to fund that investment.



Unlike many public sector bodies, the CAA is funded directly by charges paid by those it regulates. During 2011/12, the aviation industry has experienced a difficult trading environment. Traffic volumes, although recovering from levels seen during the volcanic ash crisis, have remained below those experienced before the recession. We understand the difficulties the industry continues to face and our charging proposals for 2012/13 have been set with this in mind.

Over the last 10 years (2001/02 to 2010/11) we have reduced our operating costs in real terms by more than 20% – and in a period of significant growth and change for the aviation industry. But we are conscious that there is much more we can do to improve our efficiency. More of our transactions and payments need to be carried out online. We need more capable and reliable systems internally and we need to find process efficiencies to create capacity for new and extended activities to improve our performance and deliver better outcomes.

So we are committed to controlling costs while investing to deliver savings and improvements in the medium to long-term. Two work streams in particular, Enhancing Safety Performance and Performance and Process Improvements, will not just add value and efficiency to the CAA, but will in time bring significant benefits to industry as well.

Our Performance and Process Improvement programme will in time deliver a step change in the experience of our stakeholders when they interact with us. It will also provide us with the tools to be able to improve our safety oversight by making the best and timely use of all the safety intelligence available to us across the organisation. We will be able to provide our technical safety experts and inspectors with a single pool of data on the industry.

Our review of safety regulation, so as to move to a more performance-based process, will ensure that we only undertake tasks that will bring significant safety benefit and that this work is focused where it will have most effect. Linked to this work is a review of areas where we could seek to reduce or devolve aspects of regulation to industry. This is particularly relevant for some areas of recreational aviation, a review of which is currently underway.

During the year under review we rationalised our regional offices, reducing the number from seven to four. This will ensure our relationship with stakeholders is still close while maximising our efficiency. We also made substantial changes to employee terms and conditions, with further changes due in 2012/13.

We reviewed the operating model of our surveys business. The review has led us to engage in more commercial partnerships to derive value from the survey products by including it in more value-added products, and to market our products more widely. The review is now addressing how we run and manage the survey business.

Key efficiency aims and achievements:

We will reduce the costs of delivering our core processes, with streamlined processes, shared resources and technology and more flexible resource management.

Our project to deliver a step change in the experience of our stakeholders when they interact with us is now well underway.

We have outsourced claims assessment and payment processes under ATOL for consumers who have made advanced payments for holidays.

We have enabled travel agencies to pay claims directly to people who booked through them; reducing costs and the time that it takes consumers to get refunds.

We will have the right mix of front-line and support staff, with a revised pay and benefits package which is equitable and consistent across the organisation and appropriately competitive for the market conditions.

An independent benchmarking process to compare CAA pay and benefits to those of equivalent organisations was undertaken during the year and we will work to implement changes resulting from the findings in the coming months.