

Office of the Chair

Rt Hon Grant Shapps MP
 Secretary of State for Transport
 Department of Transport
 5/13, Great Minister House
 33 Horseferry Road
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By email: DFT.Ministers@dft.gov.uk

Copy: Robert Courts MP, Minister for Aviation

13 December 2021

Dear Secretary of State

Update on priorities for the CAA

I wanted to provide a year-end update on the CAA's progress with the priorities you set in December 2020. Whilst this update focuses on those specific priorities, they clearly do not capture the totality of the CAA's responsibilities or outputs: as you are well aware, we have concurrently been highly active in performing our statutory duties across the broad spectrum of our responsibilities, whilst defining and building the CAA we need for the future.

In June, we published a new CAA Strategy, setting out our mission to improve aviation and aerospace for consumers and the public - a mission we continue to deliver in an ever-changing environment. Your priorities were integrated into that Strategy, to ensure that there was a single coherent source for our objectives. A detailed assessment of achievement against your priorities are included in the Annex to this letter.

Looking across the totality of the CAA's remit, I believe that we have played our part to the full throughout 2021 in supporting industry towards a safe recovery from Covid; in enabling consumers to travel with greater confidence in a constantly evolving situation; in keeping vital air cargo flowing into the UK; and in supporting through rapid certification the introduction of new technology, such as drones to provide PPE and urgent medical supplies. Continuing to work closely with industry to support a safe and secure ramp-up, or adaptation of activities in response to changing travel restrictions, will remain our top priority as we move into 2022.

Concurrently, we have continued to be highly active in managing our transition out of the European aviation safety system, and introducing the Aviation Legislation Policy & Strategy process, to coordinate with your team how we can best grasp opportunities afforded by leaving the EU. Next year will be especially busy and important in this respect: we estimate that upwards of 500 organisations and between 5000-10,000 individuals will require new UK certificates to be approved and issued by the CAA before the end of December 2022, when the statutory provisions on our recognition of EASA documents expires. We are already adjusting our

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operational capacity to prepare for this increase in volume but are acutely aware of the size of this challenge for the sector and the CAA, especially against the backdrop of many applicants requiring (and needing to pay for) two licences in future. Simultaneously, we remain focussed on our crucial work to continue to improve our professional services delivery, enhance our users' experience, and deliver to our published service levels. This year we have enhanced our Shared Service Centre introducing surge capability to meet urgent operational requirements and support industry's recovery 2022 will see a further focus on digitisation of services for users.

We continue to work with your Department to identify and take opportunities from leaving the European aviation system, noting that some will require primary legislation to effect. This is equally the case for fundamental reform in key policy areas, particularly in the area of consumer enforcement tools, where we are grateful for Ministers' continuing support in bringing our powers into line with other sector regulators, who are able to act more swiftly. More broadly, we are also building further upon our already strong international reputation and, following the successful ICAO security audit this year, are now preparing for the expected ICAO safety audit in 2022, as well as the ICAO Assembly. Whilst this will require a lot of our capacity in dealing with the significant preparatory activity, it should provide a timely and important validation of our capabilities.

Sustainable aviation and Net Zero, innovation, new technologies and Space have, rightly, taken ever greater prominence in our work, and will increasingly require us to respond at pace, whilst continuing to assure the highest safety standards. Added to this is our continuing investment in grass roots aviation to make the UK the best place for general aviation. The CAA Board is acutely conscious that we will need to rigorously prioritise and avoid being distracted or knocked off course in the pursuit of delivering all these important outcomes.

It will also require a sharp focus on ensuring that we have the people resources to deliver our ambitions. Whilst our workforce was more stable than normal from March 2020 until mid-2021, we are now seeing growing movement, as opportunities have opened in the wider economy and greater competition emerges for the valuable skills and experience of our people. This is especially relevant in relation to the two-year pay freeze in the CAA, the temporary, voluntary pay cuts taken at the start of the pandemic, and the application of public pay policies to our organisation, that recruits mainly from the private sector.

That the CAA has continued to deliver its outputs, and more, throughout the pandemic has in large measure been down to the Government's financial support. Predicting the rate at which we will be able to reduce that dependency is uncertain, but confirmation in the Comprehensive Spending Review that financial support will continue in some form over the settlement period gives us welcome stability. We are, however, conscious that our 'ambition' bids in the CSR did not receive funding. These included bids related to investing in net zero technologies and modernising our licensing services with more digital platforms. Whilst this constraint will not reduce our ambitions, it may affect the pace at which they can be progressed and delivered. I welcome the productive discussions we are having with the Department in addressing this issue.

Finally, I would like to place on record how proud I and the CAA Board are of the exemplary manner in which colleagues in the CAA have responded to the extraordinary challenges of the last year. We are never complacent though, and we remain steadfastly committed not only to meeting our core responsibility to maintain the highest standards of safety, security and consumer protection, but also to being relentless in seeking improvements in our performance. We have not done this alone, so I would also like to offer my sincere thanks and appreciation for the way in which the Department has supported us throughout 2021, and as we prepare for a very busy 2022.

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Yours sincerely

A handwritten signature in black ink, appearing to read 'S Hillier', with a horizontal line underneath.

Sir Stephen Hillier, GCB CBE DFC
CHAIR