

Statutory Charges FY2025/26: Consultation Document

CAP 3047

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About this document

This consultation document sets out our proposals for revisions to the existing UK Civil Aviation Authority (CAA) Schemes of Charges, due to take effect from 1 April 2025.

Our mission to protect people and enable aerospace has been at the core of our thinking when creating these proposals. We believe that they are fair balance of our regulatory obligations with investment in supporting the aerospace sector to grow in the future, considering the interests of all our stakeholders.

We are looking for your feedback on these proposals to allow us to refine our approach and make informed decisions which benefit all parties. Please submit all feedback via the CAA Statutory Charge FY2025/26 Consultation [online submission form](#).

The consultation is open for a seven-week period and closes at midnight on the 6 January 2025. Following the consultation period, we will publish a response document reflecting the consultation feedback received from industry and the Secretary of State for Transport.

Document layout:

Section 1: Introduction to this consultation and a summary of our proposals.

Section 2: Detail on our primary consultation proposals, including our delivery commitments.

Section 3: Description of the structural and pricing changes to be made to each scheme.

Appendix A-C: Containing supporting information where required.

To aid reader navigation the document contents contain hyperlinks which will direct readers to the relevant section when selected.

Privacy notice

By responding to this consultation, you are consenting to the use of your personal information to enable us to respond to you. We are committed to doing that in the most safe, efficient and proper way. You may withdraw consent at any time by emailing us at FOI.requests@caa.co.uk. Depending on the nature of your response, if you withdraw your consent, we may still use your personal information to comply with our public function or our legal duty. A more comprehensive General Privacy Notice can be accessed further below.

Sometimes we may need to share your personal information with other organisations, such as the Department for Transport. In most cases we will be able to do this by removing your personal information. If we need to share your personal information, we will obtain your consent beforehand. If you would prefer to make it known that you do not wish us to share your personal information, you can let us know straight away using the same email address.

Records of consultations are retained for two years unless there are extenuating circumstances such as a legal or regulatory basis. We sometimes retain information for research or statistical purposes. If we do, we will make sure that your privacy is protected and only use it for those purposes.

Submission form

You can submit an information enquiry or make a complaint about how we have processed your personal information by emailing FOI.requests@caa.co.uk. The CAA is subject to the Freedom of Information Act and we may need to release information you have supplied to us. However, we would never disclose your personal information without first obtaining your consent.

You have further [rights as a data subject](#).

Contact details of the CAA's [Data Protection Officer](#) can be found on our website.

You have a right to complain to the [ICO](#) about the CAA's processing of personal data.

Our [General Privacy Notice](#) is available on our website.

1 Introduction and Summary Points

Introductory message

“At the CAA, we see regulation as a positive force, allowing industry to innovate, grow and adapt to new challenges, whilst ensuring safety, security and consumer protections of all involved, creating a foundation of trust and confidence amongst the public, members of industry and investors.”

Tracey Martin, Chief Financial & Operations Officer

Dear Customers and Stakeholders,

As the Chief Financial & Operations Officer of the Civil Aviation Authority (CAA), I am pleased to present our Schemes of Charges funding proposals for the fiscal year 2025/26. We have designed these to ensure that we continue to deliver high-quality, efficient, and effective services while addressing the evolving needs of the aerospace sector.

In FY25/26 we will be entering the third year of a focused efficiency drive, resulting in significant cost savings amounting to £5m per annum. These efforts have enabled us to begin investing in modernising our systems and processes through our Customer Experience & Modernisation (CX&M) programme and simultaneously provide year-on-year real-terms price reductions.

Whilst we have made excellent progress over the past two years, the road ahead contains new challenges which we must overcome. In FY25/26 we will see a significant reduction in available Government grant funding, which when coupled with the need to adhere to our commitments under the Arms-Length Bodies (ALB) review in driving greater value for money, places strains and pressures on our current funding model. To address these challenges, we are seeking your views through this consultation on an effective average increase in our statutory revenue envelope of 8.9%, comprised of a combination of general price increases, targeted increases, and the introduction of new charging mechanisms for new activities. We consider these changes to be necessary to:

- **Partially tackle the impacts of inflation on our cost base:** driven by the requirement to provide proportionate pay increases to our colleagues and to meet price increases arising from our suppliers. Our below-inflation increase in the cost of like-for-like activity will be achieved through further efficiency savings and prioritisation of spending to tackle these challenges.

- **Account for changes in our regulatory perimeter:** as we undertake new tasks centred on progressing priorities shared by those we regulate, the Government and the CAA, we propose introducing new charges and extending some existing ones.
- **Reflect the loss of taxpayer funding for key activities:** as we move away from taxpayer funding for some existing activities, in line with the user-pays principle and the Managing Public Money framework, we propose extending some existing charges.
- **Boost investment in modernising the CAA:** to enable our ambition to increase the pace of delivery in our efforts to modernise, enhancing the value of our services and the efficiency of our organisation, we propose a ringfenced contribution from all charge payers.

Through this year we have been progressing our efforts to reform our charging structure, focused on improving transparency and financial sustainability, centred around a value-for-money framework. We are seeking to use the Funding Structure Reform (FSR) project to address some of the key challenges faced in our funding model, including; removing the complexity in our charging model, reviewing areas of reliance on taxpayer funding and seeking ways to fund an ongoing enhancement to the value of our services. The project is currently in the information gathering phase, including understanding customer perceptions of value, performing detailed analysis on the cost of our activities and considering how we can best align with Managing Public Money (MPM). We continue to work towards launching our new charging structure in time for FY27/28 and intend to present our initial thoughts and findings early next year.

At the CAA, we see regulation as a positive force, allowing industry to innovate, grow and adapt to new challenges, whilst ensuring safety, security, and consumers protections of all involved, creating a foundation of trust and confidence amongst the public, members of industry and investors. We are committed to maintaining a transparent and collaborative approach with our customers and stakeholders, focused on delivering value for money. This consultation is an opportunity for us to gather your feedback and ensure that our proposals align with the needs and priorities of those we regulate. Your input is invaluable in helping us refine our approach and make informed decisions that benefit all parties involved.

Thank you for your continued support and engagement.

Tracey Martin
Chief Financial & Operating Officer, CAA

Context and summary of this consultation

Over the past 10 years our charges have been systematically reduced in real-terms through successive below-inflation price increases, meaning recurring charges are 27% lower over this period against CPIH inflation published by the Office for National Statistics (ONS). By the end of our current three-year efficiency and reinvestment plan (FY25/26) we will have delivered both £7.4m in compound savings to industry and £15m in cumulative ringfenced investment in the completing the Digitising Specific Category Operations (DSCO) platform and progressing our CX&M programme. Our efficiency is demonstrated by the relatively low cost of our corporate enabling functions as a proportion of operating expenditure – when we compare this with other UK regulators the CAA performs well, placed in the lower quartile.

As a result of the proposals in this consultation, our statutory charges are expected to represent an estimated 0.4% of UK Aerospace turnover (estimate taken from the [ADS Aerospace Sector UK Outlook 2024 report](#)) and equates to £0.45 per UK passenger movement next year. Despite a significant expansion in our regulatory perimeter over the past 10 years brought about by EU-Exit, the impacts of Covid-19 and our wider role as an enabler, through innovation and sustainability, the CAA's effective cost to industry per these measures remains relatively stable (FY15/16: 0.4% / £0.43), achieved through our efforts to deliver new and existing services in an efficient manner.

The FY25/26 Government Spending Review has presented several challenges for the CAA to tackle, with the loss of specific funding streams for existing and recurring activity amounting to £4m. Of this, in accordance with the user-pays concept, the CAA is proposing to seek funding of £3m from industry for safety activities which must continue. We have identified ways to absorb the remaining £1m of pressure through a combination of further efficiencies and reprioritisation of work.

Our proposals have been approved for consultation by the CAA Board and, following CAA's adoption of Managing Public Money guidance, HM Treasury. Our proposals can be summarised as follows:

- General price increase across all schemes of 1.6%, the equivalent of CPIH-1 as proposed by the CAA as part of recommended by the Arm's Length Body Review (2023), partially addressing inflationary pressures and providing a real-terms price reduction to customers. As in previous years, we have used the ONS published September CPIH rate (2.6%) as our standard inflation reference point.
- Introduction of additional charges for new activities as our regulatory perimeter increases, providing enhanced services and enabling our customers to do more:
 - Implementation of a new framework and application service for operators of remotely piloted aircraft.
 - Preparing for the first applications for EVTOL and vertiport operators.

- Preparing to regulate the safety of airport ground handling services.
- Activity-based increases to existing charges to progress shared strategic objectives, adjust for changes in grant funding and to address emerging priorities:
 - Protecting people through building our environmental sustainability team so they can better report on the sustainability performance of the sector and bolstering our ability to work with the sector on standards of consumer protection and industry resilience.
 - Enabling aerospace through our Future of Flight programme and Artificial Intelligence Strategy we will continue to support the safe and sustainable integration of new technologies with existing aerospace users.
 - Enhancing the CAA through avoiding larger costs associated with upgrading our existing estate for better value for money options (which still require investment) and increasing our legislative function following the departure from the EU and the increasing demand for an agile legislative framework that can manage higher levels of legislative change.
- The introduction of a customer investment contribution of 1.0% and establishment of a ringfenced fund to allow us to accelerate the pace of delivery of enhanced value for money through increasing efficiency, effectiveness, and industry enablement. In FY25/26 this funding would allow us to bring forward work to digitise the end-to-end pilot licensing journey, improving customer experience and processing times through the introduction of a digital licensing service (further detail is provided in Section 2).
- The introduction of a dedicated scheme for Remotely Piloted Aircraft Systems, moving relevant charges out of the General Aviation scheme to ease customer interpretation.
- Some smaller changes to individual charges across the schemes, as set out in Section 3.

2 Overview of charging proposals

We would welcome the sector's views on our proposals to increase overall charges by 8.9%, which is driven by four key factors.

Drivers of our proposals and our commitments to stakeholders

1. A below-inflation increase to all charges of 1.6%.

We will deliver a value-focused balanced budget that enables us to attract and retain scarce technical resources whilst protecting ringfenced efficiency savings for the CX&M project.

2. Changes to our regulatory perimeter, as we take on new regulatory activities.

We will deliver greater assurance for consumers and enable industry to do more through strengthening our oversight of new and existing aviation sectors, bolstering our consumer teams to deliver new resilience and protection activities, and taking a greater role for managing legislative change in-house.

3. Changes to reflect a reduction in taxpayer funding of some existing activities that need to continue.

We will continue to deliver vital services to promote the highest safety standards (Lithium Batteries, Ground Handling Policy and Air-Intercept Enforcement), maintaining high levels of consumer confidence, and we will progress our shared strategic priorities to enable industry to grow, innovate, and adapt to meet sustainability targets (Future of Flight and Environmental Sustainability).

4. Our ambition to increase investment in our digital transformation to deliver greater customer value and modernising our estates portfolio.

We will deliver improved customer experience in our licensing and oversight services sooner, relocate from Aviation House to a more appropriate leased premises to avoid substantial refurbishment costs and provide significant financial efficiencies through implementing an artificial intelligence-led solution to process Mandatory Occurrence Reporting.

The proposed introduction of new charges and changes in prices are set out over the following pages with the impact by scheme and other minor adjustments set out in both Sections 3 and 4.

A below-inflation increase to all charges of 1.6%

In FY25/26 we will be entering the third year of our efficiency and reinvestment plan. Through this period, we have managed to drive down operating costs by £5m per annum, with the saving being ringfenced to deliver improvements to our systems and processes through DSCO and the CX&M programme. The efficiency drive has also allowed us to provide real-terms price reductions in like-for-like services, an approach which the CAA has adopted consistently over the past decade. In FY25/26 we are proposing to continue to increase the cost of like-for-like services by one percentage point below the rate of inflation (CPIH, as published by ONS¹) as of September 2024 (2.6%), generating an anticipated £2.0m in additional revenue, equating to a real-terms saving of £1.2m. Over the three years, the compound saving that will be delivered to customers because of this policy amounts to £7.4m. This increase will be applicable to all CAA charges, apart from the Spaceflight scheme which has a more complex legislative structure associated with it.

The CAA uses the general price increase to tackle inflationary impacts on our cost base. This is not for growing the organisation, but instead to provide a proportionate pay award to our colleagues and to address the impacts of third-party supplier price increases. This is distinct from increases in revenue generated by growth in the industry, which broadly necessitates greater resources to manage the additional associated activity. Honouring the CPIH-1 commitment means that the general price increase currently only covers a portion of the inflationary pressures on our cost base, meaning that further efficiencies will be found to deliver a balanced budget.

The CAA has in place an approach to accountable budgetary oversight that promotes value-for-money, with delegated departmental budgetary control allowing an agile and delivery-focused approach to spending. This approach enables the CAA's Corporate Enabling Services team to both monitor and forecast budgetary performance and utilisation against agreed spending principles and to advise budget holders on how to maximise the value of their resources. Following an initial top-down view of our spending requirements for FY25/26, the 1.6% price adjustment will generate the minimum of what we consider necessary to ensure that we can continue to operate efficiently and effectively. A detailed budget build exercise is already underway, running concurrently with this consultation. We anticipate that this exercise will confirm that a 1.6% increase, alongside identification of efficiencies and reprioritisation, will provide sufficient funding for inflationary pressures in FY25/26, and we will provide further detail relating to the CAA's budget for the forthcoming year in our consultation response due for publication in March 2025.

¹ [Consumer price inflation, UK - Office for National Statistics](#)

Changes to our regulatory perimeter

Digitising Specific Category Operations (DSCO) and Specific Operations Risk Assessment (SORA)

New charges (£1.8m)

The CAA is introducing a new charging framework for the Digitising Specific Category Operations platform. This framework supports the launch and further development of the digital platform and the Specific Operations Risk Assessment (SORA) methodology, which will enhance the safety assurance and efficiency of applying for Operational Authorisations in the Specific Category of Remotely Piloted Aircraft Systems (RPAS) operations. The development costs have been funded through the CAA's efficiency and reinvestment plan, however the increased ongoing cost of providing this enhanced service necessitates a higher level of ongoing funding. We propose to achieve this through a combination of price increases, reflecting the significant improvement in service and in line with the user-pays concept, and through industry growth, enabled by the introduction of the SORA methodology and DSCO platform.

The new platform introduces efficiencies to the current approval processes for RPAS applications. Existing legacy processes have led to long application lead times, dissatisfaction from customers and have reduced the efficiency of CAA colleagues. The introduction of the SORA methodology alongside this new platform addresses these issues by providing a transparent risk assessment framework, which, coupled with new Remote Pilot Competency and Flight Worthiness frameworks, will improve safety assurance to RPAS Operators and the CAA. The anticipated growth in the RPAS aviation sector also means the development of a scalable digital platform to cope with the future demand is vital.

The introduction of the new digital platform offers several benefits to RPAS operators:

- **Enhanced Safety:** The platform together with the SORA methodology will improve safety by providing a more rigorous and transparent risk assessment process. This includes additional checks and levels of Remote Pilot Competency and Flight Worthiness Assessment. (i.e. additional pilot competency and additional platform integrity).
- **Improved Efficiency:** The platform will significantly reduce application processing times, enhancing the overall customer experience. For instance, the PDRA01 application launched on the new platform this year has already resulted in average processing times decreasing from 13 days to 23 minutes.
- **Cost Avoidance:** The platform has been designed to grow alongside industry, enable economies of scale and a smaller resourcing footprint in future years than would be necessary if the existing methodology and manual processes were retained.

- **Professionalisation of the RPAS Industry:** By enabling more transparent, efficient, and effective applications for Operational Authorisations to be made via the SORA framework, the platform will help professionalise the RPAS industry. This will provide operators with greater certainty at the point of application support growth in the sector.

This change will also see a substantial increase in oversight activity performed by the CAA, which is a fundamental requirement of the new methodology. This necessitates an increase in technical resources at the CAA and, under the user-pays concept, means that we will be seeking an increased contribution from regulated entities. Effective oversight is critical to ensure RPAS operators can continue to fly in a safe and sustainable way.

The implementation of the digital platform will result in significant changes to the charging structure for RPAS operators. Key impacts include:

- **Pre-Defined Risk Assessments:** The PDRA01 form was introduced early in FY24/25 with a substantial positive impact on application lead-times, reducing these on average from 13 days to 23 minutes. In the FY24/25 consultation response document we highlighted that this service would initially be introduced without an adjustment to the price point, with a potential increase considered for FY25/26. Our analysis of the increased operating costs to provide this enhanced service necessitates an increase in the price of declarative PDRA applications from £234 to £500. We will be exploring the delivery of additional PDRAs over the course of the coming year to further improve service efficiency, including non-declarative PDRAs, test and evaluation PDRAs and other industry valued PDRAs. We will set an initial price point of £2,185 for non-declarative PDRAs, with both prices to remain under review over the coming years, reflecting changes as the market evolves, matures and scales and the need for the service to cover its costs in line with Managing Public Money.
- **Low-Risk Specific Category Operators (SAIL I/II):** The majority of existing CAA RPAS operators are expected to have their current operations evaluated within the lower SAIL scores under the new SORA methodology. We propose to recover the cost of such applications in the following ways:
 - For those customers receiving a SAIL I score we will charge a fixed fee of £2,185 on application and reapplication. The initial fee is the equivalent of the current Operator Safety Case 1 (OSC1) charge, however the reapplication fee is higher, reflecting the greater oversight role we will perform.

- Operators receiving a SAIL II score will be charged an initial £3,994 on application, subject to an excess hourly charge of £312 / hour. This application charge is at a similar level to that currently payable by complex OSC1 operators (£2,185 plus excess hours) therefore impacts for initial applications are expected to be minimal. Non-technical reapplication fees for SAIL II will be charged at £3,595, reflecting the greater oversight role we will perform. Where a reapplication involves a technical change in operations this will be treated as an initial application and charged accordingly, reflecting the increased volume of work required to assess such a change.
- **High-Risk Specific Category Operators (SAIL III+):** We propose to recover the cost of these more complex applications in the following ways:
 - Operators receiving a SAIL III/IV score will be charged an initial fee of £15,725, subject to an excess hourly charge of £468 / hour. This rate is higher than the standard hourly rate in this scheme of £312 / hour, reflecting the highly technical nature of the work performed and associated policy work. Non-technical reapplications will be charged at a fixed rate of £8,816.
 - Operators receiving a SAIL V/VI score will be charged an initial fee of £45,677, subject to an excess hourly charge of £468 / hour. This rate is higher than the standard hourly rate in this scheme of £312 / hour, reflecting the highly technical nature of the work performed and associated policy work. Non-technical reapplications will be charged at a fixed rate of £13,420.
 - Where a reapplication involves a technical change in operations this will be treated as an initial application and charged accordingly, reflecting the increased volume of work required to assess the technical change.
- **Non-SORA Specific Category Operators:** We propose to recover the cost of applications and reapplications received outside of the SORA methodology through a charge of £4,992, subject to an excess hourly rate of £312 / hour. This charge reflects the current estimated cost of processing applications which will not readily fit within the SORA methodology once adopted.
- **Remote Pilot Certificate Issue:** We propose that where the CAA issues a Remote Pilot Certificate directly to an applicant a charge of £68 will be payable, equivalent to our standard administration charge.

- **Recognised Assessment Entities for Remote Pilot Competency (RAE-RPC):** The CAA will introduce two of the three new levels of RAE-RPC from FY25/26, allowing approved entities to introduce increasingly complex pilot competency offerings, aligned to the higher-risk activities enabled by the adoption of the SORA methodology. To add a particular level, an RAE must already hold an approval at all lower levels, e.g. it is not possible to hold only a level 3 approval. The existing level 1 pilot competency charges will remain unchanged (£4,369 for an initial, £3,277 for a reapplication). We are proposing to recover the cost of the additional levels by implementing the following charges:
 - Level 2: Approval for delivery of Level 1 and Level 2 Remote Pilot Competencies - an initial charge of £6,240, subject to excess hourly charging at £312 / hour, and a reapplication charge of £3,277.
 - Level 3: Approval for delivery of Level 1, Level 2 and Level 3 Remote Pilot Competencies - an initial charge of £9,360, subject to excess hourly charging at £312 / hour, and a reapplication charge of £7,020.
- **Recognised Assessment Entities for Flight Assessment of RPAS Platform (RAE-FAE):** Introduced under the SORA methodology, approved entities will play a new role in assessing the integrity of RPAS platforms being flown by operators. Approving and overseeing such entities will require a high level of technical expertise, and to recover the cost of this work we are proposing to charge an initial fee of £9,360, subject to excess hourly charging at £312 / hour, and a reapplication charge of £7,020.

Under these proposals, based on our current expectations of how the SORA methodology will be adopted, customer reactions and future industry growth, the new digital platform is forecast to operate at a net loss of £0.5m over the next four years before achieving a neutral operating position in FY29/30. The CAA will absorb this operating loss through utilisation of efficiencies and financial reserves and is not expecting to recover the cost of developing the platform (c. £8m) at this stage. A universal 10% reduction in the charges proposed in this consultation would delay this break-even point until FY34/35, incurring £2.5 million in losses which would necessitate funding from customers through other mechanisms. In line with the user-pays concept and the Managing Public Money framework, we are seeking to recover the ongoing cost of this service from its direct beneficiaries and not to build cross-subsidisation from other parts of industry or the taxpayer into our proposals.

There are significant assumptions built into our financial modelling for the introduction of the new platform, and the current proposals have been developed in a balanced way, on our best knowledge at the time of this consultation. We will continue to refine these assumptions based on ongoing analysis throughout this consultation, and into future years as the market continues to evolve. In line with the user-pays concept, if we find that the financial performance of the new platform sustainably exceeds our expectations we will seek to lower prices for customers at the earliest opportunity. Conversely, if the service

does not recover its ongoing costs, or if there is evidence that an adjustment in the distribution or methodology of cost recovery across RPAS customers is necessary, then we will consult on changes in future years.

Consumer Protection

6.6% increases on our Air Transport Licensing and Regulation of Airports Schemes (£0.8m)

We are committed to improving outcomes for consumers by putting passengers at the heart of every decision we make, alongside ensuring the sector meets the highest safety and security standards. Additional funding is required to facilitate a refresh of our approach to the work that we do to enforce consumer rights in aviation.

The CAA has roles as both the national enforcement body of specific pieces of consumer-related legislation, relating to the accessibility of aviation and passenger rights when flights are delayed or cancelled, and as the sector-specific regulator for legislation which applies across aviation, such as that relating to alternative dispute resolution; regulations in relation to price transparency; and regulations which protect consumers from unfair or misleading trading practices.

We wish to conduct a comprehensive review of our current approach to consumer rights legislation enforcement, including conducting a gap analysis between our current approach and what we believe is required of the CAA to meet consumer needs going forwards. We expect this review to lead to a refreshed programme of work, likely encompassing a new compliance programme, and work to better understand pricing practices in the sector, particularly to ensure consumers can make informed purchasing decisions and are treated fairly.

In addition, we are conscious that there is appetite in government to provide the CAA with additional powers to enforce consumer rights. We plan to undertake a project to assist the government in considering future legislative powers that will ensure that the CAA has the consumer protection tools to undertake our role both efficiently and effectively.

Enhancing our consumer protection capability has been identified as a key Ministerial priority from the new Government. Taking greater action in this area will provide consumers with increased assurance that they will be treated fairly by airlines and airports when they travel, leading to increased consumer confidence. An additional £0.8m is required to bolster our consumer protection efforts, which we propose is raised through 6.6% increases on our Air Transport Licensing and Regulation of Airports Schemes.

Safety Oversight

1.2% increase on our Air Operator Certification and Aerodrome and Air Traffic Services Schemes (£0.5m)

In FY25/26 we are presented with new challenges in increasing our oversight activity relating to the safe transport of dangerous goods and ground handling. Our Dangerous

Goods team is seeking to increase resources to meet the demand of oversight work required to provide the appropriate level of assurance into the future. A plan to recruit 8 Dangerous Goods Inspectors over the next four years is in place, with 2 new resources planned for FY25/26. The prime benefits are to meet International Civil Aviation Organization (ICAO) requirements in relation to dangerous goods oversight and an improved safety environment will also benefit those seeking to transport dangerous goods. The CAA's Ground Safety team is also seeking to increase resources to deliver enhanced oversight of sub-contracted activities relating to ground handling. We have planned to recruit an additional 3 Ground Safety inspectors during FY25/26 to bring our oversight to the necessary levels. At present, the primary beneficiaries of our efforts in this area are operators who have commercial engagements with ground handling organisations, however once the new policy framework is in effect we will be able to seek recovery of oversight work directly from ground handling organisations. The combined cost of recruitment to progress these initiatives next year will total £0.5m, with further increases to be expected in future years.

Increasing our work in this area will be of benefit to airlines, airports and consumers, as greater safety assurance reduces accidents and incidents. To progress this core safety regulatory activity we propose an increase of 1.2% across the Air Operator Certification and Aerodrome and Air Traffic Services Schemes.

Legislative Function

0.2% increase across all charges (£0.3m)

Following the UK's departure from the EU, the UK has taken on full responsibility for legislative and regulatory rulemaking. Some of this work requires the Government to prepare changes for legislative change, with support from the CAA. Other changes are within the CAA's remit. In both cases, the amount for work required is increasing. The extensive and existing legislative framework needs constant evolution to keep aligned with the global framework set by ICAO, and for changes the UK wishes to make. The legislative framework also needs reform to allow for the introduction of new technologies and sectors. In all cases, much of the work driving these changes comes from the CAA – with greater resources we will be able to progress the work at the scale and pace we and our stakeholders want.

The CAA has a multi-year legislative programme that we are keen to advance in the interests of consumers and those we regulate. We are currently in discussions with the Department for Transport (DfT) about taking on a more significant role in drafting Statutory Instruments in the future. Although these discussions are still in the early stages, there is a clear opportunity for the CAA to assume some of this workload which will improve efficiency in delivery.

To effectively manage this increased responsibility, we would need additional resources with specialist skillset which we estimate to cost £0.3m. This investment would serve as a bridge to any longer-term and broader legislative reform package that may arise from our

discussions with the DfT. Given the universal benefit of legislative work across our regulatory functions we propose an increase across all charges of 0.2%.

NATS Resilience

4.9% increase on our En Route Air Traffic Control Services Regulation Scheme (£0.3m)

The NATS system failure of August 2023 highlighted both the huge potential impact on consumers of aviation sector resilience issues and the importance of the CAA taking an active role in overseeing preparedness and management in achieving our mission of protecting consumers. That failure alone led to over 700,000 passengers being impacted. Further incidents have affected still more people over the course of the last 18 months.

The Independent Review Panel's report into the NATS failure makes a series of recommendations both to the CAA to action directly, but equally proposes the CAA oversee and ensure compliance with its recommendations to industry, including NATS. Given the wide-ranging nature of the recommendations, and the clear consumer interest in ensuring they are effectively implemented, and ongoing resilience is enhanced where possible and proportionate to do so, we propose an increase of 4.9% in charges payable by NATS under the En Route Air Traffic Control Services Regulation Scheme to fund this work. Depending on the implementation of the initial recommendations and the sector's reaction and engagement with this key task, we may need in future years to expand this function to ensure consumers derive value from a reliable and resilient sector.

eVTOL and Vertiport Operators

New charges (£0.1m)

Over the next 12 months the CAA expects to receive our first eVTOL operator application. This will be an important moment for UK Aviation, following the culmination of several years of collaboration between the CAA and innovators in the aerospace sector. The CAA will ensure the highest standards of safety oversight for this new technology as it is introduced to the public, with a robust regulatory approach helping to build consumer confidence. Whilst there remains uncertainty over how this market will evolve, we have been working to prepare ourselves for this moment and have trained personnel ready to provide the necessary oversight and support for nascent operators. We are proposing to introduce charges in the Air Operator Certification scheme for these operators at the equivalent rate chargeable to operators of fixed-wing aircraft not above 5,700kg. This will cover initial application, variation and annual oversight charges.

Likewise, we are expecting our first applications for the operators of Vertiports which will provide critical infrastructure for eVTOL operators. We expect most applications to arise from existing aerodromes seeking to extend their approvals, however we also expect some novel applications as this technology is adopted. To ensure we can recover the cost of our work we will treat applications from Vertiports in the same way as for Licenced Aerodromes and will charge customers accordingly under that scheme. As this is a new

area of responsibility for the CAA, we will monitor whether this charging level is appropriate to facilitate cost recovery and will consult on changes in the future where necessary.

Changes to reflect a loss in taxpayer funding

Environmental Sustainability

1.1% increase on all charges (£1.4m)

Additional funding is required to enable us to advance our environmental sustainability initiatives in FY25/26 and beyond. The proposed funding increase of approximately £1.4m will support the CAA's core sustainability projects, as well as transitioning funding of existing activity from the taxpayer to the Scheme of Charges (SoC), in line with the polluter-pays principle. These activities will ensure the CAA is enabling the aviation industry to meet key environmental targets, such as achieving net zero by 2050, thereby enhancing overall environmental performance. This underscores the growing importance of environmental sustainability issues within the aviation sector, a priority for industry, Government (aligning to the Governments '5 missions' and Ministerial priorities), and consumers.

The CAA Sustainability Programme aims to develop regulatory and policy frameworks that support sustainable aviation practices. This encourages innovation and sustainable practices within the industry, leading to reduced environmental impact and improved sustainability outcomes. Additionally, the CAA has a legal duty to publish reports on the environmental impact of civil aviation in the UK. This environmental reporting, previously funded by the taxpayer, will now be covered by the industry. Such transparency and accountability will continue to help industry, Government, the CAA and consumers understand the progress towards environmental goals and promote best practices.

The Sustainability Panel and Secretariat will continue to provide expert advice and challenge to the CAA across all programmes, aiding in the development of environmental policies and strategies. This expertise ensures the CAA's work is connected to, and reflects, the latest scientific and technological developments. Furthermore, the Community Information and Feedback Forum (CIFF) will facilitate communication between the CAA and communities affected by aviation activities. This engagement ensures that consumer concerns are addressed, fostering a more inclusive approach to environmental management.

Adaptation to climate change is another essential area of focus which is critical to the future of the sector. The CAA will develop strategies to enhance the aviation industry's resilience to climate change impacts. This proactive approach will help protect the industry from climate-related risks, ensuring safer and more reliable air travel for all aviation participants.

All CAA customers will benefit from a more sustainable aviation industry with reduced environmental impacts and improved compliance with environmental targets. Regular environmental reporting will keep consumers informed about the industry's progress and challenges, promoting trust and engagement. The funding will drive innovation in sustainable aviation practices, leading to long-term benefits for the environment and society. Improved communication and engagement with affected communities will ensure that consumer voices are heard and considered in environmental decision-making. Finally, proactive adaptation measures will safeguard the aviation industry against climate change, ensuring continued safety and reliability for all participants.

Recognising the benefits to all CAA customers of the work we are undertaking, and in keeping with the polluter pays concept, we propose an increase to all charges of 1.1%. We recognise this is an area which is both growing in social importance and where our experience is continuing to evolve. We expect that we will need to increase our pace and scale of delivery in future years through growth in our reporting capability and supporting industry through the adaptation phase. We will continue to develop our thinking about how to best allocate the cost of this activity amongst our customer base through our Funding Structure Reform project. At this time, given the universal impact and benefits relating to environmental sustainability, seeking a contribution from all customers to fund this function is deemed to be the correct course of action.

Future of Flight

1.0% increase on all safety scheme charges (£0.9m)

The Future of Flight Programme was created to support the DfT's 'Flightpath to the Future' strategy that sets out ambitions in developing and integrating new aviation technologies, such as drones and eVTOL aircraft, into the existing aviation ecosystem. This integration will enhance safety and efficiency for both new and existing aviation participants by ensuring that all airspace users, including new entrants, adhere to updated safety regulations and standards.

The programme supports the Airspace Modernisation Strategy, which seeks to integrate new airspace users with existing ones. This will lead to better airspace management, reducing congestion and improving the efficiency of air traffic control. Traditional aviation users will benefit from more streamlined operations and reduced delays, as the integration of new technologies will allow for more efficient use of airspace.

By fostering the expansion of new aviation markets, the programme will stimulate economic growth, which will benefit existing aviation sectors. The development of new technologies and market growth will create new commercial opportunities for airlines, airports, and other aerospace stakeholders through the delivery of more efficient and reliable services. This has the potential to reduce operating costs for business, but also improve safety and UK-wide connectivity. This growth is expected to contribute

significantly to the UK economy, with potential benefits estimated at up to £45 billion by 2030².

The integration of advanced air mobility (AAM) and other new technologies is expected to reduce greenhouse gas emissions and ease congestion. All airspace users will benefit from a cleaner and more sustainable aviation environment. The programme's focus on improving the efficiency of the existing aerospace system, including aircraft, airports, and airspace, will contribute to achieving the UK's net zero emissions targets.

The programme will enhance public services by enabling new methods of flying that can support essential services such as medical deliveries, search and rescue operations, and environmental monitoring³. Traditional aviation users, including airlines and airports, will benefit from the increased capacity and improved infrastructure that comes with these advancements.

As an example of our work in this area, we are implementing improved processes and creating a new function to enable beyond visual line of sight (BVLOS) trials in both Temporary Reserved Areas (TRA) and Atypical air environments. This allows us to capture essential data which will feed into policy development, informing the next steps towards a sustainable introduction of wider BVLOS flying, ensuring the safety and security of both new and existing airspace users, as well as the public. This is a critical step to enable the emergence of this new market.

By positioning the UK as a leader in emerging aviation technologies, the programme will enhance the global competitiveness of the UK's aviation sector. All aviation users will benefit from being part of a forward-thinking and innovative aerospace ecosystem that is recognised worldwide for its leadership in integrating new technologies.

Core Safety Regulation

1.4% increase on our Air Operator Certification and Aerodrome and Air Traffic Services Schemes (£0.6m)

The FY25/26 Spending Review process has identified several core regulatory activities which are currently funded by the taxpayer, however the desire from the DfT is for these items to be funded through the Scheme of Charges in future years. Activities relating to lithium batteries, ground handling policy development and air-intercept enforcement will all cease to be funded by the taxpayer from next year. These are critical activities that we need to ensure continue for ongoing safety assurance, therefore we are seeking funding equating to £0.6m to facilitate this.

The Lithium Batteries Programme manages the significant safety risks posed by lithium batteries to aviation participants and the public. This work involves exploring innovative solutions, such as developing technical specifications for Unit Load Devices, new

² [Skies Without Limits v2.0 - PwC UK](#)

³ [Advanced Air Mobility - UK Economic Impact Study - PwC UK](#)

approaches to screening and producing a suite of research publications, methodologies, models, and intelligence gathering platforms, which will help industry in the mitigation of this risk. The benefits this work will deliver include enhanced safety for the travelling public and those overflown, maintaining the UK's leadership in aviation safety, and meeting international safety obligations. Without continued funding, the UK risks falling behind in safety standards, potentially leading to severe accidents involving lithium batteries, which could harm passengers and third parties.

The Future Regulation of Ground Handling project aims to prepare the CAA for upcoming global regulatory changes driven by ICAO, with applicability dates in 2026 and 2028. The CAA have been heavily involved in the development of this regulatory change. Further work to prepare the UK for this change involves evaluating and implementing new ICAO Standards and Recommended Practices (SARPS) for ground handling, a sector currently lacking comprehensive regulation. As a result of this change, an enhanced and more in-depth oversight programme will be developed. This programme will align with the new ICAO SARPS and new ground handling regulations, supporting and complementing the current third-party ground handling oversight in place. The benefits include enhanced safety for airport workers and passengers, reduced incidents and accidents, and maintaining the UK's reputation as a leader in aviation safety. Without continued funding, the UK risks increased safety hazards, potential accidents, and a diminished standing in the international aviation community. Once the new policy is implemented we will continue to influence ICAO for future regulatory changes, constantly updating and maturing the regulation to ensure it remains effective and efficient.

The Air Intercept Enforcement project focuses on investigating aviation criminal offences related to prolonged loss of communications (PLOC) events. This work involves cross-agency collaboration to secure appropriate enforcement outcomes and ensure national security. The benefits include enhanced aviation safety, prevention of potential terrorist hijackings, and maintaining the UK's reputation as a leader in aviation safety. Without continued funding, the CAA would struggle to prioritise PLOC investigations, increasing safety risks for aviation participants.

To cover the impact of lost grant funding we propose an increase of 1.4% across the Air Operator Certification and Aerodrome and Air Traffic Services Schemes.

Our ambition to increase investment

Investment Reserve

1.0% increase on all charges (£1.2m)

The CAA is committed to enabling UK aerospace through continuous service improvement and supporting innovation. The risk of under investment in our systems and processes is an impact on our ability to deliver efficient and effective services and on our role as an

enabling force. Research conducted by the FSR project has shown CAA customers have a strong preference for enhanced service quality, efficiency, and effectiveness over marginal cost reductions. This feedback aligns with the findings from the 2022-2023 Arms-Length Bodies review, which emphasised the need for the CAA to focus on service improvements and innovation to meet customer expectations and industry demands. To enable us to meet these expectations, we propose increasing the pace of investment in our systems and processes.

Our existing rate of return mechanism, which provides a 3.5% return on capital employed, is insufficient to both maintain operating reserves and fund necessary internal investments. This limitation hampers our ability to keep pace with customer expectations and technological advancements. Through the FSR project we intend to put forward a proposal for the creation of an internal investment mechanism to provide a sustainable solution to this problem. The exact detail of how this mechanism will be funded and how we will ensure transparency over its use are being finalised and we look forward to sharing our thinking with you in the near-term.

In the meantime, we are still faced with the immediate challenge of meeting customer expectation to deliver greater value through service enhancements. Whilst our three-year efficiency and reinvestment plan has provided a funding source to deliver tangible service improvements for the RPAS sector through DSCO and has enabled us to launch our CX&M programme, we know that with greater resources we can expedite delivery of benefits to customers.

The CX&M programme focus is on improving the end-to-end customer experience of using CAA services. Our initial area of focus this year has been on Air Traffic Services, and we are making good progress – feedback from our user group of Air Traffic Controllers and Air Navigation Service Providers has been extremely positive to date. This redesigned service is due to launch by September 2025. We will also deliver improvements to Engineer Licencing later this year that will enable a fully online renewal process where every applicant able to track progress in real time. In early FY25/26 we will begin the data gathering process on our Professional Flight Crew Licence service.

Considering the desires of our customers to continually find ways to improve our service reliability, efficiency and effectiveness, and to do this at a faster pace, we are proposing a 1% increase across all charges, generating an estimated £1.2m in FY25/26. This funding will be utilised to bring forward CX&M activity into FY25/26 that would not have been able to start until subsequent years. The additional funding will allow for a second development team to be established bring forward work on digitising the end-to-end pilot licensing journey, delivering greater value to customers sooner. This approach also allows CAA colleagues to work alongside our delivery partners, acquiring core skills which will allow us to sustainably deliver future service improvements in an agile manner and at a lower cost. Each CX&M project will improve end-to-end customer experiences, transparency and efficiency.

This proposal will deliver the following benefits to all CAA customers:

- **Service Efficiency:** Increasing the pace of digitalising our systems and processes will significantly reduce end-to-end processing times of applications, meaning customers will progress through the application journey much faster. This enables our customers to spend less time interacting with onerous administrative processes and more time focusing on their business or recreational activities. DSCO is a prime example of what we can deliver if we have sufficient resources, with PDRA application times being reduced from 13 days to 23 minutes on average through investment in a digital end-to-end solution. The CX&M programme is using the same methodology as DSCO in its approach to service design.
- **Improving Effectiveness:** Investment in our systems and processes improves the quality and accessibility of information the CAA has, enabling effective regulatory oversight. Digitalising and standardising processes will also lead to a more consistent output, providing greater predictability for our customers. Using centralised, real-time data, we will be able to discharge our regulatory responsibilities more effectively, enhancing the safety and reliability of the aerospace sector for all users.
- **Customer Economy:** Modernising our systems and processes will lead to long-term cost savings by improving the efficiency of our working practices and replacing legacy systems with high maintenance and running costs. We will also be able to realise economies of scale as these system enhancements allow us to support innovation and growth in the sector. The creation of a centralised funding source will also provide a more sustainable approach to internal investment, and by adopting continuous improvement of our systems and processes we can reduce the need to undertake substantial modernisation programmes in the future. In time, these savings will be passed on to our customers through reductions in our charges or reinvested into delivering further value enhancements depending on customer priorities.
- **Enabling Industry:** A modernised suite of services enables industry to do more, be it through reducing application lead times, improving the consistency and predictability of outcomes to allow more effective business planning or through creating capacity and providing greater insights for our people to support innovation and growth in the sector. By investing in a customer-first and value-for-money cultural ethos, we will continually improve the experience and confidence in the CAA as an enabling force in industry in the years to come.

We have robust governance processes in place to ensure that any funding invested in improvements to our services is spent wisely, with a focus on delivering a tangible return on investment through improved efficiency, effectiveness, economy and through enabling industry to do more. To ensure transparency and to allow our customers to hold us to account, we will commit to provide detail on how the funding generated from this proposal is being invested in the CAA and what benefits that is driving over subsequent periods.

Increasing the pace of investment is crucial for the CAA to meet the evolving needs of the aviation industry and maintain its position as a global leader in aerospace safety and innovation. By focusing on efficiency, effectiveness, economy, and enablement, we believe that this proposal will deliver significant benefits to our customers and the wider aerospace community, ensuring that the UK remains at the forefront of aerospace technology and service excellence.

Estates Strategy

0.6% increase on all charges (£0.7m)

Earlier in the year the CAA launched its Estates Strategy project, centred on the relocation from Aviation House to new leased premises, driven by strategic, operational, and financial considerations. The move aims to align with the CAA's future property strategy, ensuring a more efficient and sustainable property portfolio.

Construction of our headquarters, Aviation House, was completed in 1988 and the building is now facing significant maintenance challenges due to its aging infrastructure. The building's services and systems are nearing the end of their operational life, leading to increased risk of operational failures and business disruptions. Maintaining and upgrading Aviation House to meet modern standards, including energy efficiency targets, would require substantial investment. If we were to remain in Aviation House, the estimated cost to achieve a minimum energy efficiency standard (MEES) of C+ by 2027 is estimated to be more than £20m, with further costs to meet future standards. The proposed move aligns with the Government Property Agency strategy and supports the CAA's goals of having a smaller, smarter, greener, and more economic property portfolio. The new premises will be more flexible and better suited to future work requirements.

By relocating, the CAA will avoid the escalating costs associated with maintaining an aging building. Estimated additional maintenance costs for Aviation House, if retained, would be around £0.3m per annum. The sale of Aviation House is expected to generate a capital receipt which can be reinvested into the new premises and other strategic initiatives alongside other sources of finance. The new leased premises will be approximately 45% smaller than Aviation House, leading to more efficient use of space and resources. This reduction in size is based on a hybrid working model, which will also contribute to lower operational costs.

The new premises will incur annual leasing costs estimated between £0.6m and £1.7m, depending on the location, size and facilities of the leased space. One-off costs for fitting out the new premises and relocating staff need to be considered as part of the move, as do any potential interest costs arising if a government loan is used to partially finance the move.

To fund the first year of project activity to begin gathering requirements, identifying a suitable premises and readying Aviation House for commercial sale an estimated £0.7m is required. In future years the lease costs of the new premises will increase our operating

costs from their current level, albeit at a significantly lower rate than where these would increase to if Aviation House were retained due to the level of adjustment and maintenance required. Once the first year of the project is complete we will have a better understanding of the total increase to our cost base in future years, which may necessitate a further increase in charges. Due to the universal benefit of Aviation House to CAA customers we are proposing an increase to all charges of 0.6%.

Artificial Intelligence

0.4% increase on all charges (£0.5m)

The CAA has begun work to address the transformative impact that artificial intelligence (AI) will have on the aerospace sector in the coming years. We are developing a robust regulatory approach that will support the sector to improve safety, productivity, efficiency, and passenger experience through AI-enabled automation. Our strategic approach includes a detailed review of current AI applications in use and potential future developments, supported by extensive stakeholder engagement and horizon scanning to prioritise our response appropriately.

Within the CAA, we will explore AI-based automation to enhance operational efficiency and service delivery, driving greater value for customers. The adoption of AI tools will improve the processing of applications, the quality of safety data analysis, and overall decision-making processes. A tangible example of where AI-based automation will be able to deliver enhanced value to customers is in the management of Mandatory Occurrence Reporting, which currently requires a great deal of manual engagement. Examples have been noted in other National Aviation Authorities where such a technical solution is being explored with great success. The CAA is committed to a responsible and ethical approach to AI, ensuring that its use aligns with the highest standards of safety and innovation.

Our initial focus will be on: early engagement with our charge payers to understand priorities and challenges in AI adoption; collaboration with research and academic institutions to inform our regulatory approach; developing a flexible portfolio of regulatory initiatives that support and enables AI innovation; and focusing on short-term, high-impact applications that can quickly benefit the sector and the UK economy.

Delivering this strategy requires the creation of a new team within the CAA, bringing a highly technical and sought-after skillset into the organisation. Building this function internally will allow the CAA to continue to enable our sector being a pacesetter in adoption of this new technology, whilst also leveraging this skillset to deliver greater value to our own customers. An initial budget of £0.5m is required to establish the foundations for this function. While we anticipate the need for growth in future years to keep pace with rapid technological advancements, we are committed to demonstrating value and consulting with fee payers before any further increases. As this work will have a universal application across the CAA's customer base our proposal is an increase across all charges of 0.4%.

We invite review and feedback on the CAA's comprehensive strategy for AI-enabled automation, including our approaches to both regulating and using AI, which will be available on our website at www.caa.co.uk/innovation from mid-November. Feedback, questions, and ideas will play a crucial role in shaping the future of AI in UK aviation.

3 Charging proposals by individual Scheme

Aerial Application Certificates

Structural Changes

There are no proposed structural changes to this Scheme.

Pricing Proposals

The prices under this Scheme are proposed to increase by 5.9%, made up of a general price increase of 1.6% to partially tackle the impacts of inflation and 4.3% to fund specific activities as detailed in Section 2 and shown in the appendices. Unless otherwise indicated all prices shown in this document are exclusive of these proposed price increases.

Aerodrome Licensing and Certification, Aerodrome Air Traffic Services Regulation, EU & EEA Air Navigation Service Providers

Structural Changes

Vertiports

As described in Chapter 2, the inclusion of Vertiports wording is required in specific areas in this scheme to ensure that the CAA has a means to levy a charge and recover its costs for all the relevant activities for the initial grant, renewal or variation of this licence type. A detailed view on all the aspects of this change can be viewed in the appendix at the end of this document, where sections have been taken from the scheme and updated to reflect the proposed changes.

Annual charges wording

This scheme references the payment of annual charges being applicable on 1 April each year. An explanatory note will be added to the scheme document to make it clear that this is applicable for each year the relevant conditions are met, calculated on a pro-rata basis determined by the scheme commencement date. This means that if a new scheme were to be introduced part way through a financial year the annual charge invoice would be calculated at a hybrid rate, proportionate to the commencement dates of each relevant scheme.

Pricing Proposals

The prices under this Scheme are proposed to increase by 8.5%, made up of a general price increase of 1.6% to partially tackle the impacts of inflation and 6.9% to fund specific

activities as detailed in Section 2 and shown in the appendices. Unless otherwise indicated all prices shown in this document are exclusive of these proposed price increases.

Air Operator and Police Air Operator Certification

Structural Changes

eVTOL aircraft operating onshore or offshore

The scheme will be updated to include the applicability of charges to operators of eVTOL aircraft. The charges for initial, variation and annual oversight charges will be separately identifiable, charged initially at the same rate as for operators of fixed-wing aircraft < 5,700kg, in line with our current expectations on the effort required to provide regulatory oversight of this type of operator. The applicable charges will be shown as follows for eVTOL aircraft operating onshore or offshore:

- **3.1 Grant of an AOC or PAOC:**
 - Heaviest type, £12,488
 - Additional type, £2,453
 - Excess hourly rate of £223 / hour
- **3.2 Charge on application for variation of an AOC or PAOC:**
 - Additional aircraft types, £7,136
 - New region/substantive region or route, £2,007
 - Temporary region or route, £669
 - Excess hourly rate of £223 / hour
- **4.1 Annual charges:**
 - Target charge per operator:
 - 0-4 aircraft, £15,866
 - 5 or more aircraft, £22,630
 - Target charge per aircraft:
 - 0-4 aircraft, £962
 - 5 or more aircraft, £962

Dangerous Goods Oversight of Freight Forwarders, Shippers and Ground Handling Agents

We currently do not recover any costs from freight forwarders, shippers and ground handling agents despite having a regulatory responsibility to perform oversight of these organisations on an ad-hoc basis. Such work is undertaken when the CAA become aware of potential non-compliant or high-risk practices and primarily relates to major commercial organisations at present. To support the growth of the dangerous goods team described in Section 2 to meet ICAO requirements, and in accordance with the user pays principle, we propose introducing an hourly charging mechanism of £223 per hour where we conduct this oversight activity in future years.

Approval to handle explosives/munitions of war

Where an aerodrome seeks an approval to handle explosives or munitions of war the CAA will conduct an onsite aerodrome survey. The current charge under section 5.1.6.3 of this scheme does not allow for variations to this approval which may require subsequent surveys to be conducted, nor for cost recovery of the effort expended. To ensure we are recovering the cost of our dangerous goods regulatory work we propose two changes to this charging mechanism:

- Introducing a variation charge of £1,041, being 50% of the current initial application fee.
- Treating both the initial and variation charges as initial application fees, subject to an excess hourly charge of £223 / hour.

Dangerous Goods and Munitions of War Revisions

Upon review of section 5.1.6 of this scheme the following revisions will be made to improve the clarity of these charges:

- We have consulted in previous years on charging excess hours on application activities described in tables 11 (column 3) and 12 (column 12, excluding the issuance of an examination pass certificate number), however the scheme documents do not currently reflect this. We propose revising the documents to make it clear where excess hourly charges are applicable. To improve transparency to customers, we will also include the baseline hours covered by the application fee in each table.
- In table 12 the initial and annual renewal charges will be combined into a single charge covering the 2-year period for which the approval is valid. The application charge will be the aggregate of the current initial and renewal charge as shown in table 12, with no financial impact on the customer. This will improve transparency and remove the administrative effort of obtaining an annual renewal payment from customers each year.

- In table 12 a designated charge for the approval of a course providing training in connection with lithium batteries by air will be included, in part to contribute to the loss of grant funding support for this workstream from FY25/26. In accordance with item 2 above, we propose that an initial charge of £2,127 will be payable on application, subject to excess hourly charges at £223 / hour, covering the two-year approval period.
- We will amend the wording relating to online training courses in table 12 to make clear that this charge is for the 'approval of online training provision' for a customer, not the delivery of a specific course online.

Individual Fuel/Energy Policy

Regulatory change being introduced from Autumn 2024 will enable operators to seek a bespoke approval for their fuel/energy policy. The standard policy will remain unchanged which is provided to customers as part of their initial and annual AOC charges. The introduction of two new tiers of approval will allow a bespoke policy for the operator in question. Whilst we expected application volumes for this service to be low initially, we expect some larger operators will seek a bespoke policy. The work required to review and approve such a policy will be significant, in accordance with the proposed authority requirements. Gaining assurance over the policy will include operations manual reviews, on-site audits, reviews of systems and data and interviews with key operating personnel, amongst other investigatory work. Our baseline assumption is that such work will take 35 hours per application to complete, however there is likely to be variability in the policy sought by each operator, so this activity will be subject to an excess hourly charge to ensure full cost recovery.

We propose that when an application is made for the approval of an individual fuel/energy scheme under CAT.OP.MPA.180 of Annex IV of the UK (EU) Air Operations Regulation, the applicant shall pay to the CAA an initial charge of £7,805, subject to an excess hourly charge of £223 / hour.

Annual charges wording

This scheme references the payment of annual charges being applicable on 1 April each year. An explanatory note will be added to the scheme document to make it clear that this is applicable for each year the relevant conditions are met, calculated on a pro-rata basis determined by the scheme commencement date. This means that if a new scheme were to be introduced part way through a financial year the annual charge invoice would be calculated at a hybrid rate, proportionate to the commencement dates of each relevant scheme.

Pricing Proposals

The prices under this Scheme are proposed to increase by 8.5%, made up of a general price increase of 1.6% to partially tackle the impacts of inflation and 6.9% to fund specific

activities as detailed in Section 2 and shown in the appendices. Unless otherwise indicated all prices shown in this document are exclusive of these proposed price increases.

Air Travel Organisers' Licensing

Structural Changes

There are no proposed structural changes to this Scheme.

Pricing Proposals

The prices under this Scheme are proposed to increase by 4.9%, made up of a general price increase of 1.6% to partially tackle the impacts of inflation and 3.3% to fund specific activities as detailed in Section 2 and shown in the appendices. Unless otherwise indicated all prices shown in this document are exclusive of these proposed price increases.

Aircraft Registration, 'E' Conditions Declarations and Registration of Aircraft Mortgages

Structural Changes

There are no proposed structural changes to this Scheme.

Pricing Proposals

The prices under this Scheme are proposed to increase by 5.9%, made up of a general price increase of 1.6% to partially tackle the impacts of inflation and 4.3% to fund specific activities as detailed in Section 2 and shown in the appendices. Unless otherwise indicated all prices shown in this document are exclusive of these proposed price increases.

Airworthiness, Noise Certification and Aircraft and Aircraft Engine Emissions

Structural Changes

Part 145 Bilateral and Working Agreement Variation Charge

There is currently no variation charge for bilateral agreements or working agreements where the CAA provides a UK approval number for an organisation located in the other state. Making changes to the relevant approval in these instances is predominantly an administrative exercise, therefore the CAA proposes to introduce a fixed application

charge of £138 for each requested variation, in line with the variation of a UK-based approval administrative variation.

Annual charges wording

This scheme references the payment of annual charges being applicable on 1 April each year. An explanatory note will be added to the scheme document to make it clear that this is applicable for each year the relevant conditions are met, calculated on a pro-rata basis determined by the scheme commencement date. This means that if a new scheme were to be introduced part way through a financial year the annual charge invoice would be calculated at a hybrid rate, proportionate to the commencement dates of each relevant scheme.

Pricing Proposals

The prices under this Scheme are proposed to increase by 5.9%, made up of a general price increase of 1.6% to partially tackle the impacts of inflation and 4.3% to fund specific activities as detailed in Section 2 and shown in the appendices. Unless otherwise indicated all prices shown in this document are exclusive of these proposed price increases.

Aviation Security

Structural Changes

Annual charges wording

This scheme references the payment of annual charges being applicable on 1 April each year. An explanatory note will be added to the scheme document to make it clear that this is applicable for each year the relevant conditions are met, calculated on a pro-rata basis determined by the scheme commencement date. This means that if a new scheme were to be introduced part way through a financial year the annual charge invoice would be calculated at a hybrid rate, proportionate to the commencement dates of each relevant scheme.

Pricing Proposals

The prices under this Scheme are proposed to increase by 4.9%, made up of a general price increase of 1.6% to partially tackle the impacts of inflation and 3.3% to fund specific activities as detailed in Section 2 and shown in the appendices. Unless otherwise indicated all prices shown in this document are exclusive of these proposed price increases.

En Route Air Traffic Control Services Regulation

Structural Changes

Annual charges wording

This scheme references the payment of annual charges being applicable on 1 April each year. An explanatory note will be added to the scheme document to make it clear that this is applicable for each year the relevant conditions are met, calculated on a pro-rata basis determined by the scheme commencement date. This means that if a new scheme were to be introduced part way through a financial year the annual charge invoice would be calculated at a hybrid rate, proportionate to the commencement dates of each relevant scheme.

Pricing Proposals

The prices under this Scheme are proposed to increase by 10.8%, made up of a general price increase of 1.6% to partially tackle the impacts of inflation and 9.2% to fund specific activities as detailed in Section 2 and shown in the appendices. Unless otherwise indicated all prices shown in this document are exclusive of these proposed price increases.

General Aviation

Structural Changes

Ex-military aircraft type rating exemption (ATRE)

We propose to amend table 19 in the document to allow applications for a 36-month renewal, to be charged at £204.

Annual charges wording

This scheme references the payment of annual charges being applicable on 1 April each year. An explanatory note will be added to the scheme document to make it clear that this is applicable for each year the relevant conditions are met, calculated on a pro-rata basis determined by the scheme commencement date. This means that if a new scheme were to be introduced part way through a financial year the annual charge invoice would be calculated at a hybrid rate, proportionate to the commencement dates of each relevant scheme.

Pricing Proposals

The prices under this Scheme are proposed to increase by 5.9%, made up of a general price increase of 1.6% to partially tackle the impacts of inflation and 4.3% to fund specific activities as detailed in Section 2 and shown in the appendices. Unless otherwise indicated all prices shown in this document are exclusive of these proposed price increases.

Instrument Flight Procedures

Structural Changes

There are no proposed structural changes to this Scheme.

Pricing Proposals

The prices under this Scheme are proposed to increase by 5.9%, made up of a general price increase of 1.6% to partially tackle the impacts of inflation and 4.3% to fund specific activities as detailed in Section 2 and shown in the appendices. Unless otherwise indicated all prices shown in this document are exclusive of these proposed price increases.

Operating Licences, Air Transport Licences, Foreign Registered Aircraft Operating Permits, Third Country Operator Certificates, Alternative Dispute Resolution Scheme and Scarce Capacity Allocation Certificates

Structural Changes

Annual charges wording

This scheme references the payment of annual charges being applicable on 1 April each year. An explanatory note will be added to the scheme document to make it clear that this is applicable for each year the relevant conditions are met, calculated on a pro-rata basis determined by the scheme commencement date. This means that if a new scheme were to be introduced part way through a financial year the annual charge invoice would be calculated at a hybrid rate, proportionate to the commencement dates of each relevant scheme.

Pricing Proposals

The prices under this Scheme are proposed to increase by 11.5%, made up of a general price increase of 1.6% to partially tackle the impacts of inflation and 9.9% to fund specific activities as detailed in Section 2 and shown in the appendices. Unless otherwise indicated all prices shown in this document are exclusive of these proposed price increases.

Personnel Licensing

Structural Changes

Aeromedical Examiner (AME) Renewal Certification

There is not currently a designated charge for a doctor who has previously been certified as an AME in the past and, following a lapse in certification, is seeking to renew AME certification. For this specific situation we propose to introduce a renewal certification charge of £1,269 for Class 1 AME certification and £812 for Class 2 AME certification.

Part-66 licence assessment

We propose that where an application for a Part-66 approval has been unsuccessful the customer may request a review from another surveyor chargeable at £205. If the outcome on review is overturned then the £205 review charge will be refunded to the customer, otherwise it will be retained by the CAA to cover the cost of the surveyor's time to perform the review.

In all cases, where an application for a Part-66 licence is cancelled or rejected having already undergone an assessment by a CAA Airworthiness Surveyor a deduction will be made from any refund request proportionate to the assessment time incurred, up to the full value of the original application fee.

Finally, the wording relating to the removal of limitations as shown in row k of table 60 will be updated to make it clear that the £67 charge relates to each limitation removed, not for all limitations in a single application.

Change of name administrative charge

We propose to remove the administrative charge for a change of name request for a personnel licence, providing this service free of charge in line with change of address requests.

Submission of original logbook

In line with the introduction of a digital licensing process for engineers we propose to introduce an administrative charge where a customer opts to provide a hard copy of the original logbook to support their application. An additional charge of £55 will be applied where an applicant opts to provide their original logbook rather than a digital upload.

CPL / IR (A/H) integrated course

Wording amendment to make it clear that CPL / IR integrated courses as shown in section 6.6.1 iv aa of the scheme document applied to both aeroplanes and helicopters.

Balloon Pilot Licence (BPL) extension of privileges

Wording amendment to 3.8 Ratings, certificates or qualifications (Table 6, row g) to make it clear that this is also applicable to BPL applications where an extension or privileges is sought.

Annual charges wording

This scheme references the payment of annual charges being applicable on 1 April each year. An explanatory note will be added to the scheme document to make it clear that this is applicable for each year the relevant conditions are met, calculated on a pro-rata basis determined by the scheme commencement date. This means that if a new scheme were to be introduced part way through a financial year the annual charge invoice would be calculated at a hybrid rate, proportionate to the commencement dates of each relevant scheme.

Pricing Proposals

The prices under this Scheme are proposed to increase by 5.9%, made up of a general price increase of 1.6% to partially tackle the impacts of inflation and 4.3% to fund specific activities as detailed in Section 2 and shown in the appendices. Unless otherwise indicated all prices shown in this document are exclusive of these proposed price increases.

Regulation of Airports

Structural Changes

An update is required to section 3 of the Regulation of Airports scheme to allow for charging of future price control periods and make sure that the CAA can recover the costs incurred for conducting its duties. Details and explanation of each change is set out below:

3.1 London Heathrow Airport Ltd – Licence modifications and Price Control Conditions (H7&H8) and Additional Runway Capacity (R3)

- Rationalisation of the internal and external funding caps into a single funding envelope, capped at £4,000,000 to allow recovery of all costs incurred in associated activities. This provides the CAA with the flexibility to determine the most efficient and effective delivery mechanism for this work within the funding envelope. It is important to note that the increased total cap is not reflective of the value the CAA is planning to recover from Heathrow Airport Limited (HAL) for this work in the FY25/26, it is instead to provide sufficient flexibility if unexpected and unavoidable costs are incurred in delivering our regulatory duties, in accordance with the user-pays principle and Managing Public Money framework.
- Wording amended to clearly explain that any costs incurred by the CAA in response to appeals raised by either HAL or any other third-party will be recoverable from HAL in accordance with the recovery cap limit set out in this section.

- Detailed wording for this Scheme is included in the appendix.

3.2 Third party developments at Regulated Airports (previously ‘Heathrow West Ltd’)

- Broadening the definition of this charge to capture the work the CAA may be required to undertake to prepare the regulatory framework for a third-party for all potential development works which may be subject to economic regulation at regulated airports, not just the historic Heathrow West proposal. This work would include the possible conduct of market power and operator determinations under CAA12 and considering the grant of a licence in respect of any such third-party in due course.
- Rationalisation of the internal and external funding caps into a single funding envelope, capped at £1,500,000 to allow recovery of all costs incurred in associated activities. This provides the CAA with the flexibility to determine the most efficient and effective delivery mechanism for this work within the funding envelope. It is important to note that the increased total cap is not reflective of the value the CAA is planning to recover from any such third-party for this work in the FY25/26, it is instead to provide sufficient flexibility if unexpected and unavoidable costs are incurred in delivering our regulatory duties, in accordance with the user-pays principle and Managing Public Money framework.
- Detailed wording for this Scheme is included in the appendix.

3.3 London Gatwick Airport Ltd – Future Regulation (G7 Review)

- Rationalisation of the internal and external funding caps into a single funding envelope, capped at £1,000,000 to allow recovery of all costs incurred in associated activities. This provides the CAA with the flexibility to determine the most efficient and effective delivery mechanism for this work within the funding envelope. It is important to note that the increased total cap is not reflective of the value the CAA is planning to recover from Gatwick Airport Limited (GAL) for this work in the FY25/26, it is instead to provide sufficient flexibility if unexpected and unavoidable costs are incurred in delivering our regulatory duties, in accordance with the user-pays principle and Managing Public Money framework.
- Wording amended to clearly explain that any costs incurred by the CAA in response to appeals raised by either GAL or any other third-party will be recoverable from GAL in accordance with the recovery cap limit set out in this section.
- Detailed wording for this Scheme is included in the appendix.

New Charge: Airport Development Noise Monitoring Review

Introducing a new charging mechanism for the CAA to be able to recover the costs of conducting a noise monitoring review linked to or resulting from a development consent

order. We propose an initial application fee of £35,419 payable by the airport in question with ongoing recover of costs in excess of this fee up to a maximum of £350,000 annually.

Pricing Proposals

The prices under this Scheme are proposed to increase by 11.5%, made up of a general price increase of 1.6% to partially tackle the impacts of inflation and 9.9% to fund specific activities as detailed in Section 2 and shown in the appendices. Unless otherwise indicated all prices shown in this document are exclusive of these proposed price increases.

Remotely Piloted Aircraft Systems

Structural Changes

New Scheme: Remotely Piloted Aircraft Systems

Recognising the growing and unique nature of remotely piloted aviation activities, we propose to create a dedicated charging scheme for all RPAS and Model Aircraft charges, distinct from the existing General Aviation scheme. We propose that sections 3.9 – 3.12 are extracted from the General Aviation scheme to form the new document. This is intended to ease customer interpretation and understanding of our charging documents.

New Charges: Specific Category Operators and Recommended Assessment Entities

We are proposing that aligned to the adoption of the SORA methodology and launch of the DSCO platform we will make a series of changes to the way Specific Category Operators and Recognised Assessment Entities are charged in the future. The intended changes are set out in Section 2, with a detailed list of changes below:

Removed charges:

- 3.9 Unmanned aircraft systems (UAS) – operational authorisations

New charges:

- Specific category operational authorisation – Pre-Defined Risk Assessments (PRDA):
 - Declarative: £500
 - Non-Declarative: £2,185
- Specific category operational authorisation – Specific Operations Risk Assessment (SORA)
 - SAIL I initial application and reapplication fee, £2,185
 - SAIL II initial application, £3,994 plus excess hourly rate of £312 / hour.

- SAIL II non-technical reapplication, £3,595 (technical reapplication charged as an initial application).
- SAIL III/IV initial application, £15,725 plus excess hourly rate of £468 / hour.
- SAIL III/IV non-technical reapplication, £8,816 (technical reapplication charged as an initial application).
- SAIL V/VI initial application, £45,677 plus excess hourly rate of £468 / hour.
- SAIL V/VI non-technical renewal, £13,420 (technical reapplication charged as an initial application).
- Specific category operational authorisation – Other
 - Initial and reapplications, £4,992 plus excess hourly rate of £312 / hour.
- Remote Pilot Certificates
 - CAA certificate issue, £68.
- Recognised Assessment Entities for Remote Pilot Competency (RAE-RPC):
 - Level 1 Pilot Competency as currently shown in 3.10 Recognised Assessment Entities (RAE) in relation to unmanned aircraft.
 - Level 2 Pilot Competency initial application, £6,240 plus excess hourly rate at £312 / hour.
 - Level 2 Pilot Competency reapplication, £3,277.
 - Level 2 Pilot Competency initial application, £9,360 plus excess hourly rate at £312 / hour.
 - Level 2 Pilot Competency reapplication, £7,020.
 - All variations to a RAE-RPC approval to be charged £938 on application plus excess hourly rate at £312 / hour.
- Recognised Assessment Entities for Flight Assessment of RPAS Platform (RAE-FAE):
 - Initial application charge, £9,360 plus excess hourly rate at £312 / hour.
 - Variation charge, £938 on application plus excess hourly rate at £312 / hour.
 - Reapplication charge, £7,020.

Pricing Proposals

The prices under this Scheme are proposed to increase by 5.9%, made up of a general price increase of 1.6% to partially tackle the impacts of inflation and 4.3% to fund specific

activities as detailed in Section 2 and shown in the appendices. Unless otherwise indicated all prices shown in this document are exclusive of these proposed price increases.

Spaceflight

Structural Changes

There are no proposed structural changes to this Scheme.

Pricing Proposals

There are no proposed price increases under this section due to the legislative conditions that relate to our work in this area and the bulk of funding being provided directly by the Government.

Overseas Travel Charging

Structural Changes

Where possible, the CAA will seek to visit multiple customers or multiple customer sites during an overseas visit to make the most efficient use of our time. In instances where multiple customers are visited during a single trip, we propose that the cost of overseas travel is split on a pro-rata basis between each customer visited on that trip. The CAA also recognises that on occasion a customer may need to reschedule or rearrange site visits. Wherever possible the CAA will seek to recover the full cost of travel expenses already booked, however where this is not possible, or where a cancellation charge applies, the CAA will charge these costs directly to the customer.

Pricing Proposals

The prices under this Scheme are proposed to increase by 4.9%, made up of a general price increase of 1.6% to partially tackle the impacts of inflation and 3.3% to fund specific activities as detailed in Section 2 and shown in the appendices. Unless otherwise indicated all prices shown in this document are exclusive of these proposed price increases.

A Price increase table by Scheme

Scheme of Charges	General Price Increase	Changes in our regulatory perimeter	Changes to reflect a loss in taxpayer funding	Our ambition to increase investment	Total
Aerial Application Certificates	1.6%	0.2%	2.1%	2.0%	5.9%
Aerodrome Licensing and Certification, Aerodrome Air Traffic Services Regulation, EU & EEA Air Navigation Service Providers	1.6%	1.4%	3.5%	2.0%	8.5%
Air Operator and Police Air Operator Certification	1.6%	1.4%	3.5%	2.0%	8.5%
Air Travel Organisers' Licensing	1.6%	0.2%	1.1%	2.0%	4.9%
Aircraft Registration, 'E' Conditions Declarations and Registration of Aircraft Mortgages	1.6%	0.2%	2.1%	2.0%	5.9%
Airworthiness, Noise Certification and Aircraft and Aircraft Engine Emissions	1.6%	0.2%	2.1%	2.0%	5.9%
Aviation Security	1.6%	0.2%	1.1%	2.0%	4.9%
En Route Air Traffic Control Services Regulation	1.6%	5.1%	2.1%	2.0%	10.8%
General Aviation	1.6%	0.2%	2.1%	2.0%	5.9%

Scheme of Charges	General Price Increase	Changes in our regulatory perimeter	Changes to reflect a loss in taxpayer funding	Our ambition to increase investment	Total
Instrument Flight Procedures	1.6%	0.2%	2.1%	2.0%	5.9%
Operating Licences, Air Transport Licences, Foreign Registered Aircraft Operating Permits, Third Country Operator Certificates, Alternative Dispute Resolution Scheme and Scarce Capacity Allocation Certificates	1.6%	6.8%	1.1%	2.0%	11.5%
Personnel Licensing	1.6%	0.2%	2.1%	2.0%	5.9%
Regulation of Airports	1.6%	6.8%	1.1%	2.0%	11.5%
Remotely Piloted Aircraft Systems	1.6%	0.2%	2.1%	2.0%	5.9%
Spaceflight	0.0%	0.0%	0.0%	0.0%	0.0%
Overseas Travel	1.6%	0.2%	1.1%	2.0%	4.9%

B Aerodrome Licensing and Certification, Aerodrome Air Traffic Services Regulation, EU & EEA Air Navigation Service Providers

3.1 Grant or renewal of a national aerodrome/vertiport licence or certificate

- 3.1.1 Subject to paragraphs 3.1.2 and 3.1.3, on applying for the grant or renewal of a national aerodrome/vertiport licence, including a 'seasonal' licence, or an aerodrome/vertiport certificate the applicant shall pay the CAA the charge specified in Table 1, according to the type of licence or certificate specified in column 4 for which the applicant has applied, the maximum total weight authorised of the aircraft, which the applicant expects to use the aerodrome/vertiport, as specified in column 1, and the maximum annual number of air transport movements which the applicant expects at the aerodrome/vertiport, as specified in column 2.
- 3.1.2 A further charge of £228 per hour is payable for the grant of an aerodrome/vertiport licence or certificate where the number of hours expended by the CAA in dealing with the application exceeds the standard number of hours (as specified in Column 5 of Table 1) for that application which corresponds with the appropriate charge category under Table 1. The maximum charge per application is £98,976 and is payable on demand. This additional charge is not payable for a 'seasonal' licence or for the licences referred to in paragraph 3.1.3.

Table 1

The weight certified (see Note 6 at end of document) in the application for the grant or renewal of that licence or certificate as being the maximum total weight authorised of the heaviest aircraft which the applicant expects to use the aerodrome/vertiport, while the licence or certificate is in force, for the purpose of public transport of passengers, of commercial air transport flights or of instruction in flying	The maximum annual number of aircraft movements which the applicant expects at the aerodrome/airport, while the licence or certificate is in force, for the purpose of public transport of passengers of commercial air transport flights or of instruction in flying (Note 1)	Charge reference	Charge for Day or for Day and Night Licence or Certificate	Standard hours
Column 1	Column 2	Col. 3	Col. 4	Col. 5
Not exceeding 2,730 kg	Not applicable	A	£2,964	13
Exceeding 2,730 kg but not exceeding 6,000 kg	Not exceeding 2,000 per annum	B	£4,332	19
Exceeding 2,730 kg but not exceeding 6,000 kg	Exceeding 2,000 per annum	C	£8,892	39
Exceeding 6,000 kg but not exceeding 35,000 kg	Not exceeding 10,000 per annum	D	£12,996	57
Exceeding 6,000 kg but not exceeding 35,000 kg	Exceeding 10,000 per annum	E	£15,048	66
Exceeding 35,000 kg but not exceeding 140,000 kg	Not exceeding 10,000 per annum	F	£19,152	84
Exceeding 35,000 kg but not exceeding 140,000 kg	Exceeding 10,000 but not exceeding 150,000 per annum	G	£23,940	105

The weight certified (see Note 6 at end of document) in the application for the grant or renewal of that licence or certificate as being the maximum total weight authorised of the heaviest aircraft which the applicant expects to use the aerodrome/vertiport, while the licence or certificate is in force, for the purpose of public transport of passengers, of commercial air transport flights or of instruction in flying	The maximum annual number of aircraft movements which the applicant expects at the aerodrome/airport, while the licence or certificate is in force, for the purpose of public transport of passengers of commercial air transport flights or of instruction in flying (Note 1)	Charge reference	Charge for Day or for Day and Night Licence or Certificate	Standard hours
Exceeding 35,000 kg but not exceeding 140,000 kg	Exceeding 150,000 per annum	H	£34,200	150
Exceeding 140,000 kg	Not exceeding 10,000 per annum	J	£23,940	105
Exceeding 140,000 kg	Exceeding 10,000 but not exceeding 150,000 per annum	K	£40,812	179
Exceeding 140,000 kg	Exceeding 150,000 per annum	L	£47,652	209

NOTE 1: The total number of aircraft movements declared by an aerodrome/vertiport must relate to the total number of aircraft movements (as shown under column 2 above) expected to be operated at the aerodrome/vertiport, irrespective of aircraft weight, engaged in public or commercial air transport and instruction in flying including ‘touch and go’ movements. A ‘touch and go’ movement is to be classed as one take-off plus one landing.

3.1.3 On applying for an aerodrome/vertiport licence referred to in Table 2, the applicant shall pay the CAA the charge specified in that Table, and the charges payable under paragraphs 3.1.1 and 3.1.2 do not apply.

Table 2

Type of Licence	Charge
The grant of a day licence for a period not exceeding 12 consecutive days	£424
The grant of a day and night licence for a period not exceeding 12 consecutive days	£850
The grant or renewal of an aerodrome/vertiport licence where aircraft are not expected to use the aerodrome/vertiport for the purpose of public transport of passengers or for flying instruction	£951

3.1.4 Aerodrome/vertiport licence or certificate annual charge

Where an aerodrome/vertiport licence or certificate is granted or renewed for longer than a year, the licence or certificate holder shall pay the CAA on 1 April in each year thereafter during which the licence or certificate remains in force or under suspension, the charge specified in Column 4 of Table 1, according to the type of licence or certificate, the maximum weight of the aircraft which the applicant expects to use the aerodrome/vertiport and the number of air transport movements which the applicant expects at the aerodrome/vertiport.

3.2 Variation of an aerodrome/vertiport licence or certificate

3.2.1 When an application is made for the variation of an aerodrome/vertiport licence to extend the operation of an aerodrome from a 'day use' to a 'day and night use', the applicant shall pay the CAA a charge of £1,597.

3.2.2 When an application is made for any other variation of an aerodrome/vertiport licence or certificate, other than one mentioned elsewhere in this Scheme, for example to change the company name or trading name specified in the licence or certificate where the legal entity is unchanged, the applicant shall pay the CAA a charge of £210.

3.3 Aerodrome/vertiport licence or certificate variable charge

3.3.1 The holder of an aerodrome/vertiport licence or certificate, on the last day of each month during which the licence or certificate remains in force, shall pay the CAA a charge of 1.74 pence for each Work Load Unit at the aerodrome during that month.

3.3.2 The calculation of the chargeable Work Load Units at each aerodrome will be established by the application of the monthly arriving and departing passengers and cargo statistics provided by aerodromes/vertiports to Aviation Intelligence, CAA.

3.3.3 The CAA may require an aerodrome/vertiport licence or certificate holder to pay a deposit on the last day of each month in respect of which a charge under this paragraph is payable. The deposit is calculated as the amount that would be payable for the month if the aerodrome/vertiport licence or certificate holder had worked the same number of Work Load Units as operated in the corresponding month of the previous year.

3.4 Aerodrome/vertiport development project approval

- 3.4.1 Subject to paragraph 3.4.2, when an application is made to obtain approval from the CAA of any major development project at an aerodrome/vertiport which requires the approval of the CAA under the aerodrome/vertiport licence or certificate, the applicant shall pay the CAA a charge of £1,368.
- 3.4.2 If the time taken to process the application for approval exceeds 6 hours then the applicant shall pay the CAA a charge (to be invoiced in arrears) on the basis of an hourly rate of £228 for each hour in excess of 6 hours which it takes the CAA to process the application prior to the approval being granted.

C Detailed wording from the Regulation of Airports Scheme

3.1 London Heathrow Airport Ltd – Licence modifications and Price Control Conditions (H7&H8) and Additional Runway Capacity (R3)

In seeking advice from internal and external advisers on and subsequently developing:

- a) implementation, monitoring, and addressing matters arising from the H7 price control (covering the period January 2022 to December 2026);
- b) the price control conditions which shall apply to Heathrow Airport Ltd from January 2027 to December 2031 (referred to as the ‘H8’ review);
- c) if required, considering and developing any regulatory approach required to address issues raised by proposals for new runway capacity in the south east of England”;;
- d) any subsequent appeals made by Heathrow Airport Ltd or other third-parties on any licence modifications, the following charges will be applied to Heathrow Airport Ltd. For the 12-month period ended 31 March 2026, the CAA will invoice both internal and external costs incurred on a quarterly basis up to a maximum cost of £4,000,000, payable on demand to the CAA.

3.2 Third party developments at regulated airports

Should any third party be granted permission to develop an independent terminal and/or associated infrastructure at a regulated airport as part of capacity expansion, that may be subject to economic regulation under the Civil Aviation Act 2012 (CAA12). This work would include the possible conduct of market power and operator determinations under CAA12 and considering the grant of a licence in respect of any such third-party in due course. For the 12-month period ended 31 March 2026, for the CAA work in preparing to develop a potential regulatory framework for a third-party, that third-party must pay the CAA’s internal and external costs on a quarterly basis in arrears up to a maximum amount of £1,500,000, payable on demand to the CAA.

3.3 London Gatwick Airport Ltd – Future Regulation (G7 Review)

In seeking advice from internal and external advisers on and subsequently developing:

- a) the policy and any licence modifications relating to the future regulation of Gatwick Airport; and
- b) any subsequent appeals made by Gatwick Airport Ltd or other third-parties on the licence modifications,

the following charges will be applied to Gatwick Airport Ltd. For the 12-month period ended 31 March 2026, the CAA will invoice internal and external costs on a quarterly basis up to a maximum cost of £1,000,000, payable on demand to the CAA.