

Non Qualifying Regulatory Provisions Summary

Business Impact Target Reporting Period Covered: 8 May 2015 – 8th June 2017

Introduction

The Business Impact Target (BIT) is a mechanism to measure and record the level of deregulatory savings made by government departments and regulators. The savings target is set at the beginning of each Parliament. The Government has passed legislation which will bring regulators, such as the CAA, into scope of the BIT. This legislation will apply retrospectively, so that all of our relevant regulatory activities we have carried out since May 2015 will need to be looked at and reported on.

The BIT will apply to all CAA measures that regulate the activities of business. Activities that are included are defined by the Government as Qualifying Regulatory Provisions (QRP). Government has published a list of activities which can be excluded from the BIT. These exclusions have been defined by the Government as Non Qualifying Regulatory Provisions.

Under section 24A of the Small Business, Enterprise and Employment Act, the CAA, as a Listed Regulator, is required to publish, for each reporting period, a list of QRPs, an assessment of the economic impact on Business of those QRPs and a summary of regulatory provisions that are not QRPs (NQRPs).

1. Exclusion A – EU and International - Implementing new or changed obligations arising from EU or International Regulations, Decisions and Directives (excludes gold plating)

Summary of measure

We have implemented new or changed obligations or published guidance under the following EU or international regulations:

- Council Directive 96/67/EC on access to the groundhandling market at Community airports.
- CAP1343 Airport Charges Regulation – We issued guidance to stakeholders on the European Directive (2009/12/EC) on airport charges into UK law.
- Directive (EU) 2015/2302 on package travel and linked travel arrangements.
- Regulation EC1107/2006 – guidance to airports on meeting obligations for providing assistance to people with hidden disabilities.

- The Package Travel Directive 1990. Revocation of exemption to pay Air Travel Organisers Licence Protection Contribution.
- Directive 2013/11/EU on alternative dispute resolution for consumer disputes. Published guidance for prospective applicants and approved ADR providers
- The Consumer Rights Act 2015, which transposes a variety of EU Directives
- Air Services Regulation and Consumer Protection from Unfair Commercial Practices Regulation
- Commission Regulation (EU) No 139/2014 (Airport Design and Certification). Guidance for UK aerodromes on the level of extinguishing agents held at aerodromes
- EU Aerodromes Regulation (EU/139). Guidance on the periodic testing of emergency plans.
- Commission Regulation (EU) No. 139/2014. Standards for competence of rescue & fire fighting services at airports.
- ICAO Documentation (Doc. 4444 PANS-ATM Chapter 8 and Doc. 8168 PANS-OPS, Volume II, Part II, Section II Chapter 6). Changes to Air Traffic Control Surveillance Minimum Altitude Chart
- ICAO Annex 14 - the lighting of wind turbines at or above 150m.
- EASA Regulations (EU) No 73/2010 and (EU) 1029/2014. Guidance on Aeronautical Information
- (EU) 376/2014. New requirements for occurrence reporting regulation
- EASA Air Operation Regulation (EU) No 965/2012. New Non-Commercial Complex rules -
- EASA Air Operation Regulation (EU) No 965/2012. New Part Special Operations (SPO) rules
- EASA Regulation (EU) 340/2015. New Air Traffic Controller rules
- Regulation (EU) 923/2012. Standardised European Rules of the Air Part C
- Updates to Manual of Air Traffic Services Part 1 to reflect EASA or ICAO policy changes (for example wake turbulence where UK policy was out of step with ICAO policy);
- ICAO Annex 19 and EASA ORO.GEN.200 requirement. To develop safety management system processes to enable the collection of evidence of human factors considerations and culture.
- EASA Regulation (EU) 965/2012, ANNEX V, Specific Approvals. Implementation of the new and revised warning envelopes for the Helicopter Terrain Awareness and Warning System.
- EASA Rule Making Task RMT.0102 (27 & 29.801). Helicopter Ditching and Survivability. Producing new/upgraded formal European specifications for emergency breathing systems, life jackets, immersion suits and life rafts;
- ICAO Annex 19. Develop tools, training and support to embed and monitor the performance of Safety Management Systems.
- EU Regulation 139/2014 (Aerodromes). Guidance to operators on the lighting of onshore wind turbine generators in the UK.
- Regulation (EU) 1321/2014. Guidance on the approval and oversight of line maintenance facilities
- Regulation (EU) 1321/2014. Guidance on the use of zero hours contracts in aircraft maintenance organisations.

- European Regulation (IR1079/2012). Guidance on the transition to new radio channel spacing requirements (8.33 KHz).
- European Commission Regulations EC Regulation 965/2012 (Annex 7: Part NCO (Non-Commercial Operations). New rules for commercial operations with “other than complex motor powered aircraft”.
- EC Regulation 1321/2014). Implementing European Minimum Inspection Programme requirements for general aviation aircraft falling within certain criteria of type and weight
- EU Regulation (Part Flight Crew Licencing). Implementing for the introduction of a temporary pilot licence scheme
- We introduced a new theoretical Knowledge syllabus for pilot training under EU Regulation 1178/2011 as amended: Aircrew Regulation Part FCL

No activities within this exemption placed an additional burden on business beyond those required under the legislation.

2. Exclusion B - Economic Regulation

Summary of measure

- Guidance to stakeholders on the CAA's approach to the enforcement of economic regulation in the sector.
- Continued economic regulation of Heathrow and Gatwick Airport LTD
- New Runway Capacity - How CAA will adapt our existing approach to economic regulation to facilitate the planning and delivery of the new runway.
- Monitoring of Resilience condition for Heathrow and Gatwick, which is a condition in the licences. This flows from our economic regulation duties in the CAA's 2012 Act
- Monitoring compliance on the service standards set under Heathrow and Gatwick's economic licence
- Continued monitoring of NATS En-route PLC's compliance with the licence
- Working on reforms to the NERL Licence. The NERL price control (RP2) took effect (through a licence modification) on 1 January 2015. We also amended the licence in April 2016 in respect of governance and financial ring fencing and again in June 2016 in respect of certain planning and reporting requirements under Conditions 10 and 10a.
- Implementing recommendations of the independent enquiry. Since May 2015 we have been working with NATS to implement a number of recommendations arising from an Independent Enquiry in to a NATS system failure on 12 Dec 2014. Outcomes range from changes in NATS operational practice and CAA policy in a number of areas and the development of a new licence condition.

3. Exclusion C – Price Control

Summary of measure

- Consultation on extension of the Q6 price control for Heathrow

- Preparing for the next price control for the economic regulation of NATS

4. Exclusion D – Civil Emergencies

Summary of measure

- No activities were carried out under this exclusion.

5. Exclusion E – Fines and Penalties – Changes to the level of fines for breaches (at a policy level), introduction of criminal sanctions or custodial penalties

Summary of measure

- No activities were carried out under this exclusion.

6. Exclusion F – Pro-Competition – Activity that promotes competition (resulting in an increase in the net direct burden on business)

Summary of measure

- No activities were carried out under this exclusion.

7. Exclusion G – Large Infrastructure projects

Summary of measure

- No activities were carried out under this exclusion.

8. Exclusion H – Misuse of Drugs/National Minimum Wage

Summary of measure

- No activities were carried out under this exclusion.

9. Exclusion I – Systemic Financial Risk – A risk of disruption in the UK financial system or supply of financial services

Summary of measure

- No activities were carried out under this exclusion.

10. Exclusion K – Industry Codes

Summary of measure

- No activities were carried out under this exclusion.

11. Exclusion L1 – Casework

Summary of measure

- General enforcement casework under Competition Act 1998.
- Grant of Air Travel Organisers Licences (ATOLs) to new applicants and renewal for c2,100 current ATOL holders annually. Other licensing decisions as required, e.g. variations to ATOLs.
- ATOL holder failure management. Provided refunds or repatriation to 26,700 customers of collapsed ATOL holders.
- Manage the Operating Licence scheme for UK registered airlines, including the grant of 8 new licences and the monitoring of 110 licences. Also grant about 2,500 foreign operator permits annually.
- Alternative Dispute Resolution for Consumer Disputes Regulations 2015. Conducted compliance oversight on airlines' compliance with the Regulation 19 trader information and online dispute resolution requirements.
- Produced a compliance report on airport quality standards for assisting people with restricted mobility.
- Misleading practices – took action against a number (around ten per year) of airlines and travel firms for misleading practices. In the period in question the issues were resolved by securing undertakings from the businesses to change the offending practices.
- Produced compliance report covering thirty airlines' compliance with obligations to provide information, pay compensation, and provide care and assistance, to passengers whose flights have been cancelled or delayed or who have been denied boarding.
- 214 Maintenance and continuing Airworthiness Audits.
- 145 Aircraft surveys including aircraft inspections for the issue of a Certificate of Airworthiness or Permit to Fly.
- Approximately 20 Approval of Design changes for UK applicants per year.
- 73 Aerodrome Audits.
- 120 Training Organisation audits.
- 1086 Air Navigation Order permissions and exemptions issued to applicants for Air Displays/Model aircraft/Charity flights.
- 50 Balloon organisation audits.
- 20 Balloon examiner observations.
- 171 Mandatory Occurrence Reports.
- 53 Whistleblower reports.
- 2,135 findings from regulatory oversight activity covering Air Operator Certificates.

- 15 prosecutions were carried out and 12 cautions were issued
- 4,722 permissions issued for unmanned aircraft
- 29 approvals granted for National Qualified Entities for unmanned aircraft
- 3 suspensions/revocations issued for National Qualified Entities for unmanned aircraft
- 12 private pilot licences suspended
- 9751 Flight Crew licences issued
- 4,425 Radio Telephony licences issued
- 1030 Engineering licences issued
- 30 Air Traffic Control Officer licences issued
- 1627 aircraft registered
- 1296 aircraft de-registered
- 98 AeroMedical Examiner Licences issued and 9 suspended
- 223 Dangerous Goods permission granted
- 1,247 Certificates of Airworthiness issued
- 63 Certificates of Airworthiness revoked
- 949 Permits to Fly issued
- 17 Air Operator Certificates suspended
- 603 Helicopter permissions, approvals, variations and exemptions issued

No activities listed in this section represent a change in the burden of regulation placed on business.

12. Exclusion L2 – Education, communications and promotion - Any promotional campaigns, advisory letters to industry or any training or educational activities provided for industry

Summary of measure

- Quarterly newsletters for Air Travel Organisers Licence (ATOL) holders. Various emails to ATOL holders with general news, information and/or reminders.
- Communications to industry following an ATOL holder failure.
- 'Pack peace of mind' publicity campaign to raise awareness of ATOL to consumers.
- Educational information for airlines and airports produced on Alternative Dispute Resolution.
- A Civil Air Publication to encourage voluntary installation of devices in aircraft to aid electronic visibility by air traffic and other users of Class G airspace published.
- Leaflets and briefings for news and educational purposes have been produced to support CAA attendance at stakeholder events such as Duxford air show, Bristol Balloon Festival and Aero-expo as part of an ongoing programme of safety promotion and stakeholder engagement.
- 2 publications of the CAA's Clued Up magazine for safety promotion released
- Information Notices to inform stakeholders of forthcoming changes and events
- Approx 24 press releases on a variety of issues e.g. Reminding pilots to transfer licences to new European standards and how to make a complaint to an airline
- Publicity campaign about the new e-licencing portal

- 2 information notices to clarify the role and requirements of National Qualified Entities for unmanned aircraft
- Stakeholder visits held with a number of Airlines to help support application processes

None of the material produced created a new regulatory standard that businesses will be expected to follow.

13. Exclusion L3 – Activity related to policy development

Summary of measure

- Consultation on the development of aviation competition (runway policy).
- Review of surface access to airports and advice to airports on consumer and competition law.
- Review of requirements for Air Travel Organisers Licence (ATOL) holders with regards to corporate governance structures.
- Consultation on updates to the UK Air Navigation Order (ANO).
- Consultation on medical standards for UK private pilots.
- Consultation on the changes to standards for competence of rescue & fire fighting services at airports.
- Post implementation review of enhancements introduced following the CAA's review of UK civil air displays, following the accident at the Shoreham air show in August 2015.
- 2 Consultations on the CAA's improved airspace change decision-making process. The first to consult on principles of the new process and the second to consult on the draft guidance
- Network Resilience - looking at the issues the aviation industry faces prior to any new runway capacity being delivered..
- Summer Resilience - undertaking an independent review to try and understand the root causes of disruption at Gatwick

14. Exclusion L4 – Changes to management of regulator - Changes to structure, governance, location, size etc

Summary

- An internal re-organisation of the General Aviation Unit to create a business delivery function to facilitate the implementation of Performance Based Regulation and improve operating efficiency.
- A merge of the Consumer protection Group and the Markets and Consumers Group and the formation of a new Air Travel Organisers Licence (ATOL) Compliance team.
- Internal re-organisation of the Shared Service Centre to include two further services areas. A review of the Business Management department to integration teams to improve coordination and support.