

# Government Response to General Aviation Red Tape Challenge

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## **Foreword**

General aviation is a crucial part of the UK's aviation sector. It trains the next generation of pilots and engineers, supports highly-skilled jobs, provides essential services and forms a key part of our cultural heritage. The UK enjoys an enviable reputation as a place of excellence in aviation. However, in order to flourish the sector needs a proportionate and supportive regulatory environment.

The results of the General Aviation Red Tape Challenge demonstrate that we are not meeting this aim. Regulation often appears too prescriptive, impractical and inappropriate for the general aviation sector. Every member of the general aviation community recognises the need for good airmanship and adequate safety standards but regulation should always be proportionate to the risks. Safety regulation should therefore impose the minimum necessary burden and empower individuals to make responsible decisions to secure acceptable safety outcomes.

The package of measures we have agreed will overhaul the GA regulatory framework, moving it from a prescriptive, bureaucratic regime to a light-touch, proportionate system. Alongside the detailed programme of reform the CAA is introducing changes to its structure to create a free-standing GA unit which will be in place from April 2014, reflecting the fact that GA needs a different, lighter touch approach to safety regulation than the commercial aviation sector.

We are appointing a Challenge Panel of experienced and innovative individuals from across the GA and professional sectors to critique our programme and identify where we can go further. We will also seek out ways to promote the growth of the sector including by considering options to fund new technologies and growth projects.

The CAA is now seeking your views on the responses it has made to the substantive comments which were received during the GA Red Tape Challenge, as detailed in the separate 'CAA Response to the Red Tape Challenge' document. We would like to thank everyone who took the time to respond to the General Aviation Red Tape Challenge and hope you will continue to engage with our reform programme.

#### **Robert Goodwill**

Parliamentary under Secretary, Department for Transport

#### **Grant Shapps**

Minister without Portfolio, Cabinet Office

## 1. The General Aviation Sector

- 1.1 General aviation is defined as all aviation that is neither military nor commercial air transport. This means that it ranges from paragliders and microlights to large business jets, with the potential to cover emerging new aircraft sectors, such as remotely piloted civil unmanned aircraft.
- 1.2 There are around 20,000 civilian aircraft registered in the United Kingdom, of which around 1,000 are operated by airlines<sup>1</sup>. This means that the vast majority, some 95%, of aircraft are engaged in general aviation activity.
- 1.3 The British general aviation fleet is one of the largest and most diverse in Europe. There are approximately 30,000 private pilot licence holders in the UK, more than in any other European state.

#### Value of the General Aviation Sector

- 1.4 General aviation provides vital services for the country and for the broader aviation industry. Pilots, engineers and technicians in the commercial sector often begin their training in the general aviation sector. It provides high value-added employment in a range of areas.
- 1.5 The vast majority of businesses in general aviation are small and medium sized enterprises such as training schools and flying clubs, often based at aerodromes. These act as hubs for local engineering and maintenance firms, as well as other hi-tech enterprises.
- 1.6 The 2006 Strategic Review of General Aviation, drafted by the CAA, estimated the GA industry to be worth approximately £1.4bn in 2005, and notes that this is similar to Virgin Atlantic's 2005 turnover of £1.6bn<sup>2</sup>. This is higher than investment in UK film production in 2010<sup>3</sup>.
- 1.7 A 2008 PricewaterhouseCoopers report into business aviation<sup>4</sup> estimated that the industry generates over €4.2bn of gross value added (GVA) in the UK, with 50,000 jobs linked to the industry. About four-fifths of these jobs are linked to aircraft manufacturing. In addition, the UK has the second-largest European market in terms of the number of registered business aviation aircraft.
- 1.8 The government's Aviation Policy Framework notes that business aviation plays a further important role by providing 'thin' connectivity. 96% of the city pairs served by business aviation have no scheduled

http://industry.bfi.org.uk/article/17823/2011?show=17304&page=1&step=10

http://www.caa.co.uk/docs/56/EASA%20category%20and%20aircraft%20class%20010113.pdf

http://www.caa.co.uk/docs/33/StrategicReviewGA.pdf

<sup>4</sup> http://www.ebaa.org/documents/act\_download\_doc/item/492fb44c3b72c

- airline service<sup>5</sup>. Business aviation plays a key role by facilitating these connections.
- 1.9 It is important to recognise that the value of general aviation goes beyond its economic benefit. The enduring popularity of air shows and icons such as the Spitfire reflect the appreciation aviation has within British culture. The United Kingdom has a long and pioneering history in aviation and we will only benefit from maintaining this tradition in the future.

<sup>&</sup>lt;sup>5</sup> http://www.ebaa.org/documents/act\_download\_doc/item/5069b0d472291

# Government Policy on General Aviation

### Aviation Policy Framework & Civil Aviation Act 2012

- 2.1 In March 2013 the Department for Transport published the Aviation Policy Framework<sup>6</sup>. This touches on general aviation in some key areas.
- 2.2 The Framework recognises the importance of general aviation. This is not purely the case in monetary terms, but also in acknowledging the sector's vital role in underpinning the training of pilots, ground-based engineers and technicians. Additionally, the Framework notes the importance of general and business aviation in particular in improving connectivity.
- 2.3 The Framework also recognises the importance of having a viable network of GA airfields and the value of continued equitable access to airports. It also states that, when planning decisions are being made, the economic value of an airfield and its contribution to the national network should be considered.
- 2.4 Members of the GA community recognise the need to be good neighbours to those around them. Aerodromes are encouraged to make informal safeguarding arrangements with their local authorities and to engage with their neighbours on issues of concern such as noise.
- 2.5 In the Civil Aviation Act 2012 we amended the Regulatory Enforcement and Sanctions Act 2008 to enable the CAA to make use of alternative civil sanctions alongside existing criminal penalties. Civil sanctions are intended to be an alternative to criminal prosecution in order to provide regulators with a more consistent, flexible and proportionate set of sanctions to use when dealing with regulatory non-compliance.
- 2.6 The Department is currently developing proposals that it will aim to consult on in full in due course but, in the meantime, we have already begun to engage with the GA sector to discuss our initial thoughts.
- 2.7 The Department will continue to work with other Government Departments as necessary to support the GA sector. We have already engaged the Home Office to understand the work they are already doing in order to reduce the burdens being placed on GA, for example in relation to the arrangements which the UK Border Force

<sup>&</sup>lt;sup>6</sup> https://www.gov.uk/government/publications/aviation-policy-framework

(UKBF) has in place for non-commercial flights arriving at or departing from UK airfields.

#### **European General Aviation Safety Strategy**

- 2.8 In March 2012 GA representatives shared with the Management Board of the European Aviation Safety Agency (EASA) their concerns that EASA rules were disproportionate and placing an undue burden on GA.
- 2.9 The EASA Management Board set up a dedicated working group (with representatives from the CAA and industry groups such as the Aircraft Owners and Pilots Association), to explore the effects of EASA regulation on GA. The result of this process is a 'Roadmap for Regulation of General Aviation', which was jointly presented by the European Commission and EASA in November 2012.
- 2.10 In this working paper it was recognised that EASA regulation has been overly burdensome for GA. It proposed a series of reforms and changes in approach that would ensure that regulation deals with the most relevant risks in a targeted and proportionate manner.
- 2.11 EASA and the European Commission have stated in the EASA GA Safety Strategy paper that future regulatory policy should be based on the risks most relevant to improving safety, proportionate to risk awareness and choices of individuals, non-regulatory where possible, based on meaningful data; and where possible performed through GA sector bodies.
- 2.12 The GA community were invited to submit a list of existing rules that could be easily amended to reduce their burden and a list of longer-term issues. EASA and the member states committed to judging all existing and future rules against the stated principles.

#### Regulatory Approach to Recreational Aviation (RA2)

- **2.13** In June 2012 the CAA published a report on the regulation of recreational aviation.
- 2.14 The RA2 report has two main threads: the analysis of GA accident and incident data to identify key safety issues and a reconsideration of the general regulatory approach.
- 2.15 The report called for a risk-based, proportionate approach to the regulation of recreational aviation. While the safety of uninvolved third parties was paramount, there was recognition that respecting good airmanship is vital to establishing proportionate regulation that supports and encourages the growth of the sector.
- 2.16 In response to the RA2 report the CAA appointed a GA programme manager to oversee a wide-ranging programme of work to implement the report's recommendations. The CAA's response to the GA Red Tape Challenge encapsulates and builds on the RA2 programme, to create one comprehensive programme of reform.



## 3. Red Tape Challenge Response

#### Background

- 3.1 The general aviation Red Tape Challenge launched on the 11th April and ran for five weeks until the 16th May 2013. The theme was publicised across the GA sector.
- We received a total of 330 substantive comments via the Red Tape Challenge website and e-mail inbox. Of these, 298 came via e-mail, almost three times as many as any other Red Tape Challenge theme to date. These were analysed and resulted in 287 items for review.
- 3.3 The structure of the GA Red Tape Challenge consultation was deliberately open-ended and did not seek views on a series of questions or a particular set of regulations. Instead, we sought views across eight broad themes.

#### The GA Unit

- 3.4 It is recognised that it is not appropriate to take regulation intended for commercial air transport and apply it to GA because the sectors serve quite different interests and markets. The commercial sector provides services for uniformed third parties and the regulations serve to protect those third parties. The GA sector comprises in large part operations of a recreational nature, in which the participants recognise, acknowledge and manage the safety risks involved. Any regulation of this sector should therefore recognise that the participants are well informed and should seek only to protect any third parties. To ensure that this principle is carried through it will be reflected in the CAA's organisation structure.
- 3.5 The CAA will therefore set up, by April 2014, a self-contained GA unit. The CAA will develop and adopt an evidence and risk based approach proportionate to the risk appetite of participants while still ensuring protection of uninformed third parties, cut unnecessary bureaucracy, reduce disproportionate regulation and support and encourage the growth of a vibrant GA sector for the UK. The CAA will develop a culture of transparency and openness to support and educate the GA sector to encourage sustainable compliance and use legal powers only as a last resort; and improve communication with the GA sector, for example by providing targeted, relevant information in more accessible ways.

#### GA Challenge Panel

- 3.6 We will set up an independent Challenge Panel, which will include experienced and innovative individuals from across the GA and professional sectors reporting directly to Ministers. The Terms of Reference for the panel are attached as part of this response to the GA Red Tape Challenge. The panel will have several functions:
- To test and critique the CAA's programme for GA reform.
- To identify projects which it considers to have the potential to promote growth and innovation in the GA sector.
- To challenge the CAA to be transparent and innovative in its approach to GA regulation.
- To consider whether there are opportunities for further reducing the regulatory burden on the GA sector originating from domestic regulation, the EU, or enforcement of regulations.
- To support a new myth busting process explaining clearly where there are misunderstandings about the CAA's role regarding the regulation of GA.
- To consider measures of success for the GA programme; for example UK aircraft owners can transfer to a foreign register - usually the USA "N" register. A potential measure of success could be to incentivise owners back to the UK register.
- To support and challenge the CAA to deliver genuine culture change in the approach to GA regulation so that its approach is to support and educate rather than to regulate and police
- To advise on communication between the CAA and the GA sector.
- 3.7 The Panel will submit an interim report in January 2014, containing its initial views on the specific GA programme proposals, interim views on growth projects (see below) and interim views on delivery. The panel will submit a second report in April when the GA unit is fully operational and the implementation plan for the GA Programme is fully determined.
- 3.8 The panel will have access to Ministers and officials as necessary to allow it to perform its duties and will be encouraged to provide a challenge function to the CAA. The panel will initially run for six months to allow it to advise on the development of the GA programme and its delivery by the GA unit. It will also advise on aspects of government policy that impact on GA which are outside of the CAA's responsibility. It will be supported by a secretariat provided by the Department for Transport. Its members will be unremunerated.

3.9 The membership of the panel is as follows:
Laurie Price (Chair), Julian Scarfe, Pete Stratten, Amanda Campbell,
Chris Thomas and Ed Bellamy.

#### Government Support to the GA Challenge Panel

#### **Growth Projects**

- 3.10 The government is keen to support and encourage the growth of the GA sector. As well as working with the CAA on a more proportionate, risk-based regulatory framework, we will seek to identify specific projects that have the potential to support the growth of a vibrant GA sector, and will consider the potential for funding these where appropriate.
- 3.11 We will task the Challenge Panel with proposing ideas, and will also encourage both the CAA and other parts of government, such as the Department for Business, Innovation and Skills and the Home Office, to consider where projects might support and encourage an innovative and dynamic GA sector.
- 3.12 The CAA would also welcome proposals in response to its consultation exercise in relation to its response to the GA Red Tape Challenge which has been launched in parallel to this document.
- 3.13 Projects could relate to any aspect of GA growth which supports the UK economy, and jobs. Potential areas for further investigation and discussion might include:
  - Development of new technologies
  - Consideration of business jet needs
  - Projects which would support vibrant GA training and maintenance sectors
  - Making the adoption of Global Positioning System (GPS) approaches less expensive
  - Making it easier to develop and manufacture new GA aircraft.
- 3.14 Where appropriate funding could be sought from catapult funding or the Government's Contestable Policy Fund (links to these are below):

https://www.gov.uk/contestable-policy-fund https://www.catapult.org.uk/

#### EU regulation and Engagement with EASA

- 3.15 We recognise that an increasing amount of the regulation which impacts on GA ultimately derives from EASA. The UK is represented on EASA committees and votes on all new rules. We and the CAA have been proactive in lobbying for reform and fully support the EASA Road Map for General Aviation. We welcome the fact that the European Commission has accepted the UK's recommendation that an evaluation of the application of commercial aviation safety requirements to non-commercial aviation should be included in the rolling Regulatory Fitness and Performance (REFIT) Programme. This will monitor the implementation of initiatives already in place or those which are due to be implemented. We will work with the European Commission to ensure that this evaluation is both rigorous and evidence based.
- 3.16 We welcome the CAA's commitment to eliminate any 'gold-plating' of EU regulations, and not to impose any higher standards, or extra requirements than those required by the EU. We will work with the CAA to identify EU regulations that may be overly prescriptive or disproportionate to actual safety risks, and will recommend that such regulations are included in EASA and EU Commission reform plans where appropriate.
- 3.17 Recent announcements, such as the European General Aviation Safety Strategy and securing EU agreement to allow the UK to continue issuing the Instrument Meteorological Conditions (IMC) rating for pilots until April 2019 are encouraging and demonstrate EASA's willingness to reconsider its regulatory policy in relation to GA. We will continue to work in Europe to ensure that its stated aims are reflected in proportionate and risk-based rules.

#### Reform of the Air Navigation Order

- 3.18 The Air Navigation Order (ANO) is the principal piece of aviation safety legislation in the UK, containing rules deriving from International and European agreements as well as domestic regulations. One of the main commitments from the original Aviation theme of the Red Tape Challenge was to consider reform of the Air Navigation Order to remove outdated or overly burdensome requirements that add costs to business without necessarily improving safety.
- 3.19 The CAA is currently performing a cost-benefit analysis to determine the most efficient way of reforming the Air Navigation Order, given the complexity of the regulation; we would hope to have preliminary proposals for doing this in place next year. We will work with the

CAA to consider how best to ensure that this review takes into account the outcomes of this wider GA reform programme

#### The CAA's GA Programme

- 3.20 The CAA's over-arching GA Programme is a combination of particular issues which were highlighted through the Red Tape Challenge plus measures arising from the CAA's own Regulatory Approach to Recreational Aviation (RA2) programme.
- 3.21 The CAA is committed to delivering for the GA sector a programme of culture change, deregulation and delegation; moving from an oversight approach based largely on regulatory compliance towards one based around safety performance. This approach will enhance transparency, and allow the GA sector itself to take on more responsibilities for ensuring safety, and for the CAA and industry together to better target areas of known non-compliance. Some examples of this programme include:
  - a commitment to have all airworthiness forms on-line by the end of 2013 and an aim to have 70% of licensing application transactions on-line by Christmas;
  - 2. the consultation launched in September this year on the deregulation for airworthiness purposes of single-seat microlights;
  - 3. the creation of a 'commercial experimental' aircraft category to facilitate proof-of-concept flight testing;
  - 4. the development of policies for applying the principle of 'informed consent' to certain aerial activities:
  - 5. full support for the Government's commitment to implement civil sanctions as part of a range of proportionate interventions designed to encourage compliance;
  - a series of CAA-led workshops with the sector which will identify further areas for either full deregulation or contestability including the delegation of responsibilities, for example to professional associations as appropriate;
  - 7. the GA unit will operate with financial transparency, from a cost base better matched to the nature of its oversight, and with a constant eye on driving down its costs (and hence fees and charges) and also the costs of compliance. It is likely that preliminary evidence of this financial transparency will be seen during the late 2014 review of Fees & Charges for 2015, with the subsequent year's review being fully reflective of the GA Unit's first full year of operation. The CAA will also consider whether contestability would work as a means of reducing costs.

- 8. improving communication with the GA sector, for example by providing targeted, relevant information in more accessible ways;
- 9. a new "gold plating" challenge initiative to help GA users challenge rules and procedures that they believe exceed EU requirements, and an initiative to bust myths about GA regulation, for example making clear that there is no regulatory requirement to log aircraft movements within the UK and that there is also nothing to prevent pilot/owner maintenance of defined tasks on their aircraft;
- 3.22 By April 2014 with the new CAA GA Unit in place and industry consultation complete, the CAA will publish full delivery plans for the resultant prioritised programme of GA work.
- 3.23 The CAA has published its own GA Red Tape Challenge response document in parallel to this policy document. This includes detailed analysis of the Red Tape Challenge comments received and the CAA's preliminary response. We are keen to hear your views on these responses so the CAA will therefore run a short "right of reply" consultation on its response document. If you have any comments that you would like to make in response to this please send these to redtaperesponse@caa.co.uk. The right to reply will run until 6<sup>th</sup> December 2013.