



Office of the Chair

Rt Hon Mark Harper MP
Secretary of State for Transport
Department for Transport
5/13, Great Minister House
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Via email: transportsecretary@dft.gov.uk, Anthony.Browne_MP@dft.gov.uk

6th December 2023

Dear Secretary of State for Transport and Minister for Aviation,

Update on Priorities for the CAA

Towards the end of each year, the CAA provides an update on our progress against Ministerial Priorities¹, which inform and shape our overall Strategy, Board Priorities, and annual business plan. The update is used to highlight some of our key activities and achievements in 2023; to identify areas which the CAA expects to be a significant focus in 2024; and to request sight of any updates to Ministerial priorities which we should take into account.

1. Improving the CAA's sustainability and resilience

We applied considerable effort to supporting the International Civil Aviation Organisation's audit of the UK's aviation safety system and were delighted not only to receive a rating which placed us in the highest level of global rankings, but one which bettered our previous assessment. We were equally pleased with the outcome of the concurrent Government Review of the CAA, which concluded that the CAA 'is world-leading and highly effective as the UK's independent aviation and aerospace regulator'.

The Review nevertheless identified a number of areas where the CAA could improve even further, to ensure that it remained fit for current and future challenges in a rapidly evolving sector. All these recommendations were accepted by the CAA Board, an implementation plan is in place, and a number of actions have already been completed. CAA stakeholders and customers should already see changes to how key regulatory information is communicated on our website; we have published our first Consumer Strategy, articulating our approach, ambition and measures of effectiveness in looking after consumer interests; and we are realising efficiency savings to reinvest into our Customer Experience and Modernisation programme. Work on an updated Framework Document is progressing and the establishment of a new CAA/DfT Sponsorship Board will provide an enduring forum to support further the relationship between the Department and the CAA.

¹ Most recently, Ministerial Priorities for the CAA dated 23 February 2023

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2. Supporting the recovery and growth of the aviation system

UK aerospace has grown strongly throughout 2023, with flights in UK airspace now at or near 2019 levels. The CAA has continued using its significant convening powers to support the sector in dealing with resilience and demand challenges to the capacity of the UK aviation system. Air traffic control resilience at London airports and more generally has been a particular focus, with the NATS' technical failure on 28 August offering a particularly testing example. The independent review which we initiated into the latter incident will look at the wider system resilience issues and make recommendations on what further studies might be required: the review is expected to report early in 2024.

The July 2023 publication of our [Growth Duty Report](#) set out the CAA's efforts to support aerospace growth. For example, we have now established a Future Safety and Innovation function as a core part of our Safety Regulation Department, the latest step in a series of initiatives over the last 3-4 years to build our capacity to enable and regulate the range of emerging Future Flight technologies. We very much welcome the Department's support as we build our skills and capacities in these areas.

3. Remaining a credible, trusted and globally influential regulator

Our very successful ICAO Audit confirms the CAA's standing as a world-class regulator. We continue to participate fully in the widest range of international fora, where our voice remains trusted and respected; and we have continued to establish new, and strengthen existing, bilateral agreements with peer overseas aviation safety regulators. We are working collaboratively with Government to make the UK a chosen place to do business post EU-exit. We continue to reinforce our NAA Network (which the UK continues to lead) with the US, Canada, Australia and New Zealand, and we are fully engaged with ICAO Capacity Building programmes, sponsored by the Department, with a focus on ensuring safe regulatory certification and approvals. This year we also signed a Declaration of Co-operation with the Irish Aviation Authority, to help stop illegal public transport flights. Our wider international outreach also continues, including progressing discussions with international partners on cooperation on sustainability and environmental issues as well as artificial intelligence and key safety risks.

4. Supporting aviation decarbonisation

We continue to support the Government's Jet Zero ambitions through growing our sustainability expertise and capacity. We are delivering on the CAA Sustainability Strategy, sending a message that the regulator has a leading role in dealing with aviation's greatest strategic challenge. We are progressing proposals for ensuring airlines provide standardised and transparent information to consumers about the carbon footprint of their flight (a key deliverable of the Government's Jet Zero Strategy), as well as the imminent publication of the UK's first Aviation Environmental Report. We are also playing a key role in supporting Zero Emission Flight through the Jet Zero Council, such as the recent provision of a permit to fly for Virgin Atlantic's world-first transatlantic 100% sustainable aviation fuel flight. The issue of this permit represented a significant advance for the aviation industry, and we are proud to have played a key role through extensive testing and analysis of the safety case.

5. Modernising Airspace

In January 2023 we published a refreshed version of the Airspace Modernisation Strategy, introducing new areas of focus such as the integration of new airspace entrants and making clear the significant contribution which more efficient and effective use of UK airspace could

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make to our sustainability goals. We recently launched a third round of funding to help support airspace modernisation projects across the UK, as we look to expand on the nine organisations who have already benefited from this support. We are also working closely with the Department on a detailed proposal to introduce a significantly different approach to airspace change, whereby a single airspace entity 'architect' would ultimately design and maintain a modernised airspace structure. A decision on indicative recommendations will inform a public consultation in 2024. Whilst designing a new airspace structure will be a complex challenge and require scarce technical skills, the most significant challenge will almost certainly be addressing any public concerns associated with change.

6. Ensuring the safety and security of the space sector

Our space regulatory capability has grown strongly over the last year. Whilst the outcome of the Virgin Orbit launch in January was disappointing, it nevertheless marked a major milestone in UK space licensing. We continue to develop our skills and capabilities in light of this and other experiences and we constantly engage with current and potential new entrants into the market. The CAA has now licensed many satellites including around 300 for OneWeb, which is the second largest constellation in orbit, and overall we currently monitor over 750 different satellites in orbit. A decision is imminent on the licensing of SaxaVord, the UK's (and Western Europe's) first vertical launch spaceport for orbital missions. This could offer industry the opportunity to deliver launches from the UK during 2024, subject of course to them meeting regulatory requirements and prospective launch companies achieving their technical and operational ambitions.

7. Facilitating skills, making the UK the best place on the world for aviation at all levels

Through our STEM and skills programme, we have partnered with STEM and aviation focused organisations to extend our reach and influence; over 2500 participants enrolled in the CAA's Virtual Work Experience programme and we have welcomed graduate and apprenticeship cohorts to the CAA as a way of expanding our own skill base and drawing on a greater range of insights to shape our work.

Our work with the General Aviation community remains important, and 2023 has seen extensive engagement and outreach to promote growth among the community, particularly via our Airfield Advisory function, and through the release of various safety advisories across a range of mediums including podcasts, leaflets and videos. We have concluded our 12-month study into investigating the performance of low-cost commercial carbon monoxide detections in GA aircraft and updated our safety notice to reflect the findings.

Looking Ahead

Our ambitions and work programme are extensive, and 2024 will be another strong year of delivery. Within our primary remit of holding the sector to account for its performance on safety, security and consumer protection, we will be progressing the following:

- **Independent Review of NATS 28 August failure:** a final report will be provided to the CAA Board and Secretary of State for Transport before publication in early 2024.
- **Airspace Modernisation and Future of Flight:** to realise the benefits of these programmes, there will need to be alignment between stakeholders, including DfT, CAA and industry on the level of investment required and the credibility of delivery plan and the associated timings. Conversations with the DfT are ongoing in this regard and we welcome the continued support on these shared ambitions.

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- **Delivery of CAA Consumer Strategy:** a key enabler of our consumer protection focus will be a modern set of legal powers for consumer rights for which we await available parliamentary time for new legislation.
- **Economic Regulation review:** we intend to consult on our approach to economic regulation for the airports and air traffic services we regulate and possible changes in 2024. This will involve working closely with Government on implementing any changes identified.
- **ATOL reform:** we will work with the Department to put in place a new set of regulatory arrangements which helps to improve ATOL holder's financial resilience. Further consultation and a final decision can be expected in 2024.
- **Continued implementation of improvements to CAA efficiency and effectiveness:** we remain committed to building on the strengths identified by the Department's Review into the CAA, with 2024 expected to be a significant year in terms of customer experience and modernisation improvements, as well as consultation on reforms into our funding structure. This will include launching our new system for more rapidly assessing specified category RPAS operations, specific improvements to many existing systems and early progress with reform of our personnel licencing services.

The Priorities set by the Government for the CAA are an important part of our business planning, sitting alongside our own Strategy and stakeholder expectations of the CAA. Early sight of those Priorities for FY24/25 would be extremely helpful, to ensure that they can be incorporated into our planning and budgeting processes as soon as possible.

Finally, I would like to record my appreciation for the support which Ministers and officials in the Department have offered to the CAA over the last year. I believe that engagement and working relationships are strong and productive at all levels, and that the effectiveness of that relationship is a key part of ensuring that the UK continues to enjoy a very high standard of aerospace safety, security and protection of consumer interests; and ensuring that we can safely deliver future technologies and sustainability, across an exciting and rapidly growing sector. The CAA is looking forward to a safe and resilient 2024 and realisation of the forecast of strong UK sector performance.

Yours sincerely



Sir Stephen Hillier, GCB CBE DFC
CHAIR

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Annex A – Further detail on priority areas

Across our internal business plan, we assign relevant activity to its corresponding Priority, to ensure we can track, monitor, and report on progress against them. The below summarises current status for key activity which supports delivery of Government's priorities.

Priority Area	Achievements
Supporting the recovery and growth of the aviation industry	<ul style="list-style-type: none"> • Publication of CAA Consumer Strategy detailing the CAA's focus on consumer vulnerability and accessibility. • Publication of our Growth Duty Report which has become a case study for the Department of Business and Trade as they consider reform of the Growth Duty for other regulators. • Ongoing maintenance of high standards across aviation and cyber security • The Competition and Markets Authority final determination of Heathrow economic regulation (H7) was published on 17 October and reflected a positive result which largely supported CAA's approach and decision making for H7. • The NATS regulation (NR23) final decision was published on 26 October. • Holding industry to account for protecting aviation consumers including through successful legal judgement against Wizz Air which has a corresponding positive effect on the behaviour of Ryanair. • Launch of eLicensing platform and changes to the ways that key regulatory information on licensing is provided on our website.
Remaining a credible, trusted and globally influential future regulator	<ul style="list-style-type: none"> • Highly successful outcome of ICAO Audit and Government Review of the CAA • Extensive participation as national experts at ICAO and ECAC working groups, including across aviation and cyber security issues • Engagement with the FAA on rulemaking activity • Collaboration with Irish Aviation Authority to help stop illegal public transport flights and to promote compliance with law and regulators to encourage safe air operators by UK and Irish Operators
Supporting Skills and STEM	<ul style="list-style-type: none"> • Establishment of partnerships with STEM organisations to expand the reach in encouraging STEM, aviation and aerospace as a career choice • Implementation of CAA's first corporate graduate programme as part of our early career's strategy, and launch of several new apprenticeships to upskill colleagues • Certification as a Duke of Edinburgh Award approved provider
Supporting innovation	<ul style="list-style-type: none"> • Playing a significant role in enabling the Government's Future of Flight Action plan, including preparing for delivery of strategic objectives to enable scaled operations. • Supporting the Law Commission to examine the law around autonomous flight with a view to unlocking safe development of increased automation in aviation. • Commencing a significant project on specific category remotely piloted operations to enable scalable beyond visual line of sight (BVLOS) operations in the UK. • Recent launch of the Hydrogen Challenge to facilitate industry and academia to improve understanding of hydrogen-related risks in aviation.
Supporting aviation decarbonisation	<ul style="list-style-type: none"> • Fieldwork completed for the Aviation Noise Attitudes Survey. • Preparing for a consultation on recommendations for standardised, transparent and understandable information on the carbon footprint of flight at the point of booking. • Jet zero council Zero Emissions Flight programme delivery. • Leadership role within ICAO's environmental sustainability capacity building programme to offset and reduce carbon emissions.

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	<ul style="list-style-type: none"> Continued expert advice from the CAA’s Environmental Sustainability Panel to strengthen the work of the CAA’s sustainability ambitions. Embedding environmental sustainability additional areas of our activity and will ensure that we consider the Environmental Principles Policy Statement in our advice to Government
<p>Modernising Airspace</p>	<ul style="list-style-type: none"> Progressing airspace change proposals to better meet the demand of modern airspace, as well as enabling the implementation of GNSS procedures at Leeds East and Sherburn-in-Elmet airfields, increasing safety when landing on poorer weather and increased resilience. Delivery of a package of improvements to clarify the airspace change process for airports, air navigation service providers and those affected by airspace change following a comprehensive review (see CAP1616 update)
<p>Space Regulation</p>	<ul style="list-style-type: none"> Engaging and listening to industry, reaching out to stakeholders around the world as part of our work to keep UK regulations at the top of world standards and use feedback and knowledge sharing to constantly improve the work we do. Preparing for the innovations and ideas coming down the track. Engaging with industry on how to regulate close proximity operations and space sustainability, and supporting research into human spaceflight and what we need to prepare for as it moves beyond the realms of trained astronauts. Continuing assessment of a wide range of space activities with spaceports and rocket companies at various stages of the licensing process, all pointing towards exciting missions ahead. In practically all cases, we are issuing licences ahead of the operators being ready to undertake their missions.
<p>Aviation at all levels</p>	<ul style="list-style-type: none"> Airfield Advisory Team continues to support airfields and local planning authorities in support of a flourishing general aviation sector GA strategic change programme continues to engage with the sector and make improvements, including scoping a new strategic approach to GA licensing, reaching an agreement on data sharing to enable medical self-declarations, and scoping a new approach to airworthiness simplification. Publication of the Paramotor Code as a guide to safe practice and aviation regulations Progress on Electronic Conspicuity including publication of a study into the human factors relating to use of electronic conspicuity. Engagement with emergency services to enable GNSS procedures for helicopters to improve air transport to trauma centres.
<p>CAA sustainability and resilience</p>	<ul style="list-style-type: none"> Government’s review of the CAA published in July 2023, and implementation plan underway with improvements delivered across several recommendations already. Funding Structure Reform programme is mobilising following CAA Board approval to business case detailing resourcing and ambitions. Implementation and ongoing monitoring of target to deliver 5% efficiency saving for reinvestment in CAA modernisation. A series of significant technical improvements to improve the security of the CAA’s digital infrastructure. Refresh of CAA Strategy underway to take account of the fast pace of changes to aviation and aerospace landscape. Business plans progressing to ensure deliverability and value for money for significant modernisation programme.

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