

Please note

This is a printable version of the web pages that provide details on the CAA's five-year Strategic Plan.

Available at www.caa.co.uk/Our-work/Corporate-reports/Strategic-Plan/Our-five-year-strategic-plan/

This information is best read in conjunction with our supplementary key strategies document, which can be downloaded from our website.

Available at www.caa.co.uk/CAP1360

Introduction

As the UK's specialist aviation regulator, this five year strategic plan sets out how we propose to contribute to the development of the UK aviation sector over the five years from 2016–2021, what we want to achieve and how we plan to do it.

Aviation affects almost all of us in some way. For frequent business flyers and families flying abroad on their annual holiday, the link with aviation is obvious. It is the same for the many thousands of companies and employees whose livelihoods depend on the provision of aviation services. For those who rarely or never step onto an aeroplane, the link is less tangible but just as real. From supplies of non-seasonal fresh food to tourism and high-value supplies for manufacturing, aviation is a key part of the way that we live, delivering benefits for the whole of the UK. Aviation also has less positive effects. Many feel strongly affected by aviation noise and changes to the design of airspace, and want more done to reduce the sector's environmental impacts.

In many ways our regulatory strategies look familiar but this familiarity should not mask the scale of the challenges we face. These include:

- completing the move from compliance- to performance-based regulation in the area of safety and taking significant steps in that direction in security;
- subject to the Government's decisions on new runway capacity in the South East of England, building a robust approach to the funding and cost to users of any new infrastructure;
- playing an effective role in the biggest series of airspace changes ever in the UK in some of the busiest airspace in Europe, including taking into account the views of all stakeholders impacted;
- radically overhauling our approach to holiday protection and using information to strengthen the power of consumers in deciding on the services they receive; and
- finding ways of delivering more effective consumer redress, such as the move to alternative dispute resolution (ADR) arrangements.

These are just some of the challenges we face. What is at stake is the real-world experience of the many stakeholders who we aim to serve.

Our vision

As the UK's specialist aviation regulator we passionately believe in making aviation better for those who choose to fly and those who do not.

This means using the powers and duties given to us by Parliament to help create positive outcomes that matter to people.

We see a world where everyone who chooses to fly, as well as anyone who does not, has confidence in a safe and secure aviation sector that takes its responsibilities seriously, backed by a regulatory system that actively manages risk and supports consistently high performance.

Consumers will be drivers for a sector that is responsive to their needs. They will be empowered to drive market developments with access to information on what is available, how much they have to pay and the service they can expect to get in return. Delays and disappointment will be rare and in the event that a service fails to meet the standards they should reasonably expect, they will find it easy to obtain redress supported by dispute-resolution systems that are easy to access and effective to use.

This is a world which meets the needs of the future as well as the present. While not everyone will agree with every potential decision on new runway infrastructure or airspace change, the methods used to reach those decisions will be transparent, well understood and accepted. Proper account will be taken of the needs of the overflowed and others with a legitimate interest; and robust and clear processes will identify and take account of the impacts on current and future generations.

The future will also be enriched by beneficial technologies, encouraged by a regulatory system that focuses on the outcomes that stakeholders want, rather than being prescriptive about the inputs that must be used.

For the many people who enjoy recreational flying or for those that wish to exploit the many advantages of new technology such as drones, they will be able to do so safely, aware of their responsibilities and in control of the risks they are taking.

All aviation stakeholders will be supported by a regulator that delivers an effective and efficient approach to its work that is focused on what matters and is prepared to take difficult decisions where required. Our systems and processes will be fit for purpose and our people will have a blend of drive, experience and enquiry that combines expertise in their field with the ability to innovate and shape the future in concert with an ever-changing world.

This is our vision for the next five years. This strategy sets out how we plan to realise it.

Our stakeholders

Aviation affects so many people in so many ways, meaning we have to take the interests of a wide range of potential stakeholders into account in performing our duties.

We care about the health of the aviation community, without which there would be no services. Our primary focus however is on the consumer; by promoting their interests, we believe that we not only achieve what matters to them but we are also likely to contribute best to the achievement of wider public policy aims.

Consumers want to be able to choose from the widest possible range of aviation service providers in the knowledge that an effective regulator is holding those providers to account for safety and security standards. The aviation community expects us to take full account of the regulatory costs we impose, to influence international regulatory processes, and to facilitate technological innovation and infrastructure improvements. The public and local communities want transparency and fairness as to how their concerns are dealt with, for example around the noise impact of aviation.

In many cases, actions taken to protect and promote the consumer directly benefit the broader public: safe and secure air travel for those who fly benefits those at potential risk on the ground as well as in the air. But the interests of the consumer and the public do not always align: more flights create noise disturbance for those below flight routes, and risk-taking by some in the sector may not always take into account the risks posed to others. In such cases, we intervene to balance the interests of multiple stakeholders, accepting that what is in the interests of one stakeholder may not be in the interests of another.

Government also expects us to balance these considerations while supporting wider social and economic goals, such as aiding economic growth through facilitating transport connectivity and innovation in service delivery. They also expect all public sector bodies to minimise the unjustified burden that regulation places on businesses and society in general.

Our roles and purpose

The roles we play are numerous and established by Parliament. It is our job to act within these laws in a way which is relevant to both today's stakeholders and those of the future.

Those groups delivering aviation services are generally incentivised to deliver our stakeholders' reasonable expectations. So why do we need to exist?

We exist for a number of reasons but, in general, we step in where the sector is unable to deliver what stakeholders reasonably expect without regulatory intervention.

Potential shortfalls against expectations are varied but can affect different stakeholders in a number of ways. For example:

- For consumers and the public, the level of safety or security performance that they expect may be compromised by the absence of proper coordination between different parts of the sector, an inadequate understanding of risk arising from inadequate information or training, or the absence of clear rules or accountability.
- For the public, the aviation sector may not take adequate account of the impact of noise on affected communities, requiring regulators to step in to balance the interests of those who fly and those on the ground in a fair and evidence-based way.
- For consumers, the expectation that they can access a choice of good-value services and receive fair treatment where promises fail to be met may be compromised by a number of factors. The structure of the market, for example, may mean that competition is not sufficient to deliver those services and information may not be delivered by the market in a way which allows consumers to make good choices. Individual consumers may feel they can only access their rights after expensive and time-consuming recourse to the courts.

There is also an expectation that the aviation sector is equipped to service the needs of future and current generations. We do this by facilitating necessary investment for future generations by helping to deliver airspace and airport capacity where there is a clear and compelling case, or adapting our regulatory style so it can facilitate the take-up of beneficial technologies.

It is to address these instances and others that Parliament has given us a number of duties and powers targeted at making the sector work better for all.

Our statutory duties

Our principal functions and duties are set out in primary legislation (the Civil Aviation Act 1982, the Airports Act 1986, the Transport Act 2000 and the Civil Aviation Act 2012) and in secondary legislation (principally the Air Navigation Order 2009).

Our main statutory functions are:

- regulating civil aviation safety;
- advising and assisting the Secretary of State on all civil aviation matters, including policy for the use of UK airspace so as to meet the needs of all users, having regard for national security, economic and environmental factors, while maintaining a high standard of safety;
- the economic regulation of certain airports and of the provision of certain air traffic services;
- the licensing of airlines, including assuring their financial fitness;
- the licensing of air travel organisers;
- enforcing general consumer protection law through Part 8 of the Enterprise Act and EU legislation, such as denied boarding compensation and persons with reduced mobility; and
- the regulation of aviation security functions.

The Secretary of State for Transport is answerable to Parliament for the performance of the CAA's functions. The CAA relies on the Government to keep its legislative powers, in particular the Directions from the Secretary of State and the Air Navigation Order, up to date.

Our context

Our past performance

A lot has happened over the past five years and these developments will have a significant influence on our current shape and our future strategy.

Over the last five years, we have:

- achieved significant progress moving from a compliance- to a performance-based approach to safety regulation;
- maintained our status as an influential partner in international aviation regulation; and grown our reputation as one of the leading national safety regulatory authorities, supporting the European Aviation Safety Agency (EASA) in the delivery of its role in setting and enforcing safety regulation standards across aviation in Europe;
- agreed a new price cap for Heathrow, introduced innovative new licence arrangements for Gatwick and economically de-regulated Stansted;
- made a series of decisions about changes to UK airspace and recognised that change to the distribution of aircraft noise is an increasingly significant issue for residents near airports;
- taken on responsibility from the Department for Transport for the oversight of aviation security under the provisions of the 2012 Civil Aviation Act;
- implemented a new price settlement for UK air traffic control under a new European legislative framework;
- established a dedicated unit for general aviation;
- managed regulatory responses to a series of high profile accidents, including: Sumburgh, Vauxhall, Clutha and Shoreham; and
- achieved some significant changes to the effectiveness of CAA's operations while improving our operating efficiency and holding charges to the aviation community flat.

Our future drivers

International relationships

The rules and conditions governing how aviation functions are often set at the global or regional level and influencing these is crucial to delivering our outcomes.

Aviation is international and we recognise the importance and benefits of playing a full part in the international regulatory system. Bodies such as the International Civil Aviation Organisation (ICAO), European Commission and EASA, together with key international partners, such as the United States, make most of the rules that govern aviation. We have built good working relationships with decision makers in these key institutions and have positively influenced the development of international standards and cooperative working arrangements. We will build on these strong foundations by continuing to support the aviation single market while supporting international solutions to the cross-border risks that consumers and the public face. We will do this by continuing to play our role in supporting developments in the international regulatory system, supporting EASA and other national aviation authorities (NAAs) in fulfilling their responsibilities inside and outside Europe. We recognise the centrality of EASA with our role as a key supporting NAA framed by European legislation.

We also recognise that aviation's international reach has always made it susceptible to risks relating to the escalation of global tensions particularly in the areas of safety and security. Working with key partners such as the UK Government, we will continue to prioritise the effective management of those risks.

Economic growth

As a facilitator and beneficiary of increased wealth, the growth of aviation and the economy have been closely linked.

Air connectivity can help boost businesses and greater wealth leads to an increase in frequency of travel, creating greater demand for the UK's airport and airspace infrastructure. After a period of recovery following the 2008 financial shock, moderate global economic growth is forecast to continue over the course of the next five years albeit with some significant risks. If even modest economic growth continues in the UK, we will need more airport and airspace capacity in the South East of England. And before any new capacity becomes operational, the resilience of already stretched aviation infrastructure will come under further pressure. Similarly, an economic downturn will pose other challenges such as the ability and desire to fund investment in the future. In any event, we will be required under new Government legislation applying to all regulators to take into account the impacts of our decision-making on economic growth.

New business models

Global and regional approaches to regulation are becoming more uniform, enhancing competition between companies and leading companies to seek advantages in new commercial approaches.

The shift towards greater globalisation of aviation continues apace, as reflected in the rapid growth of a number of Middle-Eastern airlines and the emergence of integrated companies controlling carriers that serve multiple markets. The aviation sector will continue to generate new business models in response to competition and we will seek to regulate in a way that facilitates innovation that benefits consumers and the public.

Environmental expectations

While aviation has got quieter and more efficient, the environmental performance of aviation continues to pose challenges for everyone affected by the pollution it creates.

Aviation creates significant benefits but also has negative impacts on those affected by noise, air quality and greenhouse gases. Almost all of us are in some way impacted by at least one of these pollutants, with the environmental costs perhaps most significant and direct for those living under busy flight paths such as those around Heathrow and Gatwick. The continued overall growth of the sector as well as specific plans for airport capacity expansion and airspace modernisation mean that stakeholder expectations will be a key driver for our activities. On issues of noise, we have clear statutory duties to balance the interests of the aviation community with those affected by noise and other environmental impacts on the ground. On other environmental issues such as addressing green-house gas emissions or air quality impacts from aviation, our duties are much narrower in scope.

Technological innovation

Technology is rapidly altering the way aviation works. Helping to create the right regulatory conditions for technological innovation is therefore one of our priorities for this plan.

Five years ago, few people had heard of a drone. Now they are one of the fastest growing new technologies. Looking to the future, these and other technologies, such as space-planes and greater on-board digital automation, will grow, creating new opportunities and risks. We plan to position ourselves as facilitators of these changes.

Unexpected events

We can be certain that during the period of this plan, uncertainty will exist and unexpected events are likely to happen.

Horizon-scanning can help us plan better for the future, but uncertainty is a given for any plan. Events are likely to occur and may have significant effects on our stakeholders. We will have to reprioritise our activities in order to respond promptly and effectively to events and ensure that we learn as much as we can to address the risk of such events happening again.

Our expectations

As a regulator, we cannot achieve anything by acting alone.

Our effectiveness is determined by our ability to align the actions of others with the outcomes our stakeholders want. We must work with others to achieve the outcomes that matter to those we serve.

It is not our job to manage risk and deliver outcomes directly – that is done by those that deliver aviation services to the millions of users every year. Our job is to set the regulatory framework for aviation and be active in our assessment of its effectiveness, being prepared to take decisive action, where appropriate, to enable risks to be well managed.

We will work hard to meet others' reasonable expectations of us.

In partnership with our stakeholders we will seek out solutions that deliver the desired outcomes with minimal intervention, consistent with the UK Government's Better Regulation principles and our mutual desire to minimise unjustified regulatory burden and maximise our effectiveness and transparency to our stakeholders. This means that we will seek to back our decisions with high quality evidence and the highest levels of integrity, engaging directly with relevant stakeholders in a meaningful and timely fashion and assessing the potential costs which different regulatory options would impose. This does not mean that all our decisions will necessarily command the support of all stakeholders, given the trade-offs that exist. We will hold to account those we regulate for safety and security and will be prepared to take decisions that could be regarded as unpopular by some.

We will also continue to use incentives, including securing effective competition where possible, as tools for delivering on our vision for the sector. This means we will seek to improve competition through a variety of means, including arming consumers with better information, addressing problems with market structures or implementing effective enforcement of competition rules where we have the power.

We will also be clear about our expectations of others.

In all cases, we expect those we regulate to comply fully with their legal obligations, and we will be firm in our enforcement of the law, particularly where there is significant risk to consumers or the general public.

Where appropriate, we will also expect a high level of transparency from those we regulate, particularly where their actions may need to balance a range of different stakeholders' interests.

Our guiding principles

We have identified a number of general guiding principles to shape this strategy. These have helped us to identify our priorities for the next five years and to determine how we intend to deliver our strategy. We have combined these with the CAA's Risk Principles, which help us determine how the CAA approaches risks to the consumer and the public.

These principles are set out below.

Our general principles

1. We will seek to align all of our activities to our purpose, focusing our performance on the management of risks and the achievement of outcomes that benefit consumers and the public.
2. We will be active in applying the Government's Better Regulation principles (i.e. to be Proportionate, Accountable, Consistent, Targeted and Transparent) to all our activities.
3. We will strive to be evidence-based in all our actions, engaging pro-actively with our stakeholders. Where evidence for a course of action is lacking, we will proceed with care and seek to create evidence by trialling our approach before applying it more generally.
4. We will take steps to align our own capabilities with our strategy so as to be able to deliver efficiently on our commitments.
5. We will measure our performance and look for opportunities to learn, sharing these lessons with others at home and abroad.

Our risk principles

1. We will seek to protect the consumer and the public from harm where there is a clear justification for CAA involvement.
2. We will be clear at all times about the risks for which we are accountable and only seek to be accountable for risks that we can manage or oversee.
3. We will seek to influence the management of risks for which we are not accountable but which materially impact on consumers and the public in a manner proportionate to the outcome.
4. We will actively monitor the risk landscape (horizon-scanning) to identify emerging risks and significant changes in risk levels.

5. We will take reputational risk into account when considering consumer risks in order to ensure that credibility is maintained in delivering the CAA's primary duties.

Our priorities

We have identified five strategic priorities that are key to the delivery of our vision for the next five years. More detail on these priorities is set out below.

Risk-based regulation

We will target regulation where risk is highest and be adaptable to the ever-changing risk picture. We will act to develop confidence that members of the aviation community are managing their own risks effectively.

The primary obligation to fly safely and to treat passengers well rests on the companies and people who are regulated, not on the regulator. A purely compliance-based approach to regulation blurs that accountability, as if it were enough just to comply with the rules.

The CAA's approach is to facilitate companies and people managing the risks they are accountable for. We can often help people to find better ways to manage their risks. And we work in partnership, across sectors to share learning where we can.

This approach poses new challenges for the CAA. We require better information about the ever-changing risk picture: pooling the information we already have, using it more actively, seeking new sources of information. We will be more nimble so we can move resources to address emerging risk. We will build the capabilities of our people so they can spot risks, not just non-compliance; and act as advisors, not simply "box tickers".

The CAA will also respond quickly to emerging risks, including targeting the small number of people who are not serious about meeting the standards required in UK aviation.

In conducting our regulatory roles, the CAA aims to allocate resources according to our understanding of the risks we manage within them; and to act in ways that are proportionate to the significance of those risks and that are reflective of organisational tolerance of residual risk. This means that we will continue to monitor the extent to which the burdens we impose are justified by the outcomes they achieve and will take action when they do not.

Where we are responsible for setting regulation, we will be determined to ensure that safety remains our number one priority and will step in to regulate where we can. Consistent with better regulation principles, we will also look for opportunities to improve our approaches and will consider deregulation or delegation of regulation to the aviation community where appropriate, only retaining regulation when justified and always doing so proportionately.

Where regulation is set at the international level, such as in Europe, or where risks to our stakeholders arise outside the UK, we will apply our resources where we can have a

significant and beneficial effect. We will do this either through influencing rule-making and safety strategies at an international level, or by using our regulatory and commercial teams to partner bilaterally with other States on specific areas of mutual concern.

Our strategic areas (safety, security, the environment and choice, value and fair treatment) are driven by a number of key strategies and a common set of outcomes, aligning with our vision and purpose. Further information on these strategies can be found in the Supplementary Key Strategies document.

Risk based regulation

Regulatory activities and resources are focused on the areas of highest risk.

Strategic area	Key strategy	Strategic outcomes (Examples)
Safety	Implement performance-based regulation	Performance-based regulation, through standardisation of processes and tools and the development of key management information, delivers efficiency and productivity benefits
	Better safety intelligence	Data and information sharing between regulators and stakeholders enriches the total risk picture and knowledge in order to target safety risk management effectively
Security	Providing regulatory expertise	CAA expertise allows the Department for Transport (DfT) to make informed, evidence-based decisions in developing aviation security policy
	Compliance monitoring	Instances of non-compliance with EU and UK security requirements by airports, air carriers, cargo operators and in-flight suppliers are swiftly detected and rectified
	Security Management Systems (SeMS)	Air transport operators adopt an effective SeMS, bringing additional assurance that all of the risks to their operations have been identified and addressed
Choice, value and fair treatment	Regulating to get the most from infrastructure	The CAA is well placed to prevent significant harm to consumers from anti-competitive behaviour in the (largely) liberalised airports market
	Modernising holiday protection	Well-run holiday companies enjoy a lower regulatory burden than poorly-run competitors
	Securing consumer redress and enforcement	The rights and obligations of consumers and businesses arising under standard contract terms will be fair and balanced and consumers will not be penalised by unfair contract terms

Empowering consumers

Airlines compete on price and service and consumers drive improvement by making informed choices between different providers. The CAA will press for passengers to have the information they want to make fully informed buying decisions. When things do go wrong, redress should be rapid and easy to use.

The UK aviation sector is, in the main, competitive: most passengers can choose from multiple airports and a range of services, and airlines compete on price. Everyone benefits from engaged and informed consumers being at the heart of the competitive process.

However, not everyone just wants the cheapest flight. It is hard for passengers to know which is, say, the most punctual or reliable service on a route, or the one with lowest carbon emissions. Publishing information to help passengers choose will remain a priority for the CAA, as well as promoting effective competition.

The CAA will be particularly alert to passengers with disabilities or special needs being well served in the market.

When things do go wrong, passengers want rapid and user-friendly redress. Aviation attracts frequent negative media attention for standards of complaint handling - particularly in connection with compensation for delay or cancellation. The CAA hopes, over the plan period, to see an ombudsman-style arrangement (called Alternative Dispute Resolution) in place offering quality service to passengers and good incentives for airlines to settle complaints correctly but informally.

Consumers are protected from air holiday business insolvency under the CAA's Air Travel Organiser's Licence scheme (ATOL) but are rarely affected by such failures. Empowering consumers within this context means raising their awareness of when they are protected and making sure that they know what to do when things go wrong. We will continue to promote ATOL and the ATOL Certificate with those aims in mind.

The statutory framework for aviation consumer rights has sometimes seemed unbalanced in recent years, with particular attention given to the denied boarding rules. The CAA will continue to seek opportunities to achieve a balanced and pro-consumer regulatory framework.

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Empowering consumers

Consumers are well informed so that they can get the best outcomes.

Strategic area	Key strategy	Strategic outcomes (Examples)
Safety	Better safety intelligence	Consumers have appropriate access to safety data to assist in making purchasing decisions
Choice value and fair treatment	Empowering consumers through information	Disabled passengers and those with mobility restrictions, including non-visible conditions, know that a good standard of help and assistance is available at the airport and on board and are confident to fly
	Empowering consumers through information	Passengers have accurate information about the things that are important to them at the right time
	Securing consumer redress and enforcement	All consumers have access to alternative dispute resolution if they are unable to resolve a dispute directly with an aviation business
Environment	Aiding performance through information	Residents and consumers have access to comprehensive information about aviation noise, how it is interpreted and measured, the responsibilities of the CAA and the aviation community, and how they can engage in local and national decisions
	Generating new data for decision-makers	The CAA develops up-to-date research and evidence to inform relevant stakeholders and the CAA's own regulatory activities

Infrastructure optimisation

The CAA will challenge airports and airlines to deliver the best possible service for passengers with the available infrastructure. Whatever decisions are taken about an additional runway, the South East of England will remain short of runway capacity throughout the plan period. Forecasts also show that our airspace will become increasingly congested to the point of saturation in particular areas and during specific periods in the years out to 2030 and beyond. Progress on airspace change will require decisions to take account of the interests of local residents, other airspace users, passengers and the country as a whole.

The CAA has been clear in its advice to policy-makers: passengers and the public are already suffering from shortage of airport capacity, and this will get worse - fewer routes than the public wants, fewer flights than there is demand for, more delay, higher prices, more fragile operations, reduced carbon efficiency, more pressure to fly at night or to disrupt planned noise relief.

The CAA has provided extensive support to the Airports Commission and will continue to work closely with Government as it develops its approach to airport expansion. While the

merits of any new airport capacity are ultimately for Government to decide upon, where infrastructure is considered necessary, we will press for a fair deal for consumers that delivers value for money. This means consulting extensively on any proposals so that decisions take account of the views of a wide range of stakeholders, and working with airport owners to facilitate timely delivery of new capacity. In regulating the economics of any new capacity, our broad aim will be that the risks and costs are carried appropriately by those who stand to benefit the most. The CAA has long worked to regulate only where there is market power; this will remain important as we develop regulatory arrangements for new capacity.

Airspace reform is an essential part of our drive to deliver infrastructure optimisation and one that offers enormous opportunities. The plan period will see an unprecedented amount of changes to the way that airspace is structured, consistent with the UK Future Airspace Strategy. Current structures are outdated. Indeed, some date back more than 50 years, meaning renewal is essential if we are to get aviation to work better. Capturing the benefits of technological change, we can reduce fuel usage and carbon emissions, cut wasted time and improve punctuality. Such changes may impact on residents as well as passengers and the wider aviation community. The high-level policy objectives for how these airspace changes are set by Government, but we are responsible for making decisions about airspace changes and setting the process by which those wanting to change airspace must propose designs and consult with relevant stakeholders before submitting a request for a decision. We understand the importance of ensuring a robust process and are committed to listening to stakeholder views on how the process can be improved, including consulting on refinements that enable us to fulfil our statutory role while better meeting the expectations of our stakeholders. The CAA will seek at all times to ensure that the decision-making process for airspace changes is strong and transparent, employs evidence as appropriate and involves consultation with all affected groups to ensure a fair balancing of rights, responsibilities and interests. We also recognise that there may be more we can do to address noise within the policy framework set by Government. To check that we are doing what we can to limit and where possible reduce the nuisance caused to communities affected by noise, we will regularly review our overall approach including the role played by us in balancing noise reduction against other objectives.

It will take at least a decade to deliver new capacity, so whatever happens, aviation must work better by getting the most out of the infrastructure we already have. We already have some of the busiest and most productive airports in the world with challenges for maintaining resilience. We are committed to thinking creatively about how we as a regulator can intervene to help use existing capacity in a way which meets stakeholders' expectations. Competition throughout the supply chain can go a long way to delivering this, and we will use our competition and other powers to prevent unfair discrimination and other abuses. As with our work on new capacity, we will have to balance what matters to different stakeholders, ensuring that there is a framework for dialogue between users and making sure that the full range of views is consulted upon.

The ultimate aim is to make aviation work better now and in the future. We will do this by creating conditions that help airports and other infrastructure providers respond to users' expectations, by delivering valued and cost-effective services that are resilient to the challenges that they can expect to face.

Our strategic areas (safety, security, the environment and choice, value and fair treatment) are driven by a number of key strategies and a common set of outcomes, aligning with our vision and purpose. Further information on these strategies can be found in the Supplementary Key Strategies document.

Infrastructure optimisation

The aviation system performs well within a capacity constrained environment.

Strategic area	Key strategy	Strategic outcomes (Examples)
Safety	Keeping pace with change	The UK has a more flexible and integrated airspace system aligned with European developments and technological changes, which improves safety, capacity and efficiency and balances the requirements of all airspace users
Choice value and fair treatment	Regulating to get the most out of infrastructure	Consumers benefit from on-time departures and arrivals at regulated airports
	Regulating to get the most out of infrastructure	New airport capacity will be delivered on time and in a way that minimises disruption and provides value-for-money to the consumer
	Regulating to get the most out of infrastructure	Airports and providers of on-airport services (e.g. for parking or air traffic services) compete fairly and effectively, resulting in satisfaction and value-for-money for the consumer
Environment	Helping us reach the right decisions	The CAA makes balanced regulatory decisions on airspace and other areas of responsibility based on environmental evidence alongside other priorities, in accordance with Government policy
	Generating new data for decision-makers	The CAA develops up-to-date research and evidence to inform relevant stakeholders and the CAA's own regulatory activities
		The CAA engages the aviation community effectively to assess and share information about how they are working to reduce environmental impacts

Service excellence

Some of the people we deal with have chosen us as partners, others have no choice. But it should not make a difference. We plan to be so easy to deal with that companies will choose us as regulator or service provider and businesses and regulators around the world will choose to work with us, even though they do not have to.

The CAA aims to be easy to transact with, with more and more services delivered online. Building on the successes so far of our Shared Service Centre, we aim to consolidate a culture of service excellence. Even where we take action to compel regulated companies to do what is needed under the law, we will aim to be straightforward and easy to deal with.

Our strategic areas (safety, security, the environment and choice, value and fair treatment) are driven by a number of key strategies and a common set of outcomes, aligning with our vision and purpose. Further information on these strategies can be found in the Supplementary Key Strategies document.

Service excellence

We provide a high quality service to our stakeholders, particularly where they have multiple transactional dealings with us.

Strategic area	Key strategy	Strategic outcomes (Examples)
Safety	Implement performance-based regulation	Performance-based regulation, through standardisation of processes and tools and the development of key management information delivers efficiency and productivity benefits
	International regulatory relationships	CAA is agile and flexible, and is evolving to remain a fully capable National Aviation Authority within the European Aviation Safety Authority (EASA) system
Security	Providing regulatory expertise	Entities are clear about the aviation security requirements and receive robust, evidence-based judgements in response to their requests for alleviations and derogations
Choice, value and fair treatment	Modernising holiday protection	Moving licence and permit applications online provides us with better information which allows market mechanisms to work more efficiently to the benefit of consumers

Technological innovation

The CAA's vision is that passengers and the public benefit from a world-class aviation sector. Effective regulation helps to keep the aviation sector at the global cutting-edge. We therefore plan to support the aviation community industry in adjusting to the growing challenges of modern aviation from new business models or from new technology.

We want to ensure that we do not act as a barrier to technological developments which have the potential to deliver significant benefits, including strengthening the already high standards of safety that consumers and the public expect.

Innovation in technology has been a hallmark of aviation; engineering advances mean that each generation of aircraft has been cleaner, quieter, safer and more comfortable than the last. Consumers have also benefited from advances in information technology that allow them to compare and purchase services at the click of a mouse.

These changes have benefited the consumer and, where we can have an influence, we plan to regulate in such a way that we do not impede technological change unless justified. Where possible, we will seek to ensure that our regulatory focus is on outcomes rather than on inputs, freeing up those we regulate to innovate.

In supporting innovation, as in other areas of our work, we will apply our risk principles and only involve ourselves to the extent that it is within our remit or influence. We will also give much greater weight to safety and security outcomes than to others, such as consumer choice and value, reflecting our duties and the fundamental importance of these areas to our stakeholders.

We also have an ambition to support and facilitate Government's innovation strategies and initiatives in areas beyond aviation where we can make a beneficial contribution (for example, around our work to change the way that radar works to free up radio spectrum for other uses).

Our strategic areas (safety, security, the environment and choice, value and fair treatment) are driven by a number of key strategies and a common set of outcomes, aligning with our vision and purpose. Further information on these strategies can be found in the Supplementary Key Strategies document.

Technological innovation

We facilitate technological developments that deliver benefits to the consumer.

Strategic area	Key strategy	Strategic outcomes (Examples)
Safety	Keeping pace with change	The CAA proactively develops regulatory frameworks to enable government and other innovation strategies

Our change programme

This plan is primarily aimed at making aviation work better, both now and in the future.

To do this, we require the resources in place to deliver our programmes and to meet the evolving expectations that our stakeholders place on us as a sector regulator.

Like those that we regulate, we must constantly evolve in the face of the external environment and the changing focus of our work. Here we set out the main strategies for internal change and the outcomes that we want to achieve over the next five years.

Equipping our colleagues to deliver

Our reputation as a world-class aviation regulator has been made by our people and the future will be no different.

People are central to what we do. What we do is designed to benefit our stakeholders by making aviation better and we need the right people to deliver this purpose.

To deliver this Strategic Plan, we require colleagues who know what they need to do and are equipped with the right skills and attitudes.

We will not always have these skills in-house and we will seek to recruit from outside where necessary to secure those skills and create new perspectives. We will continue to be an organisation that invests in our colleagues. This means through recruitment, training and structured career development opportunities.

All colleagues are expected to demonstrate our values and behaviours and contribute to the delivery of this plan.

Change objective	Change outcomes
We are a good employer, our people make a difference	<ul style="list-style-type: none">We fully understand the capability of our peopleWe can accurately forecast the people we needOur people consider the CAA a good place to workOur people are motivated and clear about what they need to doOur culture fully supports the delivery of our work

Better application of information and intelligence

The management of risk starts with a proper understanding of the issues and what matters. Starting in 2016, we are committing to an annual survey of consumer attitudes so that we are better able to track what consumers and the public want and their level of satisfaction with the sector. This will bring us in line with other regulators.

Our work to establish performance-based regulation in the areas of safety, security and the enforcement of consumer rights has led us to invest in better information and processes for refining intelligence from the data we gather. Furthermore, the challenge of using information to empower consumers requires us to be better skilled at communicating information and understanding how it is used.

We recognise that there is further potential in joining up these different strands of information to provide a more comprehensive view. We are committed to strengthening our capability in these areas further: through steps to facilitate joint-working in these areas and investment in skills, processes and information technology. We will also take steps to improve our decision-making, by building on the progress already made to move from reliance on single expert decision-making to collective judgement based on a rich portfolio of data.

Change objective	Change outcomes
We are professional and creative with our information	We achieve consistently high levels of data quality. We have easy access to the data we require Our skills and tools support the effective collection, analysis and communication of information Our processes help us to get value from data

Funding the future

Everything we do must be paid for, and we are acutely conscious of the financial burden we place on others.

As a public corporation set up by Parliament, we derive the majority of our funding from those we regulate, from our commercial contractual activities with other parties and from Government paying for activities we undertake on its behalf.

We strive to minimise this burden where possible and we have a good story to tell in this regard; the CAA's operating budget has reduced in real terms by 35% from 2005 to 2015. Looking ahead over the first few years of this plan, we intend to keep the overall level of fees and charges flat in real terms, except on areas of increased activity such as the

airspace change process and designing the economic regulation regime for any new runway capacity.

Nevertheless, we are seeing some real pressure on the structure of these charges. Our funding model has remained fundamentally unchanged for more than 30 years. As the risks to consumers, the public and indeed the regulated companies themselves become more international, we recognise that our funding model may have to change in the future to reflect this different reality.

Change objective	Change outcomes
We are careful in raising and spending our stakeholders' money	Our funding model is fair, transparent and sustainable and effectively supports the achievement of our outcomes We provide good value for money

Influencing internationally

So much of aviation is international and many of the outcomes that we have targeted are dependent on us working effectively with our partners overseas.

We plan to improve the way that we deliver our international work and partner with others through the creation of a new International Directorate. The Directorate will seamlessly bring together our commercial consultancy arm, CAA International (CAAi), with our key international regulatory policy teams in order that we are better placed to enhance worldwide aviation standards, doing our bit to improve aviation overseas.

Much of the work we do to protect UK stakeholders overseas is done on a commercial basis through CAAi and we plan to continue to support this part of the business in order to drive benefits consistent with this plan. Over the last five years, we have used the profits from our commercial activities to subsidise our fees and charges. We are committed to the gradual phasing out of this cross-subsidy over the coming years so that any profit can be retained by our commercial arm for reinvestment, buffering risk and making targeted interventions aimed at benefiting the UK consumer flying overseas. This change is consistent with the general principles that regulation should be cost-reflective and that commercial risk from operations should not be carried by our regulatory charge-payers.

Change objective	Change outcomes
We are relevant and have a positive impact beyond the UK	We are effective in influencing international rule-making and safety strategies We are effective in working with our international partners on issues of mutual concern Our commercial products and services have a significant and

Change objective	Change outcomes
	<p>beneficial impact for our stakeholders</p> <p>Our commercial work does not conflict with our regulatory duties and functions</p>

Delivering service excellence

Service excellence means being a more responsive, stakeholder-focused organisation; it is a priority area for this plan and for all our people.

Part of this means ensuring that we are efficient to transact and engage with. We have already taken some large steps in this direction, with the growth of the Shared Service Centre which has streamlined repeat services such as pilot licensing, leading to shorter and more consistent turnaround times and higher satisfaction rates, all with lower processing time and cost. We are committed to further expansion of these services, as well as to the merger of our competition, economic regulation and consumer protection teams to deliver efficiencies in overheads. Allied to this, we will also make it easier for stakeholders to access information and services online and give us direct feedback on how we can improve our services. We will be prepared to take difficult decisions where they are justified, even where they are unpopular.

We will continue to invest in modernising our information technology (IT) and processes to deliver service excellence and improve our internal efficiency and effectiveness. There are a number of strands to our IT and process transformation programme including the introduction of proper client relationship management systems, enhancement to our website and improved information management systems.

We have introduced service excellence as a core competency for our staff, reflecting our desire to ensure that this mindset is applied to all parts of the business, so that everyone inside or outside the organisation can be treated to great service.

Change objective	Change outcomes
We deliver a great service to all our users	<p>Our processes are simple and easy to use and queries are rare</p> <p>Our stakeholders need to submit their data once only</p> <p>Our progress is transparent to users and to us</p> <p>Our services and products are easy to engage with</p> <p>Our service standards and metrics are clear and drive consistency and improvement</p>

Enhancing communication and engagement

All parts of our plan require us to communicate effectively with our stakeholders: we are taking steps to do this better.

Our stakeholders are many and varied and each one requires us to tailor our communications to their needs and expectations. Stakeholders also tell us that they want us to be more accessible and responsive to their needs.

We recognise that communication through digital platforms is a key part of the solution. We have now launched our new improved website alongside this plan and we are committed to further investment in this and other communication platforms to deliver information in ways that meet stakeholders' expectations. We will ensure they have a greater degree of control in the way information is delivered, and the ability to transact efficiently with the CAA where they choose.

Change objective	Change outcomes
We communicate and engage effectively with all our stakeholders	<ul style="list-style-type: none">We are clear and consistent in our communicationsWe understand our different stakeholders and communicate in ways which suit themWe use communications creatively as a tool to influence outcomesWe engage, listen and learn from our stakeholders, consulting them when appropriateWe are clear about how stakeholders can give us their views, and how we will treat their feedback