FINAL

Performance Based Regulation Programme

PBR Industry Group: Meeting Four Report

1. Introduction

1.1 Representatives from the aviation industry and the CAA met at TAG Aviation, Farnborough on November 26th for the fourth Performance Based Regulation Industry Group (PBRIG) meeting. This document describes the considerations and outcomes of the meeting. Table 1 sets out the attendance and table 2 summarises the actions taken.

Name (Organisation)	
John Clark (CAA, PBR and Chair)	Chris Kelly (Vantage ATS)
Geoff Clark (Virgin Atlantic)	Chris Barnes (CAA Consultant)
Damon Knight (NATS Airports)	Ruth Wood (CAA PBRIG Secretariat)
Steve Buckingham (NATS Division of Safety)	Simon Drakely (TAG Aviation)
Mark Stuart (HIAL)	Stephanie Shaw (CAA, PBR)
Steve Szalay (Dnata)	Joji Waites (CAA, Safety Intelligence)
Richard Knight (Newcastle Airport)	Nischal Peddiraju (CAA, Safety Intelligence)
Tim Price (BA)	

Table 1: Attendees at PBRIG Meeting #4

#	Action Description	Owner	Date
1	Consider the approach for including an organisation's own views on its safety risks and mitigations within the PBO process and as an input into early Sector Risk Pictures.	J Clark	Update@ PBRIG 6
2	Provide an update on the development of the CAA Web Portal and the opportunities to support PBR implementation.	C Barnes	Update@ PBRIG 5
3	Provide an update on the scope of the PBO Embedding Phase.	J Clark	Update@ PBRIG 6
4	Invite key representatives from EASA to a future PBRIG meeting for a face to face discussion about the role of the performance based approach in the European regulatory regime.	J Clark	Feb-16
5	Share some early example outputs of the CAA's RSMS as they are developed over 2016.	S Shaw	Update@ PRBIG 7
6	Review the top safety risk statements generated by the PBR Conference, add additional information where possible and consider the options and actions to address each.	All PBRIG Members	Pre PBRIG 5
7	Share draft safety scenarios linked to the Significant 7 to inform the scope of a data exchange trial.	N Peddiraju	Dec-7th (Complete)
8	Provide ideas on the types of safety scenarios that might be useful as part of a data exchange trial.	All PBRIG Members	Dec-21st
9	Produce a standard NDA between the CAA and each industry organisation, tailored to address the data sharing requirements of the PBRIG.	C Barnes	Feb-16

Table 2: Actions from PBRIG Meeting #4

2. Industry Input into the PBO Process

2.1 PBRIG members highlighted the importance of industry organisations providing their own assessments of the safety risks impacting their operations as part of the PBO process. Many organisations are in a position to provide additional safety and performance information about

their entity and the sector it operates in. Industry input into the PBO process was considered essential by the group to create the most accurate entity risk pictures and identify risks that transfer across sectors. For example airports may gather important safety risk information relevant to the operations of their Air Navigation Service Provider (and vice-versa).

2.2 The CAA explained its ultimate intention to provide industry with remote access to the inputs and outputs of the PBO process through a web portal. It is also envisaged that the portal would provide a platform for industry organisations and the Regulator to jointly create Sector Risk Pictures. PBRIG members were encouraged by the portal but advised caution regarding the collection of 'data for data's sake'. The group also expressed a willingness to support the creation of early Sector Risk Pictures through the PBRIG itself. A broader update on the scope and timelines for development of the web portal and the opportunities to support PBR implementation will be provided at PBRIG 6 in May 2016.

Action 1: Consider the approach for including an organisation's own views on its safety risks and mitigations within the PBO process and as an input into early Sector Risk Pictures. (J Clark, update at PBRIG 6)

Action 2: Provide an update on the development of the CAA Web Portal and the opportunities to support PBR implementation. (C Barnes, update at PBRIG 5)

3. Feedback on industry's experiences of PBO

3.1 The CAA reported that the Performance Based Oversight (PBO) process is now applied to over 200 operators, aerodromes, ANSPs and air worthiness organisations. PBRIG members provided some informal feedback on their organisations' experiences of the PBO process so far. The industry group reported a general improvement in the breadth of CAA's inspections, covering safety risk conversations at the tactical, operational and management levels of their organisations. PRBIG suggested considering the formalisation of these three levels within the PBO process to ensure that they are addressed consistently and the industry know what to expect from different types of inspections and audits. Some members of the group highlighted that the process had already started to strengthen the quality of the safety risk conversations at their Accountable Manager meeting. The group agreed with the key messages from the Oct-15 PBR Conference that the introduction of PBO must not be seen to be taking any safety responsibilities away from the industry. The accountability for managing risks and delivering safety is owned by the industry. The Regulator's role is to understand the risks (particularly at the sector-wide and total system levels) and ensure that they are being managed effectively.

3.2 There is a strong consensus across PBRIG members that the efforts to further refine and embed PBO must be maintained in order to realise the full benefit of the changes. The group asked when the industry should expect to see more consolidation of inspection and audit activity (for example conducting Aerodrome and ATS audits at the same time). In addition, PBRIG are keen to understand how the prospect of fewer inspections for higher performers will happen in practice. John Clark advised that the PBO Embedding Phase formally starts in March 2016 and suggested that the group revisit the feedback exercise at PBRIG 6 in May-16.

Action 3: Provide an update on the scope of the PBO Embedding Phase. (J Clark, update at PBRIG 6)

4. PBR Industry Challenges

4.1 PBRIG reviewed the challenges raised by industry members at PBRIGs 2 and 3 and discussed the way forward for each. The group agreed to track the potential for PBR to help tackle the issues generated by the introduction of more demanding EASA requirements. John Clark agreed to communicate the PBRIG's views on the challenges associated with the new requirements at the bi-annual PBR-EASA alignment meeting in Feb-16. CAA also agreed to invite key representatives from EASA to a future PBRIG meeting for a face to face discussion about the role of a performance based approach in the European regulatory regime. The CAA provided a

FINAL

brief overview of the plans to form an International Directorate in 2016 that will coordinate all influencing and engagement activities with EASA, ICAO and other State Regulators once established.

Action 4: Invite key representatives from EASA to a future PBRIG meeting for a face to face discussion about the role of a performance based approach in the European regulatory regime. (J Clark, Feb-16)

5. Regulatory Safety Management System Briefing

5.1 Stephanie Shaw briefed the PBRIG in more detail on the development of the CAA's Regulatory Safety Management System (RSMS) that sits above the PBO process. Once fully deployed, all the CAA's technical capabilities and regulatory functions related to safety will be coordinated and overseen by the RSMS governance and reporting structure. The group recognised that the RSMS is fundamentally different to an industry SMS and that there is no transfer of accountability for the risks that are owned by industry organisations. Steph presented an overview of the end to end risk management process that underpins the RSMS and will be used to inform safety decision making across entities, sectors and the total aviation system. The process has been implemented along with the RSMS Governance Groups and will be further developed and refined during FY16/17 to ensure it is effective. PBRIG members recognised the role of the RSMS in the overall PBR approach and the key differences with an industry SMS. The group requested sight of some of the example outputs of the RSMS as they are developed over the coming 12 months.

Action 5: Share some early example outputs of the CAA's RSMS as they are developed. (S Shaw, update at PBRIG 7)

6. Feedback from the PBRIG Session of the PBR Conference

6.1 The PBRIG briefing at the Oct-15 PBR Conference was well received by the conference delegates. The wider industry group recognised the contribution made by PBRIG and renewed the group's mandate to continue working on behalf of the UK aviation sector to embed the PBR approach. The delegates highlighted the importance of PBRIG's role in strengthening the communications around PBR to increase industry awareness of the changes that are being implemented.

6.2 The group reviewed the outputs of the conference's interactive session concentrating on the top sector-wide safety risks. The feedback provided by the conference delegates regarding the main safety concerns affecting their sector has been grouped into eight main themes:

1. Financial and commercial pressures
2. The pace of change, especially new technology and changing regulatory frameworks
3. Growth in the use of Remotely Piloted Aerial Systems (RPAS)
4. The performance of professionals in the system (e.g. Fatigue risks)
5. The growing risk of cyber-attack
6. Operations outside controlled airspace, increasing the risk of airborne conflict
7. Managing the impact of traffic growth with limited airspace and runway capacity
8. Management of third party contractors in the system (e.g. Ground Handlers)

6.3 PBRIG discussed the specific safety risk statements developed by the conference delegates for each theme. The group recognised that more work is needed to strengthen the evidence base that underpins each statement and create a more comprehensive assessment of the options to address each risk. PBRIG members agreed to capture their organisations insights into each risk statement before PBRIG 5. It is envisaged that this review will provide the foundation for a discussion at PBRIG 5 about options and actions to address the risks and their relative priority.

3

Action 6: Review the top safety risk statements generated by the PBR Conference, add additional information where possible and consider the options and actions to address each. (All, Pre-PBRIG 5)

7. Data Exchange Trial

7.1 The PBRIG considered the idea of a data exchange trial to better understand the value of sharing more safety risk information for specific scenarios. The group agreed to provide ideas on the types of safety scenarios that might be useful for inclusion in a trial - in particular cross-sector issues where there is greater potential to add value (e.g. collisions on the ramp and runway incursions). The CAA's intelligence team agreed to share some draft scenarios linked to the Significant 7 as a starting point.

Action 7: Share draft safety scenarios linked to the Significant 7 to inform the scope of a data exchange trial. (N Peddiraju, Dec-7th, complete)

Action 8: Provide ideas on the types of safety scenarios that might be useful as part of a trial. (All, Dec-21st)

8. Memorandum of Understanding / Non-Disclosure Agreement

8.1 The PBRIG considered the requirement for a Memorandum of Understanding and decided that a standard Non-Disclosure Agreement between each organisation and the CAA would be sufficient to support the scope of the group's activities in 2016 (in particular the sharing of safety risk data).

Action 9: Produce a standard NDA between the CAA and each industry organisation tailored to the data sharing requirements of the PBRIG. (C Barnes Feb-16)