



Department
for Transport



Civil Air Ensign



Maritime Ensign

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From the Parliamentary
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20 April 2022

Dear Stephen,

Priorities for the CAA

Thank you for your thorough report of 13 December 2021 on the CAA's work towards the priorities set out by the Secretary of State for Transport on 1 December 2020 for the CAA in carrying out its statutory objectives. I welcome your confirmation that these priorities have been built into the CAA Strategy that you published in June 2021.

We have reviewed these priorities in light of recent events and our own July 2021 Outcome Delivery Plan. The CAA has important roles in all of the plan's priority outcomes, which are: improving connectivity across the UK; building confidence in the transport network; and tackling climate change and improving air quality by decarbonising transport. I can confirm that the Secretary of State's priorities for the CAA in 2022-23 remain as in 2020 with the addition of the safety and security of the space sector, which from July 2021 has been a CAA regulatory responsibility; and dividing innovation and decarbonisation into separate priorities, as set out below:

- **Supporting the recovery and growth of the aviation industry** – as it recovers from the impacts of the pandemic.
- **Becoming a credible, trusted and globally influential future regulator after Brexit** – ensuring the capacity and capability to deliver its regulatory responsibilities.
- **Skills** – supporting efforts to build a highly-skilled and diverse aviation workforce.
- **Supporting innovation** – to ensure safe deployment of new aviation technology.
- **Supporting aviation decarbonisation** – to help meet our Jet Zero ambitions.
- **Modernising airspace and promoting Global Navigation Satellite System (GNSS) approaches** – supporting delivery of the Airspace Modernisation Strategy.
- **The safety and security of the space sector** – building on the foundations already made to establish the CAA as the new spaceflight regulator.
- **Making the UK the best place in the world for aviation at all levels** - ensuring vibrant aviation grass roots that support wider aviation and attract the next generation of aviation professionals.
- **Identifying ways of improving the CAA's sustainability and resilience** – to ensure you have the people, processes and resources to deliver effectively.

I note four areas where your work may have a particularly high profile this year: participating in the government's reaction to Russia's invasion of Ukraine through airspace restrictions, supporting enforcement, and engaging the aviation sector; enabling a safe and successful first space launch from the UK; maintaining an effective process in enabling users' interests through the economic regulation of Heathrow in the context of the pandemic; and fulfilling your role at the expected start of inquests into the 11 deaths that occurred on the A27 during the 2015 Shoreham Air show, and any lessons the inquest draws out.

Turning to your report on 2021 I would like to pick up on the following:

Supporting the recovery and growth of the aviation industry is an important domestic and international government priority for scheduled, business and private flying. We have worked to make vaccine certificates more widely accepted across many countries, and with other states to ease restrictions where it is safe to do so. The CAA has worked hard to support this at home and internationally, such as partnering with the ICAO Global Air Training team to develop an aviation recovery course for national aviation authorities in response to COVID-19. You emphasise the need for recovery to be safe and secure and I agree that those principles must be at the core of all you do. You mention moving to a remote oversight model during lockdown periods where appropriate while maintaining a sharp focus on safety. I would ask you to consider what scope there is for some remote oversight to become a more permanent part of your regulatory approach, where it can reduce burdens and increase flexibilities without an having an adverse impact on safety standards.

Thank you for your engagement with air carriers on meeting their obligations with health measures which has been crucial as we reopened international travel and removed restrictions. We want to keep working closely with the CAA as we look to develop an international framework for bio-security with other countries and through ICAO.

As we move through aviation recovery it will be timely to place an increased emphasis on supporting sustainable and consumer focussed growth. I know that you report annually on the duty to have regard to growth in exercising your regulatory functions, and you will be taking forward your new function on reporting on the environmental performance of the UK aviation sector. I look forward to reading both these reports in the future, and working with the CAA to enhance the enforcement functions for your consumer powers.

In terms of **becoming a credible, trusted and globally influential future regulator after Brexit**, I look forward to your continuing work individually and collectively with key partner National Aviation Authorities in areas of shared interest. I note the positive outcome of the recent ICAO security audit, and the importance of following it at the end of this year with a strong outcome from the ICAO safety audit, showcasing the UK and CAA's continuing excellence in aviation regulation.

You have an important role to play in **supporting innovation** and developing new regulations enabling new and emerging flight through your Innovation Hub and its sandbox, and supporting the Government as it seeks to develop and implement new legislation where this is necessary to enable new products and services to flourish. This will help the UK to capture the benefits of new aircraft types, create new ways to travel and increase domestic connectivity across the UK.

On **decarbonisation**, I look forward to the publication of your Environmental Sustainability Strategy, and welcome the establishment of your Environmental Sustainability Panel this year. I look forward to CAA successfully taking on its new role as a trusted provider of

advice, information and best practice guidance on aviation noise following the closure of ICCAN, as this will be a key component of our approach to aviation noise. I also look forward to your continued involvement in supporting the Government's Jet Zero initiative and your proposals to promote provision of consistent environmental information for fliers.

How we will work with you to deliver these priorities

Across these priorities, our two organisations will need to continue to work collaboratively to achieve the government outcomes that have been assigned to the CAA by Parliament. You and your Board, particularly the Non-Executives, have an important role in making all of this happen including through rigorous prioritisation. We will continue to both identify excellent new Non-Executive Directors to your Board, and renew expiring appointments where doing so supports the balance between continuity and new thinking on your board. I look forward to meeting the Board and hope that we will have the opportunity to discuss the response to your Board Effectiveness Review.

In some cases the Department has a key role in enabling progress. This can be through securing new legislation – after appropriate consultation, where we consider this to be the best way forward and where the parliamentary timetable allows – or by providing financial support. I am pleased that the Spending Review has enabled us to maintain and in some areas enhance the resources we can provide for the CAA for activities beyond core aviation and airspace regulation, and, where vital income is lost as the sector recovers from COVID-19, continue temporary support for core regulatory activities. We look to the CAA to move back to, and possibly extend, full cost recovery under the user pays principle for its aviation regulation activities as soon as possible. I also recognise the challenges that the pay pause has meant for the recruitment and retention of your staff. However, I am confident that the resources we are now providing, alongside the changes you are making to your schemes of charges after consulting both the aviation sector and myself, will allow you to make progress across all these important areas and explore new opportunities.

Thank you for your kind words about the way in which we have supported the CAA throughout 2021. In sponsoring the CAA, we value trust, transparency, and the flow of relevant information. On trust I believe we have a good rhythm of regular meetings between yourself and your senior team and myself, the Permanent Secretaries, Director General and Aviation Director.

On transparency, I look forward to the creation of the new Independent Review Panel to consider complaints by individuals about the processes that the CAA uses to take regulatory decisions, once they have been through your own internal procedures. I also welcome the CAA making available to us a regular dashboard report of key management information. We will complete the updating and publication of a Framework Document setting out the relationship between our organisations for all to see, and will consider the relevance to the CAA of the government's suite of functional management standards and of the new Arm's Length Body Sponsorship Code of Good Practice.

As we have discussed recently, the CAA will feature in the Cabinet Office's Public Bodies Review Programme for 2022. We look forward to working with you on that review throughout the year. It will focus on efficiency, efficacy, accountability and governance, to the benefit of scheduled, business and private flying. You are also working with our CAA Sponsorship Team on quick wins for an improved governance relationship, to be implemented while the Public Bodies Review is in progress.

We intend in future to write annually to you at or near the start of the financial year, setting out our priorities for the Chair and the Board. As noted above, we welcome your end of year report and the progress made, and look forward to receiving similar reports in future.

Yours sincerely,

A handwritten signature in blue ink that reads "Robert Courts". The signature is written in a cursive, flowing style.

ROBERT COURTS MP

MINISTER FOR AVIATION, MARITIME AND SECURITY