AIR SAFETY SUPPORT INTERNATIONAL

Strategy 2025
and
Business Plan
2020/21-2022/23

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CHANGE HISTORY

Changes to this document will be achieved by a re-issue of the entire document rather than by the amendment of individual pages.

Issue No	Date	Description	Edited by
Issue 1	1 Nov 2019	Final version following ASSI Board input	MPB
Issue 2	25 Nov 2019	Updated P&L following change to av sec budget	MPB

CHAIRMAN'S STATEMENT

The aviation industry in 2019 has been marked by the ongoing aftermath of the tragic accidents involving Boeing 737 Max aircraft in late 2018 and early 2019.

The investigations into those accidents continue, and at this writing, the worldwide 737 Max fleet remains grounded. Comments on the specific causes of those accidents are not appropriate here, but the events remind us of truisms that apply across the spectrum of the aviation industry large and small.

Despite the outstanding improvements in air safety over many years, aviation is a terribly demanding activity, in which safety can never be taken for granted, and can only be achieved by unwavering dedication to the highest standards in design and manufacture, operation and oversight. Safe and efficient air transport demands the very best of everyone involved at all times. All areas of our industry require competent, focused people supported by very high quality and effective systems, and by effective, efficient independent oversight, and a willingness to embrace and actively use that oversight to reinforce safety standards. Air safety absolutely relies on the free flow of information, and an open environment where people can rely on a just culture, which recognises the accountability of individuals, while also acknowledging human fallibility and that circumstances can defeat even the most conscientious.

The aftermath of those tragic accidents highlights the scrutiny that such events generate, and that public confidence in manufacturers, operators and regulators is a fragile thing, hard to develop and easy to lose.

The ASSI business plan for the coming year continues in the direction established by the 2018 strategic refresh and is coherent with those truisms. We remain passionately committed to supporting safe and efficient aviation throughout the Overseas Territories (OTs). We believe

that absolutely depends on highly competent people, effective processes and systems, and a healthy, positively challenging and safety focused mindset for all involved.

Our strategic intent is to enhance aviation safety and security, and regulatory autonomy through effective safety leadership, building competence through training, mentoring and producing effective processes and documents.

This starts with the ASSI team, where our focus is on ensuring we have the resources, the competence and the processes to provide really effective regulatory support to the OTs. It flows through our regulatory philosophy, based on ICAO Annex 19, which is built on a risk-based and data reliant approach, which we recognise can be a challenging evolution from a more traditional compliance-based approach.

It will culminate in promoting contemporary best aviation practices by working with people across the OTs in an open, collaborative, mature and proactive way to deliver tangible improvements in risk management and safety and security outcomes.

We recognise that the relationship between industry and an effective regulator can be challenging. The evolution of a just culture and a truly risk-based, data driven operating environment is not easy. We look forward to working with our colleagues in the OTs and our UK-based stakeholders to continuously push forward aviation standards and safety performance.

Garrett Copeland
ASSI Board Chairman
November 2019

SECTION 1: ORGANISATION AND SCOPE

OUR PURPOSE

Air Safety Support International (ASSI) was established in 2003 under Directions from the UK's Department for Transport (DfT). We are a not-for-profit, wholly owned, subsidiary company of the UKCAA and our purpose is to promote aviation safety in the UK Overseas Territories through the development and upkeep of a cohesive system of safety and security civil aviation regulation. ASSI is funded, in part, by the DfT as well as through contributions from the Territories.

Our role is to ensure that the UK meets its international obligations regarding safety and security oversight of aviation in the Territories. Meeting these obligations is vital to protect people and their families. Demonstrating to the international community that the required safety and security standards are being upheld is vital to safeguard important airlinks which support the socioeconomic needs of the Territories by

OUR CORE FUNCTIONS

We meet our purpose through our four core functions:

Rulemaking

We maintain and update secondary legislation including the Air Navigation (Overseas Territories) Order (AN(OT)O) and produce the means of compliance with the order through the Overseas Territories Aviation Requirements (OTARs). We also produce supporting information such as the Overseas Territories Aviation Circulars (OTACs) which help the aviation industry understand what is required of it.

Assessment

Where Territories have their own civil aviation regulators we assess the Overseas Territories Aviation Authorities (OTAAs) to ensure that they have the necessary skills, competence, tools and resources to regulate their aviation industry to internationally agreed safety standards.

Regulation

We are the civil aviation regulator in those Territories where there is no local OTAA or where the OTAA has limited capability/capacity. We are responsible for the regulatory oversight of Aviation Security (Av Sec) in all UK Overseas Territories.

Training, Advice and Support

We provide training, advice and support to UK Governors and OTAA personnel to promote sustainability.

PBN Ops Approvals Workshop, Antigua, April 2019

In addition to our core tasks we undertake a co-ordination role on behalf of all Territories. This cuts down on duplication of effort creating efficiencies and saving resource. We ensure that the continuous monitoring tools developed by the International Civil Aviation Organisation (ICAO) are updated using ICAO's web-based databases. This includes the State Aviation Activity Questionnaires (SAAQs), Protocol Questions (PQs), Compliance

Checklists (CCs), filing of differences and responses to ICAO State Letters.

OUR OPERATING ENVIRONMENT

There are eight UK Overseas Territories with active civil aviation industries; geographically dispersed, these Territories span the North Atlantic, the Caribbean, and the South Atlantic and are highly diverse with unique challenges and opportunities.

The Territories' aviation industries vary considerably both in size and complexity, ranging from those with large passenger airliner operations, multiple airports, airworthiness and maintenance organisations, and air traffic service units to those with smaller operators of light aircraft serving single airport locations. The Territories are at differing levels of maturity with respect to aviation regulation, with some having an OTAA competent to regulate across all safety related technical areas while others have a partial capability or no capability at all.

OUR STAKEHOLDERS

We have many stakeholders including:

- the DfT, which is the UK government department that holds policy lead for civil aviation
- the Foreign & Commonwealth Office (FCO), which is responsible for ensuring the security and governance of the Territories through the stewardship of the Governors
- the OTAAs, which are responsible for the regulatory oversight of their industries
- local industry, which is responsible for meeting international safety and security requirements and managing its safety risks.
- the UKCAA, our parent company

We have a close working relationship with DfT to ensure that we maintain knowledge of its policy position on aviation and can liaise on issues impacting the Territories, specifically those concerning offshore registers where European legislation may be of relevance to Territory-registered aircraft operating in Europe.

Stanley, Falkland Islands

Routine teleconferences are held with UK Overseas Territories' Governors to support them in their safety and security role. We liaise regularly with the UKCAA on a number of initiatives including work on safety promotion, safety management systems, the development of safety performance indicators and safety initiatives in the Caribbean region. We are also able to tap into the UKCAA's expertise in areas where we lack experience or technical competence and work to exploit opportunities to enhance our technical knowledge and provide continuation training for our technical experts. We work in partnership with OTAAs to promote and enhance safety, directly and through the Overseas Territories Safety Performance Council (OTSPC), which was set up to agree, *inter alia,* the focus of the All-OT Safety Plan, to ensure its implementation and to track progress against it. We aim to support each Territory in the most appropriate way by adjusting our level of involvement according to the local circumstances.

SECTION 2: CHALLENGES

REGULATORY OVERSIGHT

An ongoing challenge with our directly regulated industry is achieving effective development and implementation of Quality Management Systems (QMS) and Safety Management Systems (SMS). A very significant proportion of identified non-compliance findings from audits of industry can be attributed to weaknesses in QMS and SMS. New approaches and ongoing Safety Promotion initiatives to raise the standards of industry in this area will be required if this challenge is to be met. We are also taking steps to develop our team's skill-set to equip them with the means to adapt their approach.

A further underlying cause of much of the identified non-compliance at aerodromes is a lack of funding and/or lack of authority to spend to maintain compliance. Most aerodromes are owned and run by the local governments, and often the governments do not recognise the need or accept their responsibilities for long-term infrastructure investment to ensure facilities meet international requirements. Ongoing Safety Promotion initiatives to raise governments' awareness, along with consistent application of our enforcement procedures is bearing fruit but these will need to continue due to ever changing government personnel and the constant disparate demands on their budgets.

We continue to work towards a risk-based regime in our regulatory role. We have undertaken significant work on internal processes and our management system to support our regulatory oversight role and risk management. We now have visibility across the organisation of a range of data and the ability to collect, share and analyse it to develop measurable safety performance indicators against which we

can judge progress. We recognise that a change of regulatory approach cannot be achieved by the regulator alone; it is vital that industry is engaged in the process. We understand the significant challenges this presents for our small operators and service providers and the need to support accountable managers to move to a much more proactive method of managing their risks.

Territories continue to aspire to extend their runways and tentative projects of this nature can be challenging for us in terms of resourcing and scheduling. In some cases, these plans have been through various iterations over a significant number of years and are initiated and then put on hold for a variety of reasons usually associated with funding difficulties or changes in government. However, our involvement is key in ensuring commercial drivers for such projects do not dominate the need for ongoing safety and security compliance.

Runway inspection, St Helena Airport

Our oversight of the OTAAs, though the Assessment process, is well established and has not generated significant challenge over many years. However, this cannot be taken for granted as the consequence of issues arising can suddenly increase our workload, and potentially require increased resources if Governor Designations are impacted. Experience with one OTAA during 2018/19 has highlighted the risk we face.

This experience led us to develop our approach to such situations, for example by the introduction of a tailored Close Support Programme. This work means we are better prepared to face this challenge should it emerge again in the future.

Although the impact of BREXIT in the Territories is small, there are potential consequences on travel for our staff and associated costs.

ICAO AUDIT PROCESS

A significant amount of resource has been taken up fulfilling DfT's expectations for the completion of the ICAO continuous monitoring approach tools. This work continues covering the following related workstreams.

ICAO Headquarters, Montreal

- Implementation of the Corrective Action Plan (CAP) to rectify UK (Bermuda) ICAO Audit Findings – The CAP was submitted to ICAO in December 2019 with most actions to be completed during 2020. This work will involve the amendment of OTARs, review of ASSI's processes and development of additional procedures.

- Updating of the ICAO PQ Responses – As ICAO's On-Line Framework (OLF) was only made available in its entirety to the UK during 2019, we have concentrated efforts on the significant task of populating the OLF for all eight Territories. The next steps are to ensure we can address

our 'Not Satisfactory' answers through the work of the Policy and Rulemaking and Regulatory teams. This work will also require amendment of OTARs, invoking the consultation process with the Territories, review of ASSI's processes and the development of additional procedures. ASSI is responsible for making updates against the PQ responses for each of the Territories which can be a time-consuming task due to the limitations of the OLF. Once completed, the PQ responses for all of the Territories require review and update.

- ICAO Universal Security Audit Programme (USAP) Audit of the UK – This audit is due to be conducted in 2020. At the time of writing, ICAO has not confirmed an exact date or the scope of the audit. Our security team has been proactive in completing the USAP PQs for the Territories to ensure we are prepared for an audit.

STAFF TURNOVER

Significant work has been done to mitigate the risks arising from our ageing demographic. With the support of the Board we have been able to establish resilience posts which provide an overlap period between the incumbent's retirement and the arrival of a replacement. This mitigates the risk of gapping while giving the benefit of a handover/mentoring period. This initiative is working well with two posts already in place. That said, a high level of churn within our small team brings challenges and can be demanding in terms of resources for induction and training. Equally, it brings opportunity for revitalising the organisation with new personalities and exploiting new and fresh ideas.

EFFECTIVE TRAINING

Training is an important agent of change enabling us to build the knowledge base in the Territories and deliver key messages to OTAAs and industry. It is integral to many of the objectives within this business plan.

It remains a challenge to source appropriately experienced trainers to ensure that the training content and delivery is effective and relevant to the differing environments within Territories while taking account of cultural aspects. An important focus for the future is to make the training is sustainable and to explore further opportunities for e-learning.

SECTION 3: STRATEGIC APPROACH

OUR BOARD

The ASSI Board brings together senior managers in ASSI, the UK CAA and officials from DfT and the Foreign and Commonwealth Office (FCO) to set the strategic direction and take the strategic decisions needed to ensure that ASSI has the capability, resources and skills to deliver its objectives and to uphold its values and guiding principles.

The ASSI Board gives corporate and strategic leadership to ASSI by:

- supporting the organisation to deliver its Mission and objectives, by monitoring and challenging performance against the ASSI business plan;

- overseeing and embedding a process of risk identification, assessment and mitigation underpinned by clear articulation of risk appetite that assists ASSI in the delivery of its mission;

- setting and upholding ASSI's values and guiding principles;

- challenging financial performance to ensure efficient management of resources through active scrutiny of trends, spending data and forecasts;

- proactively promoting ASSI's mission and purpose and building the organisation's reputation for professionalism, integrity, inclusivity and delivery.

- promoting a safe working environment to protect the well-being of our team.

OUR STRATEGIC INTENT

ASSI's strategic intent is:

To enhance aviation safety and security performance and greater regulatory autonomy through positive safety leadership to build competence through training, mentoring/coaching and production of supporting documentation.

The first part of the strategic intent drives our efforts to progress towards risk-based oversight, in line with ICAO Annex 19, for both our direct regulatory role and in our role as assessor of the local aviation authorities (the assessment process). The second part drives the development of our advisory/support role to build greater competence within industry (again supporting ICAO Annex 19) and to facilitate greater independence in those Territories where there is the political will, financial commitment and desire to be fully designated.

Our strategic objectives stem from our three key priorities and then flow into our business plan objectives and actions which then inform the personal performance outcomes and development goals for our team.

Our key priority areas are shown in the diagram below. Progress in these will strengthen our foundations and bolster our capability to meet our core purpose and deliver safety benefits across the Territories.
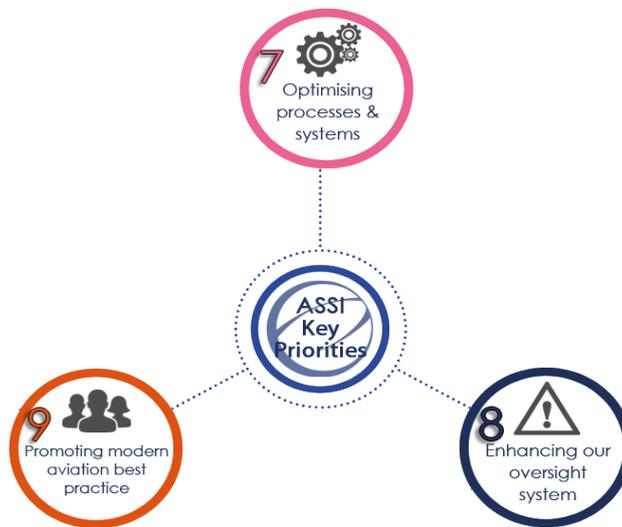
OUR KEY PRIORITIES

The Strategic Objectives set to meet our three key priorities are:

 Building team resilience and optimising our governance processes

Success looks like: Being appropriately structured and resourced to support greater resilience within our team to meet our core purpose; ensuring our legislation and OTARs reflect ICAO SARPs; having clear and concise processes in place to fulfil our legal obligations giving our stakeholders confidence in what we do; having effective and robust processes for business planning and risk management to ensure that we continue to offer value for money while mitigating risk to the UK.

 Enhancing our oversight system to progress towards a risk-based approach

Success looks like: Being recognised as an efficient, effective and proportionate regulator to support greater compliance from industry; helping the OTAAs to enhance their systems and performance through a meaningful and risk-based assessment process; seeing positive progress with our industry in moving towards a functioning SMS; being able to harness the safety benefits of moving towards being a risk-based organisation.

 Promoting modern aviation best practice through targeted influencing and support of stakeholders.

Success looks like: seeing tangible evidence of a more mature relationship with industry with open and honest two-way communication; developing collaborative approaches with other players in the region to promote safety benefits to the Territories; seeing evidence of proactive financial planning by Territory Governments to enable routine infrastructure improvement/ refurbishments; seeing evidence of the effectiveness of training through ownership and proactive risk management within industry.

SECTION 4: ASSI OBJECTIVES

The business plan objectives below have been developed to support the proposed strategic objectives.

 Building team resilience and optimising our governance processes

Business Plan Objective:
7.1 To ensure that we are appropriately resourced, resilient and structured and have the competence to meet our remit effectively

We will achieve this through:

Completing a review of our structure; maintaining our team's competencies in line with ICAO's requirements; ensuring all new team members receive effective induction training; and ensuring our business plan properly reflects our priorities and facilitates budgetary approval.

Business Plan Objective:
7.2 To ensure that our processes are effective in meeting legal requirements and DfT's assurance processes.

We will achieve this through:

Protecting our team by proactivity managing Health & Safety risks; ensuring that we handle personal data in line with the requirements of GDPR; completing the gap analysis against the ISO 9001 standard and resolving any identified gaps; and updating and publishing the governance documents relating to ASSI.

Business Plan Objective:
7.3 To ensure that our Business Planning and Risk processes are effective in managing risk in accordance with our Board's risk appetite

We will achieve this through:

Improving the functionality of the Centrik risk module; refreshing the Board's risk appetite; updating our Strategic Objectives and Business Plan actions ensuring clarity, continued relevance and eliminating duplication; and revising our Crisis Management /Business Continuity Plan to capture lessons learned from natural disasters.

Business Plan Objective:
7.4 To ensure readiness for ICAO audits and maintain the UK's international reputation.

We will achieve this through:

Proactively planning to ensure sufficient time and resource is available; ensuring legislative instruments and OTARs are up-to-date and reflect ICAO SARPs; populating the ICAO continuous monitoring approach (CMA) tools and working with the OTAAs to ensure that they input relevant data; prioritising work to filling any gaps in the protocol questions to achieve a strong level of effective implementation; and coordinating ASSI and OT responses to ICAO State Letters for inclusion in an overall UK response.

Business Plan Objective:

8.1 To continue to maintain efficient and effective regulatory and assessment oversight systems

We will achieve this through:

Adding value to the audit process by the creation of a suite of Centrik based checklists that cover the OTARs; performing regulatory audits and OTAA assessments to established procedures within prescribed timescales and efficient processing of all approvals, permissions, exemptions, deviations and occurrence reports; and taking fair, proportionate and timely enforcement action when necessary and being clear with industry on our expectations.

Business Plan Objective:

8.2 To become a risk based organisation within an ICAO Annex 19 State Safety Programme (SSP) context

We will achieve this through:

Developing a risk picture based on information gleaned from audits against the Centrik checklists augmented by other intelligence and insights from our team; migrating to oversight based on the developed risk picture; revising guidance material that is influenced by the risk picture; and creating safety performance indicators and targets that complement those of the UK State's SSP.

Business Plan Objective:

8.3 To drive the development of effective ICAO Annex 19 Safety Management Systems (SMSs) within our directly regulated Service Providers

We will achieve this through:

Nurturing the competence and confidence of our industry to help them establish all elements of an ICAO Annex 19 SMS; and working with industry to achieve a functioning ICAO Annex 19 SMS commensurate to their size and complexity of their operation.

Business Plan Objective:

8.4 To undertake assessments of the Overseas Territory Aviation Authorities (OTAAs) taking a risk based approach

We will achieve this through:

Adding value to the work of the OTAAs through proportionate and meaningful assessments of the OTAAs focussing on areas of greatest risk to ensure public interests and DfT's ICAO responsibilities are met.

Promoting modern aviation best practice through targeted influencing and support of stakeholders

> **Business Plan Objective:**
> 9.1 To develop a communication strategy

We will achieve this through:

Bolstering our communication and engagement with those able to influence safety improvements relevant to the Territories; and monitoring and engaging in appropriate regional fora, liaising and collaborating with ICAO, FAA, ECCAA, and Dutch and French regulators, to benefit the UK Territories.

> **Business Plan Objective:**
> 9.2 To support Governors in influencing Overseas Territory governments to meet ICAO requirements.

We will achieve this through:

Engaging with Territory Governors and their teams to establish good working relationships which focus on areas where OT Government intervention and support is required; and supporting Governors in their role of mitigating UK risk;

> **Business Plan Objective:**
> 9.3 To target safety promotion according to industry risk pictures.

We will achieve this through:

Enhancing safety through tailoring safety promotion activities to target areas for improvement in organisations; and provision of effective and reusable training for industry, thus offering value for money.

> **Business Plan Objective:**
> 9.4 To support OTAAs in meeting ICAO requirements regarding a competent workforce.

We will achieve this through:

Working closely with the OTAAs to design a group training plan covering common training needs which takes into account risk data; and using quarterly meetings to plan and review the effectiveness of training with the OTAAs.

SECTION 5: RESOURCES

PEOPLE

Work to strengthen our succession plan to mitigate the risks of the potential simultaneous retirements of key staff has revealed the need for an additional fulltime flight operations inspector (FOI). We have also created a fulltime position (formerly a secondment) to support the technical team and cover the on-going workload associated with updating the ICAO continuous monitoring tools. These increases in headcount have been partially offset by our decision not to replace our ATS inspector.

For FY 2019/20, staffing numbers were 21.9 Full Time Equivalent (FTE) posts. These were supplemented by employees on zero hours contracts who were traditionally 'contractors' but who have now moved to employee status to comply with revised Inland Revenue regulations (IR35).

For FY 2020/21, staffing numbers remain at 21.9 and include the part-time Chair, the additional FOI, the secondee, who is now a permanent staff member, and the Av Sec inspector who was previously on a zero hours contract but has now moved to a fixed-term contract. The additional roles are offset by the removal of the ATS role and the reduction in hours of the Training Coordinator.

BUDGET

The overall budget required for 2020/21 reflects an increase of £77K on the previous year. This takes account of the additional posts, along with a 2.5% increase in all staffing costs in line with the CAA Group. ASSI has very few variable costs with travel and related expenditure (TRE) and training being the main variables. We have increased training costs to reflect the need to train new staff. Travel costs have seen a modest increase. These have been offset by the removal of irrecoverable VAT for Av Sec

due to the change of employment status of one staff member. Parent company charges remain static at £400K.

Funding

The funding model for ASSI agreed with all the Territory Governments continues. This model splits the ASSI budget into two distinct parts:

- The costs associated with the regulation of industry in those Territories which rely on ASSI's support in this area i.e. Regulatory Charges.

AND

- The Framework Charge for the bespoke regulatory system that ASSI maintains in support of all Territories.

  DfT contributes 75% of the Framework Charge with the remained apportioned to the OTs based on a formula held by DfT

Financial Risks

The 2020/21 draft budget has been constructed based on the most up-to-date information available, including current trends and predicted direct regulation work using an average based on expenditure over the last four years. Any unpredicted workload could result in increased costs and may require additional funding from the DfT and the Territories.

The risk remains that the Territories may not make their full contribution towards the funding of ASSI. This could result in ASSI having to utilise reserves to cover any shortfall in income should costs exceed funding levels.

With resilience posts, there is also a risk of a likely retiree deciding to continue working. This is highly unlikely in most cases but could be possible in one case. If this were to happen, the additional expenditure would be covered by reserves.

Air Safety Support International Income Statement	2019/20 Budget			2020/21 BUDGET		
	AVSEC £'000	OPS £'000	TOTAL £'000	AVSEC £'000	OPS £'000	TOTAL £'000
Framework/Direct Regulation	250	2,895	**3,145**	243	2,959	**3,202**
Funding Release from Reserves		69	**69**		89	**89**
TOTAL INCOME REQUIREMENTS	**250**	**2,964**	**3,214**	**243**	**3,048**	**3,291**
OPERATING COSTS						
Employment Costs						
Basic Salaries and allowances	110	1,316	**1,426**	103	1,314	**1,416**
Employers NI contributions	13	129	**142**	11	147	**159**
Pensions costs	7	239	**246**	14	253	**267**
Other		22	**22**	0	20	**20**
Total Employment Costs	**130**	**1,706**	**1,836**	**128**	**1,735**	**1,863**
Services and Materials						
Telephone		10	**10**		10	**10**
Rent and Rates		135	**135**		135	**135**
Outsourced Services		4	**4**		4	**4**
Hire costs		20	**20**		20	**20**
Software Purchasing & Licensing		15	**15**		19	**19**
Other		10	**10**		10	**10**
Total Services and Materials	**0**	**194**	**194**	**0**	**199**	**199**
Repairs and Maintenance						
Building Maintenance		1	**1**		1	**1**
IT Hardware & Support		24	**24**		31	**31**
Other						
Total Repairs and Maintenance	**0**	**25**	**25**	**0**	**32**	**32**
Total Research and Development						
Total Depreciation and Disposals		**40**	**40**		**41**	**41**
Total Irrecoverable VAT	**10**	**45**	**55**	**0**	**46**	**46**
Other Operating and General						
Training & training related travel	40	160	**200**	40	190	**230**
Travel & Related Expenses	70	300	**370**	75	310	**385**
Professional fees		10	**10**		10	**10**
Insurance		74	**74**		75	**75**
Other		10	**10**		10	**10**
Total Other Operating and General	**110**	**554**	**664**	**115**	**596**	**711**
Total Direct Costs	**250**	**2,564**	**2,814**	**243**	**2,648**	**2,891**
Intragroup Cross Charges In / (Out)		**400**	**400**		**400**	**400**
TOTAL OPERATING COSTS	**250**	**2,964**	**3,214**	**243**	**3,048**	**3,291**
PROFIT/(LOSS)	**0**	**0**	**0**	**0**	**(0)**	**(0)**

Issue 2.00