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**Speech by Sir Stephen Hillier,
Chair, UK Civil Aviation Authority**



RAeS Brabazon Lecture

Check against delivery

Good evening everyone. President, thank you very much indeed for those kind words of welcome and introduction. It's a pleasure to be speaking again to the Royal Aeronautical Society. I find it hard to believe that nearly two years have passed since I last spoke at Hamilton Place; I would have found it even harder to believe then that when I next addressed the Society it would be as Chair of the Civil Aviation Authority; that I would be doing so whilst sitting at home; and that, most significant of all, it would be from the midst of the biggest crisis ever to strike the global aerospace enterprise.

More about the crisis later. But thank you Society for inviting me to deliver the annual Brabazon Lecture this evening. Lord Brabazon – John Moore-Brabazon - a towering figure in the early history of aviation in the United Kingdom. The first person to pilot a heavier-than-air machine in the United Kingdom: the holder of Royal Aero Club Pilot Licence serial number one, granted over 110 years ago. A pilot in the Royal Flying Corps from 1914 to 1918, earning the Military Cross for his gallantry; and one of the founding members of the Royal Air Force on April the first, 1918.

A Minister of Transport and then the Minister of Aircraft Production during a critical period of the Second World War. The post-War Chair of the Air Registration Board, the predecessor to the Civil Aviation Authority, and someone therefore who is an important part of the heritage of the organisation that I now have the privilege of helping lead. But since my Private Pilot's Licence number stretches to five digits rather than just one, I don't intend to pull on these personal threads of historical continuity too much!

I took over as Chair of the CAA on the first of August. I would like to thank publicly my predecessor, Dame Deirdre Hutton, for her 11 years of great leadership at the CAA, and for the strong legacy which I've been able to inherit. With just over 100 days elapsed since I became Chair, this Lecture has been a perfectly timed opportunity for me to reflect on the principles, values and personal priorities that are shaping my approach – that's the first section. Then in the second section I'll consider 'What Next for the CAA?' – in other words, defining the CAA we need for the future. It should all take me about 35 minutes, after which I very much look forward to the discussion.

First then, my personal motivations. You've already seen my biography, but let me underline something very important to me in the context of the Civil Aviation Authority. I

was a pilot in the Royal Air Force for a long time, but my very first flying qualification was in General Aviation and through the Private Pilot's Licence issued to me by the CAA when I was 17. Receiving that PPL from the CAA was one of the most memorable and decisive moments in my life - it was the foundation of my flying career. So, when someone pointed out to me about 14 months ago that a competition had started for the next Chair of the CAA, I liked the idea that I might now be able to give something back to an organisation which had had such a big impact on me; as well as the chance to remain at the heart of aerospace.

Now I'm frequently asked at the moment, 'but if only you'd known about Covid and its impact on aerospace, would you still have been interested?' To which my answer is simple: 'yes, and perhaps even more so'. Because I believe passionately in aerospace; I believe that the CAA has a vital role in enabling aerospace success; I, like everyone in the CAA, believe in service for the public good; and if I can contribute in some way to leading aerospace and the CAA through the greatest challenges ever faced, then frankly, 'I'm in'.

There are three headline principles that shape my thinking: independence, leadership, and inclusivity. Independence: the ability for us to analyse and make decisions impartially is the essence of our being; the foundation of our ability to retain the respect, trust and confidence of those that we regulate, and of all our stakeholders. We will always closely guard that independence. But independence does not mean isolation or remoteness. We must be - we are - constantly engaged, listening, learning, explaining; humble enough to admit that we're not always right; always willing to adapt and change.

Leadership: I strongly believe that the CAA has a vital leadership role in aerospace. I don't mean leadership in the sense that we somehow try to set the vision and run the enterprise: that would not be possible, sensible, or indeed within our remit. But I do mean leadership in the sense that we must be an exemplar of values, and that we will lead the 'just culture' by exemplifying the principles ourselves; leadership in the essential role that we play in creating the conditions and environment to help enable others' successes; leadership which leverages our convening powers to improve coherence and coalesce thinking around key issues; leadership which is about 'doing the right thing', not simply trying to find an answer which makes everyone happy, or brokering the only one that everyone can agree upon.

And finally leadership which does not rest heavily on our status as an 'authority'. Yes, we have that if we need it, but we deploy it sparingly. All of my experience, in aerospace and more widely, is that success is best achieved not by constantly and heavy-handedly telling people what to do, or by ever more regulation, but by creating the environment where people are themselves motivated to do the right thing.

Inclusivity: and I mean in the broadest sense of the word. We must be a 'CAA for All': equally for every part and person of the aerospace enterprise; and for all the consumers

that we serve. Easy to say, but how do we balance our efforts; prioritise; ensure that our decisions are not biased, or perceived to be biased, towards one set of stakeholders over another? Typically at the moment, that might be a view that our decisions favour the interests of commercial flying over recreational flying; or of airlines over consumers. And I very much sense that this is a debate likely to intensify, with the requirements and priorities of new and growing sectors, most obviously remotely piloted air systems. There is no ready-made template here, no magic formula which will solve the problem to everyone's satisfaction. But I'm clear that the CAA has only one inherent bias, and that is towards the interests of consumers and the public. And that our focus is risk – likelihood and consequence; what is proportional; what is the law and within the powers given to us.

In this, and across the board, inclusion means that we must engage and communicate as widely and as well as we can across the enormous breadth of our activities – we engage not because we have to, but because we want to. It means that we consider all perspectives equally, make decisions which are transparent, reasonable, based on evidence to the greatest extent possible, and that we explain when judgements have had to be made. Our decisions cannot be done simply by 'majority voting', and I'm acutely aware that our decisions won't make everyone happy; but then I worked in the Centre of the Ministry of Defence for well over a decade in total, so I have useful experience of that!

And inclusion means diversity and access: as an enterprise, we must be better at reflecting our society and our consumers, with everyone equally valued, respected and given opportunity. Which is at heart of the CAA Values recently agreed by the Board and which we're now rolling out. I mention them not only because they describe what we expect from each other within the CAA, and the important part they play in building our 'One CAA' mindset. But because they also summarise what stakeholders and consumers can expect when they deal with us. We will have Respect for Everyone; Do the Right Thing; Build Collaborative Relationships; and Never Stop Learning. Success is not just about what we do, but how we do it.

Needless to say, we believe that 'respect for all' applies equally to our expectations of how people will deal with our people in return. I understand that regulators may not always be popular, but I am very clear that disagreements do not justify unacceptable behaviour towards our staff, doing their very best to perform a vital public service role.

Let me now turn to my personal priorities. One, continue to be respected as a world-class regulator, with the safety and interests of consumers at our core, enjoying the trust and confidence of all stakeholders. Two, ensure we have the capability, agility and flexibility to respond and, where appropriate, lead in the many challenges and rapid change that we are experiencing in aerospace. Three, ensure that we continue to have excellent people, with the capabilities, expertise and experience to meet our current and future tasks, supported by the right leadership, organisation and culture.

In delivering against these personal priorities, I hope that I bring useful knowledge and experience to my new role, but I know that I also need to take every opportunity to develop my knowledge and understanding: of how the CAA works; how the sector works; and of areas previously relatively unfamiliar to me, such as economic regulation and consumer rights. I'm very grateful to all those who are giving so generously of their time to help me in that process.

These three priorities are not in order – they all have to be met for us to succeed. But none of them will happen without us getting the people priority right. The expertise and experience of our people is the only important asset which the CAA owns: without that intellectual capital, we are nothing. I've already been immensely impressed with our people's capabilities, commitment and dedication, in the day job and through the extraordinary flexibility and agility which they have shown in responding successfully and rapidly to crises, not least Covid. Speaking personally, and I know on behalf of my CAA Board colleagues, I want to take the opportunity in this important forum to thank every single person in the CAA for their excellent work; and to register my complete confidence that they will continue rising to the many challenges ahead.

To round off this first section of my talk, I want to complete the picture by setting out three closely connected general principles which guide my personal approach to being a regulator. First, I believe that the primary responsibility for delivering aviation safety does not rest with the CAA. Clearly the CAA has its vital, statutory role, accountable to Parliament for setting the framework; for being a national repository of knowledge and expertise; for sharing lessons and encouraging best practice; for working with other regulatory bodies, nationally and internationally; and for providing assurance that the highest safety standards are being met. But the primary responsibility for safety must lie with those conducting the activity – we enable, others deliver.

Second, and closely related, is that I firmly believe in delegation: if those conducting the activity are primarily responsible for safety, then it will only feel that way in practice if responsibilities are delegated as much as practicable to those organisations and people who are closest to the activity. That does not mean delegation come what may: delegation has to be responsibly carried out; has to be earned on the basis of evidence; indeed, has to be wanted; and it still has to be independently supervised and assured, proportionally.

Third, whilst the CAA is the authority – it's in the name – as I touched on when I spoke about leadership earlier, I'm clear that 'authority' needs to be deployed sparingly and does not set the tone of how we routinely conduct ourselves or our business. Regulation is necessary – in most cases it's founded on a collective store of knowledge and hard-won experience across decades of aviation activity. But that doesn't mean that more regulation will always equal more safety: we should only regulate where necessary and appropriate.

So our approach will therefore continue to focus strongly on performance-based regulation and oversight; our role will be proportionate to the activity and the risk involved; and it will recognise that we can only be truly effective if we have the trust, confidence and support of those that we regulate.

In that respect, the statement that I've heard perhaps most often from those that we regulate over the last few months is 'we need to look at regulation', with a particular slant at the moment on Covid recovery. To which my response is consistent: 'I agree. But please tell me which particular part of regulation you have in mind.' Now I'm not saying that we only react to requests – we are deep into red-tape challenges for a whole range of reasons – but we also need you to help us identify areas where you think there could and should be more flexibility. And I point to our track record of flexibility and responsiveness during Covid as an example: we've been exceptionally busy throughout, dealing with exemptions, extensions, rapid airspace change requests, and many other things besides.

With that, let me now turn to the second section of my talk, and start defining the CAA of the future. That has to start with a further conversation about Covid, the greatest disruption to aerospace in its history. I do not need to rehearse with this audience especially the details of the current crisis that we face across almost the entire enterprise, from commercial passenger-carrying to general aviation; from the aerospace industry to airports; from the highly skilled and experienced people we are losing, to the impact across communities and the economy, regionally and nationally. The impact now is profound, and there are equally profound consequences that we will be dealing with for many years to come, once the immediate effects of the pandemic have passed.

As we look to recovery, we need to ask ourselves: who and what remains; how solid are the foundations which we seek to re-build upon; and in what form and ways do we wish to re-build? There are innumerable aspects to these challenges, so if I don't mention them all, then that simply reflects the time available, not because those other areas are insignificant.

There's first the impact on consumers, for without having their trust and confidence, then we are not building back at all, never mind better. Consumers expect that, pandemic or not, makes no difference to our successful management of safety, security and public health risks – and they're right. We also have to be alert to, and mitigate, the potential safety risks which are inherent in our current situation: there has been drastic shrinkage, with the loss of many skilled and experienced individuals; for those that remain, their recency is a key concern; as is their sense of well-being, and the effect that might have on their professional capabilities.

I'm not saying therefore that safety will be compromised, but I am saying that full awareness of the potential risks during recovery is the critical first step in the mitigation

process. I've been reassured by the priority which accountable managers, supported by their Boards, have placed on safety throughout the current crisis; and I also call-out again my team in the CAA for the vital and exceptional work that they've been doing in this area during the crisis. The challenge is not over though, and I think it fair to say that the risks during recovery will be greater than those during the rapid down-sizing: we need to be ahead of this potential trend and calibrate carefully the pace of recovery, as industry accelerates to satisfy the pent-up demand for air travel.

We also need to reassure consumers in relation to public health considerations: not primarily a CAA responsibility, but by whatever means, we need to have a reliable and internationally recognised means of enabling freer movement of passengers. And we need to reassure consumers in relation to their consumer rights. We have proved beyond doubt that the consumer protections which were in place at the start of the pandemic – particularly relating to refunds - were neither designed nor adequate to deal with the current situation. It has been a long and painful journey for far too many. Difficult though that has been in itself, what consumers will rightly tolerate even less is future repetition – the lesson has been plainly shown, we need to ensure it is learnt.

From a CAA perspective, I can assure you that we have expended an enormous amount of effort – within the powers that we have - in helping ensure that consumers get the refunds to which they are fully entitled. It won't feel this way to many, but I believe we've been the most active regulator in Europe in this respect. Even so, our current powers, in particular their ability to deliver timely resolution, have not been adequate. Giving us greater powers to act is essential for consumers, and I'm pleased that our position is supported by Government. It's also very important for the CAA – I am concerned that our effectiveness in relation to securing timely refunds could be seen as an indicator of our effectiveness across the breadth of our responsibilities, and that's a problem for any body which has retaining the trust and confidence of consumers at its core.

Let me turn now to the rest of 'what next for the CAA?' I should emphasise from the start that the most important consideration in 'what next' is ensuring that we keep an absolute focus on providing the leadership necessary to 'keep the show on the road' day-to-day – we will always prioritise our everyday duties in safety, security and consumer protection. And the capacity we are using to define our future is not diminishing our ability to respond to Covid – we know our priorities. We know that for airlines, airports, industry, across the sector, it's in many cases a close-in struggle for survival – we are incredibly active in providing whatever support we can, and we are constantly considering whether there is more that we could do, including working with Government on the Aviation Recovery Plan.

But we know that there are many other long-term aerospace issues that we must get to grips with, so we also have a need to lift our eyes and look towards the horizon – to

understand what those future challenges will be; to understand the CAA's role in dealing with them; to ensure that the CAA has the capabilities, and the resources, to discharge its future responsibilities. Appropriately enough, our work is called Project Horizon.

What then are the key considerations feeding into the Horizon work? Needless to say, preparations for the post-COVID world, the threats and the opportunities, and the vital role which the CAA must play. One of the many notable aspects of that will be ensuring that we don't just think about the lessons learnt for this current, and possible future, pandemics. We need also to capture what the crisis has taught us about our resilience in the round: we need to have more robust defences in place.

Then there's the CAA's role in properly getting to grips with the greatest long-term threat to the resilience and viability of aerospace: de-carbonisation and achieving Net Zero. I welcome the way in which Government has been setting out its ambitions in this respect. It would clearly be unrealistic and inappropriate for the CAA to be at the centre of every one of the innumerable aspects of the challenge. But I do say that the CAA needs to take a greater, sometimes leading, role in those areas where it is appropriate, qualified and empowered to do so.

Airspace modernisation - a key component of reducing greenhouse emissions, and in tackling other environmental impacts such as noise. But it is much else besides: in line with the thinking behind the Airspace Change Organising Group, it is vital that we think of airspace as a part of our critical national infrastructure; that our future national airspace laydown is the result of whole design, not just an aggregated series of local measures; one that, importantly, safely frees up as much airspace as possible for as many users as possible; and that we have the airspace which helps create the environment which best allows for the rapid expansion of remotely piloted air systems.

In relation to those systems in particular, it is obvious that as we build back from Covid, the balance of demand for airspace usage is going to be ever more driven by their requirements and the opportunities they offer. In all of this, I should emphasise that the CAA does not seek greater control, or to constrain or complicate airspace access, especially for recreational General Aviation. I know that safety and utility is enhanced by having the greatest volume of airspace available; and that it can be enabled further by ever greater employment of technology-based deconfliction, principally electronic conspicuity – where I'm delighted that our recently launched rebate scheme for EC devices has already had considerable uptake, with immediate safety benefits which I hope will quickly grow incrementally.

Then, of course, there's withdrawal from the EU and EASA. The CAA has been doing significant preparatory work since 2016 to prepare for the whole range of possible outcomes, including no agreement. I'm not going to say that as a consequence the situation is risk-free, but I can assure you that we are extremely active in doing all that we can to mitigate those risks: we have recruited the additional people we need; we already have a strong body of expertise; and we've progressed to stress testing our new structures, to ensure that we're as ready as we can be. But despite all of this good preparation, you know as well as I do that risk and uncertainty inevitably remains. With that in mind, we have our contingency planning teams identified and on readiness, to ensure that we can respond quickly to any last minute challenges which arise in the last few weeks prior to the changeover point – ie over the Christmas and New Year period.

We all know that the transition point is far from the end of the story: more risks and issues will inevitably arise, which we will need to deal with. But we must also look towards the opportunities: we might be out of EASA, but we remain one of the world's leading aerospace nations, with the industry, international relationships and reputation to match. We recognised early on that in order to maximise stability for the aerospace sector, we would need to form new working agreements with regulators in the markets that our industry works with most closely – and that's exactly what we've been doing, and will keep doing. We might be leaving the EU and EASA, but nothing in that implies isolationism: we do not want to distance ourselves from Europe, or anywhere else.

That implies an ever-greater need for us to reinforce our current international relationships, and to build new ones – that work is well in hand. Whether you are a design, production or maintenance organisation, the agreements we have reached so far will hopefully give you the reassurance and stability you need to continue operating smoothly in the markets that are most important to you. But as an organisation committed to engagement, learning, and adapting, we continue actively to seek out contributions, advice, and insight, to help us ensure that we can discharge our remit and assist you, to the very best of our ability.

Whilst mitigating the risks, we should also look to the opportunities, and exploit the potentially greater freedoms we have in our decision-making. An example of how we're taking this forward is our General Aviation Challenge Framework, which has just gone out to consultation and which we plan to start actioning early in 2021. We're aiming to enable the sector to thrive in a post-EU transition context by exploring opportunities where we can, consistent with safety and our international obligations; simplify and rationalise regulation, removing red-tape and gold-plating; streamline and speed up processes; be more proportionate; delegate where practical and wanted; encourage innovation. Equally, we don't want to back-track on any recent changes and create unnecessary further disturbance; diverge internationally where it would be unproductive to do so; and we want to protect UK industry from any unintended risks or consequences.

This won't all happen overnight, so expectations need to be managed. And whilst these are the themes we're currently working through in relation to General Aviation, they're also a good representation of our wider approach: within the responsibilities and resources we have, we want to play our full part in not only maintaining, but growing the UK's status as a leading aerospace nation and the place to do business.

Through Horizon, we're also working through how the CAA can be more effective in protecting consumer interests. We have a good track record in many respects, exemplified not just by the CAA's outstanding response in the last couple of years to the collapse of Monarch and Thomas Cook airlines, but also by our world-leading performance in improving accessibility to air travel to all those who wish to fly. But I know that we tend to get judged by what doesn't go so well, and I know that consumer expectations are constantly rising. I welcome those rising expectations – I want us constantly to be striving to do better; I want us to be held to account by those that we serve; I want us constantly to be judged as world-leading.

Innovation and new technologies - the CAA already has a significant role here, ensuring that regulation both keeps pace and enables the exploitation of new technologies. More about this would be a lecture in itself, but self-evidently this has to be a key area of growth for our business and in creating the best environment in the UK for rapid development and fielding of new air systems, especially remotely piloted ones. We are also taking a growing role in promoting skills, STEM and diversity across aerospace. And we are preparing to take on UK Space regulation - subject to Parliamentary approval - helping to enable quickly the most favourable environment to grow the potential for greater commercial exploitation of Space from the UK.

These areas, and more besides, are what we have captured within Project Horizon, which will bring it all together into a coherent strategy. But defining the CAA of the future is not just about saying what we do, but also about how we do it. Key therefore to Project Horizon are People and Culture and greater Digitisation workstreams.

Importantly, Horizon will also plainly acknowledge the essential 'duality' of the CAA's role: how we will safeguard the integrity of our independent regulator role on the one hand, whilst on the other being a key enabler to the success of the aerospace enterprise that we regulate. I do not see an inherent conflict here: it's important that the roles are not separate, but they are separable within our organisation; and most organisations in some way have this sort of duality, and successfully compartmentalise.

Let me conclude. I'm not going to attempt a summary, not least as I know that there will be a number of other areas that you will wish to cover in questions – I simply haven't been able to address the breadth of the CAA's remit or every possible issue in the time available. But if nothing else, what I hope to have done is given you an insight into the motivations and priorities which are shaping how I'm personally approaching my new role as Chair of the CAA; and what we in the CAA have in mind as we seek to set our organisation for the future.

The Chair role is one that I feel immensely privileged to have been given the opportunity to fill. If I can in my time with the CAA advance further in some small way the powerful legacy left to UK aviation by Lord Brabazon, then there will be no one prouder than me.