Performance Based Oversight (PBO)

Guidance During Covid-19

The purpose of this document is to assist all Oversight Team Members involved in the PBO process to deliver the highest possible quality outcomes and to do so in a consistent way. The document contains guidance on the PBO process along with reference to supporting detailed procedures and policy documents.

Any requests for amendments to this document should be sent to the PBR Team at SP&R@caa.co.uk

Table of Contents

Introduction

To combat the economic challenges associated with the Covid-19 outbreak, changes in business modelling and activity may be made by the aviation industry. It is critical that we have an understanding of any such measure and recognise the safety impact that may be residual from any such change. Equally important, is that we record any industry changes within the Entity Performance Tool (EPT) and keep our oversight records as up to date as possible. When industry and the economy stabilise and eventually begin to recover, this data should fuel future oversight and provide a focus for activity.

Fundamental to the Performance Based Regulation framework is the assessment of an entities ability to manage their safety risks and agree associated action plans to mitigate any identified issues.
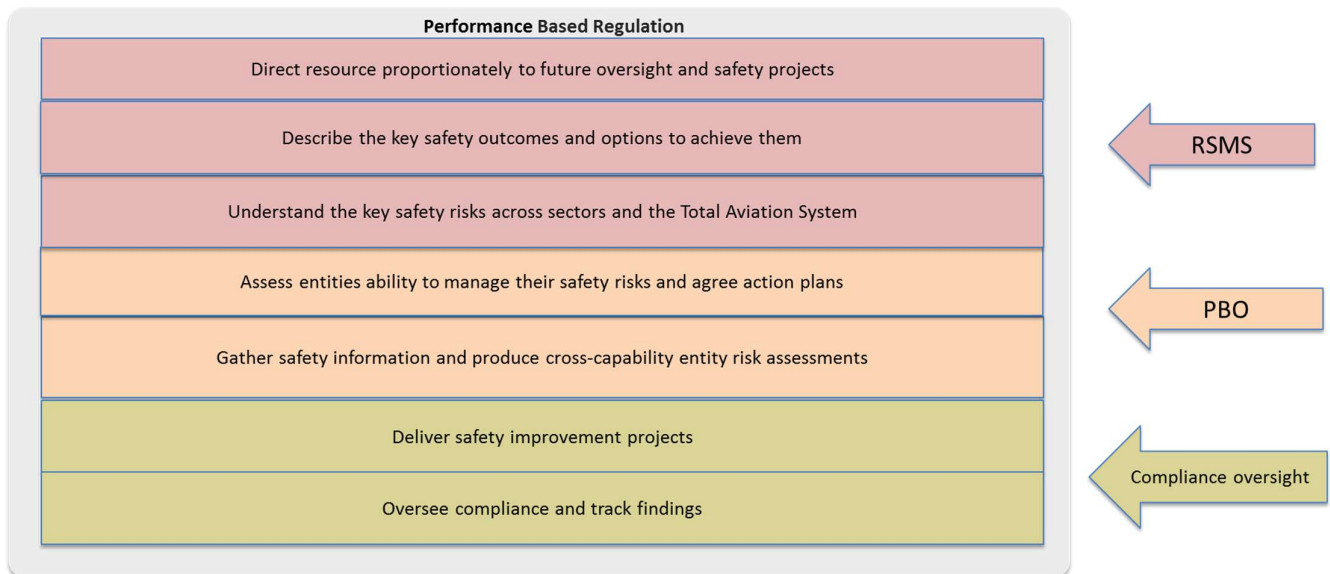
1 PBR Framework

PBO already provides the ability to flex oversight to the areas where we consider there to be an increased risk

Purpose

The purpose of this document is to provide you with guidance of how to utilise the PBR system during a time when we could be faced with resource, time and travel restrictions. This document offers advice in the following areas:
- Oversight
- Activity (desktop audits, extraordinary IRM)
- Data available
- Recording of Data
- Risk and Hazard ID
- Future Oversight

Oversight

Oversight will present a huge challenge to the CAA in the coming months, now more than ever we should be applying the PBO fundamentals to activity, namely targeted and proportionate. With restrictions in travel, it is likely that site audits will reduce and a greater emphasis placed on the requirement for desktop audits and associated activity. We would recommend the following oversight guidance:

- Checklists be provided to entities to cover compliance[1], evidence of compliance should be provided by the organisation, reducing the need for site visits
- We consistently gather organisational change information and record in EPT when appropriate
- Evidence is requested of Change Management process and guidance is provided here
- Evidence of Risk Assessment should be requested with a challenge against mitigations considered, consider the what, why and how
- Impact of changes should be considered for when the industry begins to recover and be planned into future oversight
- SMS should be assessed using the evaluation tool, which can be found here with the supporting guidance here. Consistent measurement of industry SMS is essential to enable proportionate and targeted activity. Although the SMS evaluation appears detailed, for continued oversight, sampling is acceptable, see linked guidance for more detail. It is recommended that the focus is placed on Risk Assessment, Change Management, Human Factors, Risk Mitigations and Safety Communication questions.

With ever increasing financial pressures on maintenance organisations, airlines, aerodromes and ANSPs changes are likely, there are some key change management areas for the CAA to focus on:

- **Assessment of the nature, scope and impact of the proposed change**

  Review the submitted documentation to understand the change, has been adequately described, including the context and its impact internally and externally.

- **Assessing hazard and consequence identification.**

  Ensure that an appropriate hazard identification process has been carried out and the range of consequences have been identified and documented.

- **Evaluation of the way that the risk has been assessed and accepted.**

  Review and evaluate the probability and severity are classifications are appropriate and justified and is applied consistently to manage risks to an acceptable level.

- **Assessing the risk mitigation actions**

  Evaluate the risk mitigations to determine the effectiveness of the actions taken to control the risk.

- **Assessing the justification and, supporting evidence.**

  Assessment of any supporting evidence and arguments used to justify that and the change is valid and does not have an adverse effect on safety

- **Assessing the assurance plan to manage the residual risk**

---

[1] Consider current organisational workload with change.

Review how the organisation plans to monitor the change implementation and verify that risks mitigations are effectively managed after the change has been completed.

Activities

Desktop Audits

Desktop audits are carried out and would normally include a review of documents, procedures and any other related items requested by the oversight team. In the current climate focus may need to be placed in ensuring the SMS, Change Management and Compliance Monitoring activities remain to a satisfactory standard, paying attention to how changes are being mitigated and managed.

Remote Audits

Remote Audits can be conducted via Skype or similar methods. This will likely be the only method of direct communication with an entity in the coming weeks. Time should be prioritised in discussing organisational changes, current safety risks and hazards and ensure that the organisation is carrying out effective hazard identification to identify any new and emerging Safety Risks.

Extraordinary IRMs

Extraordinary IRMS are an essential and powerful component of PBO which can be organised at short notice with the purpose of:

- Bring all relevant SMEs to a consolidated meeting to discuss safety performance of an Entity
- To capture current safety risks and hazards about an Entity and agree a collaborative way forward with oversight
- To reassess the safety risks and hazards already known and consider any changes to them
- Extraordinary IRMs can also be used for a sector approach to identify any new or emerging safety risks and hazards

Considering an IRM? It might be worth inviting the following capability areas:

- OGC – legal representation at an IRM may provide some very useful insights
- CMG – Financial insights, very relevant in the current situation
- Cyber
- Medical
- Any other capability areas who may be an interested party (e.g. is there an issue with ATC service provision? If so invite AAA)

SP&R can assist with this, so any queries, please get in touch.

Data

Data gathering is essential at this time, not only in assisting in the management and oversight of the current crisis, but also for understanding the possible impact of future events. The type of data that would be useful for analysis is:

- Changes being made to the organisation (very useful for future oversight decision making)
- Confidence of change management
- Financial drivers
- Impact of Board decisions on change management
- Staff Churn
- Fatigue as a result of churn/illness/shortages/workload etc.

Consistency of data is essential for building a consolidated industry safety picture, we urge that you use the CAA tools which have been made available, which include the SMS evaluation tool and Change Management guidance.

Data Recording

In the current environment where change is fast paced, organisations will be evolving and adopting new ways of operating. The tools listed below should be used to keep a record of these changes, to enable you to continue to review the organisations performance and adapt levels of oversight appropriately:

- EPT – change data (current and future), entity risk and hazard, sector risk and hazard. Confidence data should be captured as per normal.
- Q-Pulse – oversight activity and particularly any activity that may be related directly to Covid-19, which could be recorded as a bespoke activity.
- Pentana – any new safety risks (which are linked to a harmful outcome)

Don't forget, certain data files can be attached to EPT records, or stored in the document section of EPT.

Safety Risk and Hazard

A Safety Risk is the estimated consequence of an event caused by a hazard, e.g. the likelihood of an aircraft skidding off the runway due to it being icy is a Safety Risk.

Safety Risks are described as:
'The estimated likelihood and severity of harm to UK consumers and/or the public when they encounter aviation'
and a hazard is defined as:
'A condition, situation, activity or object with the potential to cause, or contribute to, an aircraft incident/accident'

It will be likely that a number of new safety risks and hazards will be discussed or raised during this uncertain period, before introducing anything new to the RSMS consider the following:

- Review existing risks and hazards, ensure that the actions remain valid and appropriate. Consider whether the current circumstances have increased the likelihood of an identified risk/hazard occurring.
- Will the hazards that you are identifying (e.g. reduced effectiveness of change management) increase the likelihood of an identified safety risk?
- If you are considering raising a safety risk to the RSMS – does it have a harmful outcome? Or, are we identifying a hazard which will lead to the increase in exposure of an already recorded safety risk.
- Consider the current Bowties and checking the current controls, this will assist with assessing the impact of the safety risk or hazard you are identifying.
- Are the risks entity specific? If so engage the oversight team and consider an extraordinary IRM
- If unsure, use the raise a safety concern form (any access issues contact SP&R in the first instance and we will provide an alternative method).

Safety Risk & Hazard Options

Collaboration on identified safety risk and hazards is one of the fundamental approaches to consistent safety risk management within the CAA. During this testing time, this should be an increasing activity, particularly as industry starts to recover. Some of the options available to you include:

- Increase the frequency of your SRP
- Increase the frequency of the SRC
- Increase the frequency of the SLG
- Use extraordinary IRM to discuss entity specific issues
- For risks that effect 2 or more capability areas utilise the Safety Risk Working Group concept. (Contact PBR Manager for more details)

If you would like more data, assistance or a Bowtie discussion about your safety concerns, then please contact the SP&R team.

Future Oversight

There is a potential that unanticipated changes made in the response to Covid-19 may have an impact on safety performance and safety risk mitigations when the industry begins to recover. We should be prepared to respond to this challenge in a dynamic and proportionate way. Below are a number of key areas to consider when planning or considering the future oversight requirements.

- What was the confidence in the change management prior to Covid-19? Has that changed?
- Have change processes been used when assessing organisational change?
- Has a review of the Entity risks been conducted as part of the change process?
- Has a risk assessment been carried out, what did they identify?
- Is there a plan in place to oversee the changes and the potential change in risk exposure?
- Do we have confidence in SMS – was it evaluated consistently with the CAA evaluation tool?
- Has the Entity lost key members of staff, has a succession or recovery plan been considered?
- What were the CAA identified Safety Risks and hazards, have more been added? Has the likelihood or impact of previous safety risks changed?

Oversight Decision Tree
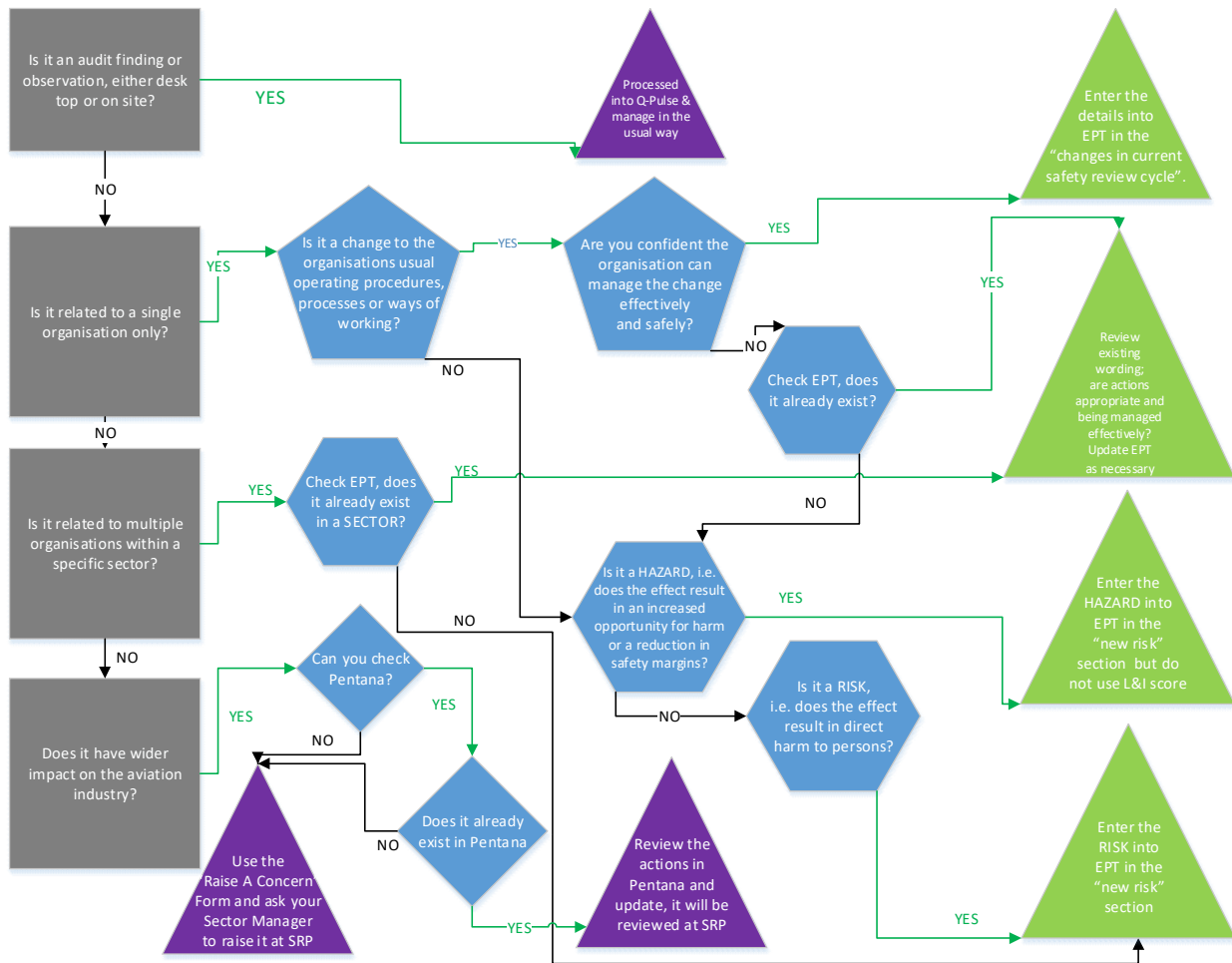
Summary

To fully understand the safety performance of the industry and GA operators, data capture is important. The purpose of PBO is to identify the potential safety risks and hazards that could be faced by the UK consumer, or third party (member of the public). As the industry starts to recover, the purpose will be to ensure that we have focussed our oversight to address any residual safety issues that may exist in the wake of Covid-19. To do that, we must ensure that we document rigorously and consistently.

Associated Links

Performance Based Regulation System Manual – SPR-PBR-MA-001
Safety Risk Management Process – SPR-PBR-PC-001
PBO Complexity and Business Rules – SPR-PBR-PR-001
PBO Internal Review Meeting Procedure – SPR-PBR-PR-004

Abbreviations

PBR – Performance Based Regulation
PBO – Performance Based Oversight
RSMS – Regulatory Safety Management System
SRP – Safety Risk Panel
SRC – Safety Risk Committee
SLG – Safety Leadership Group
GA – General Aviation
SMS – Safety Management System
IRM – Internal Review Meeting
EPT – Entity Performance Tool