

# General Aviation challenge panel – final report

May 2014

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# Foreword

The Panel was charged by Ministers to undertake a detailed review of the current regulatory oversight of General Aviation in the UK. It has adopted a wide interpretation of its remit focussing particularly on measures to facilitate the renaissance of GA in the UK. The report aims to provide a comprehensive review and future framework for regulation to reflect the best interests of the whole of GA.

The Panel believes that reinvigorating GA can only be achieved with significant action and change and in particular by making the sector more accessible and affordable. Crucial to this will be:

- Reducing cost
- Reducing regulation to an evidence based and proportionate level
- Securing the availability of and access to airspace for GA
- Securing a network of airfields which provide access for GA
- Facilitating the renewal of the GA training fleet
- Removing barriers to entry
- Underwriting the renaissance of UK GA through positive policies, grants and seed-corn funding where appropriate

This in turn will require action not just by the CAA as the regulator of UK aviation, but by those Government departments whose policies and regulations have an impact on GA.

This final report identifies both key priorities for the CAA to take forward and recommendations for Government to address.

There are a number of areas of Government policy which require immediate consideration. They include:

- The long term necessity for CAA to regulate GA;
- Reducing the fiscal burden on GA, particularly VAT on training;
- Coordination of Government policy on GA across respective departments;
- Safeguarding a Network of Airfields for GA to support connectivity, training and leisure;
- UK capturing a share of training for Commercial Air Transport pilots and engineers by underwriting GA renaissance;
- Government recognising GA's potential to help the regions and regional airports – connectivity, training and manufacturing;

- Government ensuring momentum is maintained, for example, through the appointment of a GA Champion.

The Panel has highlighted the problems facing UK GA, along with its opportunities for growth and the potential for improving its contribution, especially if Government reforms the regulatory and fiscal regime. The sector will grow, the contribution of GA to the UK economy will be enhanced, employment will rise and it will be possible to establish UK world leadership once again in General Aviation.

In 1996 the Chairman and CEO of Air Atlantique, who now runs one of the UK's most vibrant "Museums of Flight", with many flying exhibits at Newquay Airport, identified the crucial role that GA had in creating air mindedness and contributing to the success of air transport and aerospace. His remarks can be found at:

<http://buyingbusinesstravel.com/news/199449-soapbox-mike-collett-chairman-chief-executive-air-atlantique>

The Panel considered that nothing has changed in the 20 year period since this article was written. The opportunities and requirements are the same and the means of achieving them are almost entirely within the gift of Government policy and a more enabling approach by the CAA.

The Panel is convinced that a vibrant General Aviation sector is crucial to securing the success and future growth of commercial air transport and aerospace in the UK. It underwrites aviation, provides a focus for interest and a vital source of recruits for commercial air transport operations and aerospace manufacture, both of which are among the UKs most successful industries. It also ensures that the UK capitalises on its strengths in higher technology and added value enterprises, whilst contributing to the connectivity of regions not served well by commercial air transport and providing a valuable and wide ranging leisure outlet for society.

# Executive Summary

## Background

The General Aviation Challenge Panel was established by Ministers in November 2013 following the Government's General Aviation Red Tape Challenge (RTC). The Panel's work will support that of Government to reform the way General Aviation (GA) is regulated in the UK. The Panel is wholly Independent of Government and the Regulator and is aimed at providing a "critical friend" function to the CAA.

On 30 January 2014 the panel published an interim report providing initial findings and a number of recommendations to the Government for changes to improve the regulation and administration of GA, which largely focussed on the role of the CAA.

This final report builds on the initial findings and recommendations of the Panel to provide broader, more strategic direction and recommendations for the reform of GA regulation across Government, and proposes further steps aimed at achieving the Government's goal of making the UK the best country in the world for GA.

## Remit and Scope

In appointing the Panel, Ministers specified key areas for it to review. This included providing a detailed assessment of the CAA's own programme for regulatory reform, consideration of how the CAA could be more transparent in its regulatory oversight, how it might deliver culture change within the organisation, and avoiding unnecessary "gold-plating" of EU requirements. The Panel was asked to support a "myth-busting" exercise to clarify misunderstandings within the GA community about the regulation of the sector by the CAA.

In addition to reviewing regulatory reform, the Panel was asked to identify ideas or projects which might support the growth of the sector and in turn provide economic benefits for the UK.

## Approach

The independent Panel comprised of six unpaid volunteers appointed by Ministers who have between them a wealth of experience and knowledge of the GA sector, of business and of planning issues. The Secretariat for the Panel has been provided by officials in the Department for Transport (DfT).

The Panel reviewed the 270 responses to the Government's GA Red Tape Challenge and the CAA's response to those submissions.

Panel members have engaged with a wide range of GA stakeholders and representative bodies through meetings, phone calls and correspondence. The Panel has met Ministers and senior officials in a number of Government Departments including HM Treasury, the Department for Communities and Local Government, the Department for Business, Innovation and Skills (BIS) and the Home Office. They have consulted a wide range of industry organisations and held an industry seminar on the Panel's findings and recommendations.

As Ministers indicated when the Panel was formed, the Challenge Panel has been free to probe and suggest innovative approaches to achieve deregulatory outcomes and has not been constrained by previous or existing policies. This remit applied equally to Government departments, the CAA and EASA.

A main focus of the Panel has been to ensure regulation is evidence-based and proportionate, whilst ensuring appropriate safety standards are maintained.

## Consideration

The GA Red Tape Challenge received three times as e-mail many responses as any other Government RTC exercise; illustrating the strength of feeling within the sector and the real need and appetite for change. Historic data shows UK GA contributes economic benefits of around £1.4 billion per annum (equivalent to that of Virgin Atlantic Airways), along with significant direct and indirect employment opportunities. However, analysis of the most recent data by the Panel in the interim report shows that a combination of excessive regulation and increasing costs and taxation have all contributed to a decline in UK GA activity and its competitive position, particularly for flying training.

The Panel's review of the sector demonstrated areas where regulation may be constraining GA growth. For instance, the number of annual private pilot's licence applications has fallen dramatically from 4500 in 1991 to around 2500 in 2012. There have also been recent declines in the number of hours flown by fixed-wing light aircraft: estimates suggest 7% fewer hours flown in 2012 than 2003. By comparison, there has been some growth in the less regulated and less expensive Microlight sector, indicating how regulation and cost can influence levels of activity.

## Key Findings and Recommendations

### **Reform of the CAA's regulatory approach to GA**

In order to offer recommendations that remain current in the face of dynamic external factors, and to fulfil its role as critical friend to the CAA, the Panel has set out some guiding principles for the implementation and management of its projects.

### **Safety regulation**

In recognition of the principle that it is impossible to entirely eliminate risk, the Panel recommends that the CAA should adopt a risk-based total-system

approach to safety. In order to do this, the Panel has set out ways that the CAA can improve safety regulation to promote consistent decision making. To recognise the differing levels of risk appetite in GA, the Panel urges the CAA to ensure that safety regulation is appropriate considering the risk level acceptable to participants. Such an approach would enable more innovation in the sector.

### **Airspace**

To improve the regulation of UK airspace, the Panel has made recommendations as to how it should be regulated equitably as a shared resource. Building on their assertion in the interim report that the volume of controlled airspace granted following an Airspace Change Proposal is frequently larger than necessary, it recommends that the CAA should have more involvement in, and improve the airspace design process. The Panel believes that some airspace changes are often not consistent with the level of activity or potential risk. They also recommend a requirement on the CAA to undertake regular reviews of existing controlled airspace. Finally, in recognition of concerns that increases in controlled airspace unnecessarily restrict GA use and access, the Panel recommends that the beneficiaries of controlled airspace should meet the costs of servicing it.

### **European regulations**

Given that the EU is taking more aviation safety regulation into EU competence, the Panel recommends that the CAA should adjust its role and oversight accordingly. They recommend that the CAA supports EASA's approach to make regulation "simpler, lighter and better". In addition, they encourage the CAA to recognise the benefits of harmonisation of rules and standards as a means to improve safety by reducing uncertainty. The Challenge Panel encourages the CAA to meet their commitment to avoid gold-plating to ensure that there are no organisational gaps between implementation of regulations between the EU and the UK, in order to create a consistent system of aviation safety regulation. Finally, to facilitate the implementation of regulatory initiatives, it recommends that the CAA ensures cooperation and coordination with other NAAs.

### **CAA Culture**

The Challenge Panel recognises the CAA's commitment to change, welcomes the establishment of a dedicated GA Unit, and encourages them to ensure that the changed approach to regulating GA is embedded throughout the organisation to secure lasting change.

### **CAA Finances**

The level of fees and charges the CAA applies on the UK aviation industry are seen by many as disproportionate. In response, the panel has outlined a number of ways the CAA could reduce charges and associated costs. For example, the Panel believes that the annual rate of return that the CAA is required to make to Government should be reduced and that the CAA should commit to reduction in

CAA fees and charges to GA. Finally, the Panel encourages the CAA to set agreed service levels for each of its functions.

### **Deregulation and delegation**

The CAA's response to the GA Red Tape Challenge identified two guiding principles for a change to the way the CAA regulates GA. These are 'deregulate wherever possible' and 'maximise delegation'. The Panel agrees and recommends that the CAA should set out plans to meet this objective.

The Panel recommends streamlining regulation so that there is reduced oversight and rule-making where it is not necessary to meet EU obligations, and to ensure that areas that might be removed from EASA oversight are identified.

Although the Panel recognises the CAA's efforts to delegate regulatory oversight to Qualified Entities, it emphasises that there are difficulties introduced by the criteria imposed on a Qualified Entity by EU regulation.

## **Wider opportunities for deregulation and growth**

### **Role of Government**

The Panel met with Ministers and representatives of Government departments, including the Home Office, DCLG, HM Treasury and BIS in order to determine whether there are opportunities for further reducing the regulatory burden on the GA sector from domestic regulation. In order to make the UK the best country in the world for GA, the Panel recommends that the Government ensures there is a coherent and co-ordinated response on GA policy.

### **Planning**

The Challenge Panel recommends that national and local planning decisions should fully reflect the value of airfields to secure the existing essential network of airfields and the connectivity and economic activity they afford to local communities. They believe further closure of smaller UK airfields, such as at Plymouth and Filton should be strongly resisted and recommend changes to regulation and Planning Guidance to protect them in the future.

### **Growth**

Given the established link between the GA sector, commercial aviation and aerospace, the Panel believes that the Government should ensure GA policy harnesses innovation within the industry to support the design, development and manufacture of aircraft, systems and related aviation technology.

### **Aviation Skills development**

In order to harness the benefits of GA for commercial aviation, the Panel recommends the Government facilitates the development of aviation skills. They make recommendations about increasing the number of aviation related apprenticeships and supporting visas for students undergoing commercial flight training to ensure that there is not undue regulation on GA pilots and passengers and increased costs that put UK GA training schools at a disadvantage compared to continental Europe.

They welcome Government backed economic research into the value of the sector and into the importance of areas of future potential growth in the GA industry.

### **GA border issues**

The Panel urges the Government to ensure that there are not undue restrictions on GA pilots with regards to border regulations and security, and airport administrative procedures. They recommend changes to notification periods and procedures and suggest that Government should negotiate with EU authorities to enable flights originating in the UK to land at airfields that do not have customs facilities.



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# Introduction

## Background to the Report

The General Aviation (GA) Challenge Panel was established by Ministers on the 6<sup>th</sup> of November 2013 as part of the Government's programme to reform the way GA is regulated in the UK. A GA Red Tape Challenge, held in spring 2013, collected public views on opportunities to deregulate the sector, and the CAA was subsequently tasked with cutting unnecessary bureaucracy, reducing disproportionate regulation, and adopting a risk-based approach to the regulation of GA. In keeping with its Terms of Reference, the Panel was established to act as a 'critical friend' to the CAA and has gone beyond this to identify wider opportunities to support the growth of the sector, including examination of wider areas of Government policy which impact on GA. Although the Panel has considered issues associated with EASA Regulatory oversight, its main focus has been on addressing areas within the responsibility of CAA and Government where successful challenge can, and has already been achieved.

The Panel comprises representatives from industry and business appointed by Ministers for their knowledge and experience of GA. The Panel has worked on a voluntary basis and not as representatives of any particular GA organisation. The Panel's full Terms of Reference can be found at Annex C.

Panel members are:

- **Laurie Price** (Chair) is an Air Transport economist, with over 40 years' experience with airlines and consultancy. He has previously advised the House of Commons Transport Select Committee, and currently advises the All Party Parliamentary Group for Aviation. He has held a Private Pilots Licence for 45 years and operates a group owned Jodel from a private airfield.
- **Edward Bellamy** has been flying for ten years and has held a Private Pilots Licence for eight. He has been involved in most areas of aviation, including gliding and helicopters and holds both FAA and EASA CPL/IRs. It is now his intention to use this experience to work in commercial aviation. He currently flies a DA42 out of North Weald and is a member of PPL/IR Europe.
- **Amanda Campbell** is a planning and environmental solicitor with Watson Burton and has over 8 years' experience of working in the commercial real estate sector, with experience of mainstream mixed use developments, compulsory purchase orders and more recently major energy, highways and rail infrastructure projects.

- **Julian Scarfe** is a Director of PPL/IR Europe and a vice-President of Europe Air Sports, which represents the interests of more than half a million sports and recreational aviation participants across the EU. He co-chairs the GA sub-committee of the EASA Safety Standards Consultative Committee, and is committed to improving the efficacy and reducing the burden of regulation for GA in Europe. He has a PPL with instrument rating and shares a Piper Twin Comanche.
- **Pete Stratten** is the CEO and Accountable Manager of the British Gliding Association. He flies sailplanes and sport aeroplanes as a private pilot, instructor and flight examiner.
- **Chris Thomas** is the former Chairman of AIM Aviation. His early career was with Eveready and Teddington Industrial before moving to Hanson where he became CEO of Hanson Industrial Services and a Director of Hanson plc. Chris is also Chairman of a number of industrial and consumer product companies including Evander, Cranswick and Green Sky.

The Panel's interim report, published on 30 January 2014, made over 50 specific recommendations on changes to the regulation of UK GA. The full interim report including earlier recommendations is available from:

<https://www.gov.uk/government/publications/general-aviation-challenge-panel-interim-report>.

This report builds further on the interim findings and concludes with a smaller number of recommendations on key areas for reform of GA regulation. It also advises on wider steps towards meeting the Government's aim of making the UK the best country in the world for GA.

The identification of "red tape" was the purpose of the initial aviation "Red Tape Challenge" held in 2012 and the subsequent GA Red Tape Challenge; the Panel's role has been to review and comment on the CAA's and Government's responses to this. It has reported on further opportunities for reducing the regulatory burden only where it believes those responses were inadequate, or involve Government departments and stakeholders who were not involved in the original consultation.

It has also focussed the comments, conclusions and recommendations on those that can be addressed within the UK regulatory system. The Panel has not made firm recommendations on areas of EASA / European Commission red tape where the CAA's powers are limited. Although the Panel would like to reiterate its support for the work that is ongoing in EASA to improve the regulation of GA and the way in which CAA and DfT are engaging in this.

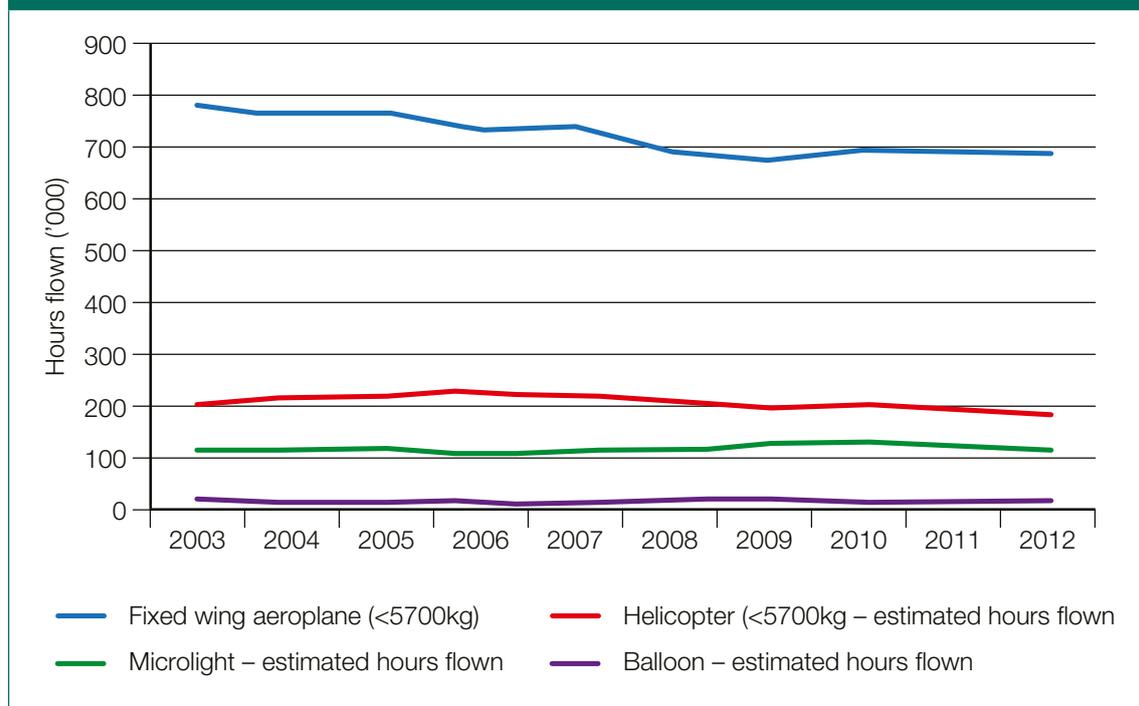
## The General Aviation Sector

The Panel’s interim report presented existing evidence on the state of the UK GA sector. The most up to date figures available suggest that in 2005, the UK GA sector made a £1.4billion direct contribution to the UK economy, and directly employed 11,000 people.<sup>1</sup> However, the Panel reported mixed trends from recent data on the health of the sector, with a decline in the number of aircraft on the UK register since 2009, a decline in the number of new private pilots licences issued, and a significant reduction in overall hours flown since 2003. The reasons for these declines are discussed later in the report and are at the core of the work and concerns of the Panel.

Further detail is available in the interim report, and the data supplied to the Panel is published as a separate annex (Annex D) to this report.

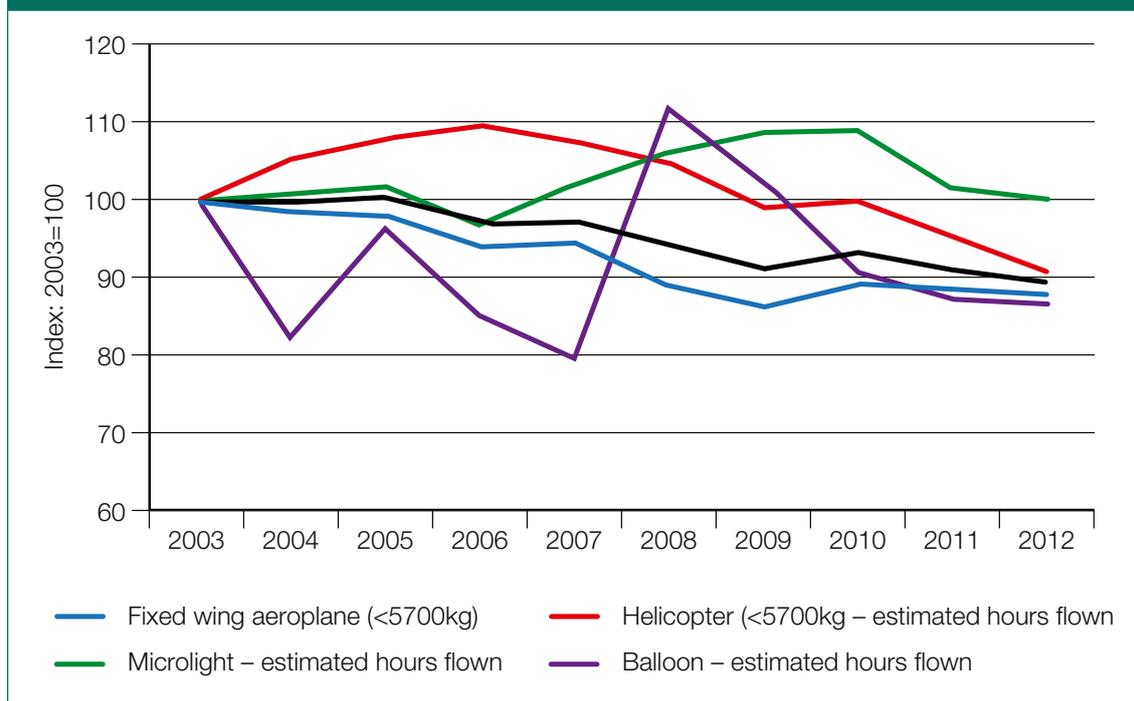
One indicator of GA activity is the CAA’s estimate of hours flown based on information provided at the time of Certificate of Airworthiness and Permit renewal. Although we understand it is difficult to obtain accurate data on hours flown, the CAA makes estimates of the number of hours flown based on extrapolations from the data collected. Since publication of the interim report, the CAA has provided new data on the number of hours flown.

**Figure 1 Estimated Hours Flown, 2003-2012. Source: CAA**



Trends are easier to identify using indexed data.

<sup>1</sup> Strategic Review of General Aviation 2006, <https://www.caa.co.uk/docs/33/StrategicReviewGA.pdf>

**Figure 2 Estimated Hours Flown, Indexed, 2003-2012. Source: CAA**

The latest estimates confirm previous trends, with a decline then flattening out on hours flown in fixed-wing aeroplanes (MTOW <5700kg), and a recent decline in helicopter hours flown, despite earlier growth. The trends here show a greater decline over the period than previously reported. Fixed-wing aircraft activity is some 12% lower than it was in 2003, and helicopter activity in 2012 is about 9% less than it was in 2003. By comparison, Microlights saw an increase in activity up to 2010, but a recent slow-down put activity in 2012 on a par with activity in 2003. The Panel notes that until 2010, there were increases in activity in the lowest cost and least regulated GA sectors.

This revised data supports the panel's view that the availability of accurate and timely data is crucial to setting appropriate policy and regulation.

In its interim report, the Panel noted the difficulty of obtaining accurate and appropriate data for monitoring the health of the GA sector. The Panel suggested that the CAA should do further work to identify appropriate metrics for GA programme success, and recommended (recommendation 6) that the CAA publish a regular report on the activities undertaken that will change the cost or burden of regulatory compliance for GA. The Panel is pleased to note that plans for the CAA's new GA unit include working with sector representatives to agree appropriate measures of regulatory success, and hopes that the GA Unit will also provide a qualitative assessment of changes in the regulatory approach to GA as part of its annual reporting process.

The Panel recognises that GA faces a range of pressures. One is the regulatory regime imposed by the CAA (and EASA), often thought to be over-burdensome and disproportionate by GA stakeholders. The Panel welcomes recent initiatives

by the UK Government, the CAA and EASA to reform the regulation of GA but is keen to see that these initiatives result in sustained and effective better regulation.

The CAA, with its inevitable focus on International Civil Aviation Organisation (ICAO) driven by Commercial Air Transport safety compliance needs to ensure that this does not lead to disproportionate regulation of GA – and we welcome the CAA's commitment to consider options for further delegating and deregulating GA where appropriate. The LAA, BGA, and BMAA successfully support best practice in their specific parts of GA in a cost effective, light touch way. They have a good safety record and may be a better placed to take on a wider role in the longer term.

Other significant pressures on GA include threats to airfields, pressure on airspace and the rising costs of flying. The need to protect airfields from closure is discussed in more detail below. The Panel notes that although duty on AvGas is lower in the UK than in most other European countries, the price of UK AvGas is still noticeably higher than in neighbouring countries such as France. For the UK to regain its world-leading role, the sector needs to grow and develop economies of scale and efficiencies to reduce the cost of flying. The Panel discusses wider opportunities for supporting the growth of GA below.

Most of the costs associated with flying, such as the cost of training for a PPL licence or of maintaining aircraft, (the introduction of Part M having increased maintenance costs), are significantly influenced by the regulatory regime placed upon the suppliers of aviation services. The Government can support the growth of GA not only through the direct measures discussed below but also by ensuring the CAA (and EASA) deliver sustained regulatory reform.

The GA sector is sufficiently diverse that it is difficult for its views and needs to be represented by a single organisation. Communication with the GA sector needs to be effective at both a strategic level and at grass roots level.

The Panel welcomes the engagement of the CAA and the DfT with the GA Strategic Forum. Its members (the General Aviation Alliance, the Aircraft Owners and Pilots Association, and the British Business and General Aviation Association) represent the vast majority of GA stakeholders and it is important that this relationship continues.

It is also important, however, that the regulators get feedback from the front line of GA. Flyer magazine has usefully established a Red Tape Challenge online forum, which has been a source of information for many of the issues the Panel has tackled. Just as the Panel has been unable to respond to every issue raised, it would be inappropriate to demand that the CAA respond to every individual issue raised by such a forum. It would be constructive, however, for the CAA to use such tools to keep its finger on the pulse of GA.

## Report on the Panel's Work

The Panel has engaged with a range of stakeholders to inform the final report. The Panel met with Ministers and officials at the Department for Communities and Local Government (DCLG), Business Innovation and Skills (BIS), HM Treasury and Home Office. It also met Patrick Ky, the Executive Director of EASA, and representatives of NATS.

It has had regular meetings with the CAA to analyse the CAA's delivery plans. The Panel also received detailed written answers to questions it had asked the CAA, which are published at Annex B.

The Panel has also engaged GA industry stakeholders, including pilots and the owners and operators of airfields and flight training organisations, both individually and collectively, through industry groups such as the GA Alliance, GAAC, AOPA and the Airport Operator's Association.

The Panel held an industry seminar on 13 March 2014 to present its interim findings to GA members and gather valuable feedback on its work and priorities for regulatory reform. The meeting was addressed by Robert Goodwill MP, the Department for Transport Minister responsible for Aviation. Grant Shapps MP, Minister without Portfolio and a GA pilot, also addressed the meeting via video link. Both Ministers stressed the Government's commitment to UK GA and emphasised the importance of proportionate regulation for the sector.

The Panel has remained independent throughout its work, challenging the Government, the CAA and EASA. As well as critiquing the CAA's programme for GA reform, it has challenged Government departments to do more to protect and expand the sector. In particular it encouraged Government to improve cross departmental co-operation and in its interim report it identified some potential GA growth projects. There are limitations in the availability of up to date data to inform conclusions on ways to expand the sector. However, it is hoped that the Government proposed economic research into the value of GA will help to deliver an evidence-base to enable and facilitate growth.

The Panel has worked to wide-ranging terms of reference and is pleased to have made progress in several areas, such as:

- Providing a structured and consistent challenge to the CAA on delivering its GA programme;
- Raising awareness across Government of the importance of GA, issues facing the sector, and the need for coordinated Government policy on GA;
- Meetings with Ministers to discuss issues such as the need to change pre-notification time-scales for GAR forms, visas for overseas student on flight-training and the possibility of making flight-training VAT exempt; and
- Winning government support for the need to gather up to date information on the value of the GA sector to better inform future Policy.

The Panel was asked to support a myth-busting process and worked with the CAA to explore where misunderstandings might exist. In doing this it has identified how the need for myth busting may diminish if the CAA communicates more effectively with those it regulates.

The Panel is grateful for the time, co-operation and candour of those it has met. It remains impressed by the stoicism and commitment of many in the industry who have faced massive change, and feel burdened by increased costs and red-tape from the move to an EASA-led regulatory regime. These individuals provide the foundations of the GA sector and are at the heart of its record of safety and innovation and should be encouraged by both Government and the CAA.

The Panel is also grateful for the co-operation of the CAA, and for the new focus emanating from the CAA's senior management in dealing with GA. The Panel is particularly grateful for the unstinting support provided by the DfT Secretariat to the Panel, who have responded enthusiastically to the numerous requests and sometimes unique approach of the Panel to dealing with Government processes.

The Panel sincerely hopes that its work has provided a positive focus and stimulus to the programme for reforming the regulation of GA and that this is sustained after the Panel's work is completed. It hopes that although it may not please all, as a result of its work, regulatory oversight of GA will be more proportionate and evidence-based than ever before. It also expects Government policy to develop in a co-ordinated fashion to allow a number of the initiatives identified to thrive, underwriting a renaissance of GA and enabling the UK to become the best country in the world for GA to operate.

# Reform of the CAA's Regulatory Approach to GA

In reviewing the CAA's programme for reforming its regulatory approach to GA, it would have been possible for the Panel to create a long to-do list of regulatory items for the CAA to change. However, the prioritisation of such items would present a problem because of the numerous external and dynamic factors that would affect that prioritisation (for example, changes to EU regulation).

If the Panel limited itself to commenting on the CAA's high-level strategic aims, it would fail in its role as a 'critical friend'. The aspirations set out in CAP 1123<sup>2</sup>, are difficult to apply in practice, and the challenge for the CAA will be to apply the principles of risk differentiation and avoid gold-plating in real, practical cases. To facilitate this, one must look at the devil that is in the detail.

The Panel has therefore chosen the following approach: it proposes the adoption of a set of guiding principles (at an appropriate level) to inform the CAA's regulatory approach, and illustrates these with a number of case studies.

The CAA's GA Unit will maintain the portfolio of projects to provide better and smarter regulation for GA. These projects have already started to deliver results, and the CAA has, for example:

- permitted the use of 8.33 hand-held radios meeting industry technical standards in Permit to Fly aircraft;
- championed a change to the specified 100 hours of classroom training with the European Commission and EASA; and
- issued a general exemption permitting the use of gyroplanes for self-fly hire.

The Panel recommends that the CAA should apply the following guidelines in prioritisation and delivery.

The guidelines and recommendations that follow are grouped in the following sections into Safety Regulation principles, Airspace Equity principles, and principles associated with the division of regulatory responsibilities between the UK and the EU.

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2 <http://www.caa.co.uk/application.aspx?catid=33&pagetype=65&appid=11&mode=detail&id=5838>

## Safety regulation

### 1. The CAA should adopt a risk-based total-system approach to safety.

It is a generally accepted principle of modern safety management that it is impossible to eliminate risk: a regulator can only minimise it to optimise total system safety, subject to imposed constraints such as the total available resource. The optimisation process may improve safety with respect to some types of risk, but lower it with respect to others. All those in the safety chain need to be bought in to the concept of total system safety, and accept any residual risk.

We agree with the CAA (Annex B, in response to Q7) that the GA Unit is best placed to assess the cumulative impact that national and EU regulation may be having on the sector.

#### 1.i Risk management should differentiate between stakeholder classes according to their ability to assess and control risk.

In considering the level of regulatory protection required, the regulator should consider the ability of all those who are exposed to risk to assess and control that risk. This is consistent with concepts to be introduced into the revisions to the EASA basic regulation with the SES2+ package.

#### **Case study: Informed consent**

CAP 1123 reports “The CAA is developing, with the aviation industry, a regulatory framework using the principle of ‘Informed Consent’ which would allow organisations to conduct certain revenue-generating ‘promotional flights’ within a club environment. The CAA believes that such measures will, when implemented, provide participants and uninformed third parties with proportionate protection and reduce the risk of misunderstandings in this area.”

This is a sensible development. As a result of lobbying from the GA community and Member States, including the UK, the European Commission also recently introduced a number of derogations into the EU regulations on Air Operations to allow certain types of revenue-generating operation to be considered non-commercial. It is important that the two regulatory frameworks remain compatible in their approach to risk differentiation.

#### 1.ii Risk management should be quantitative to allow resources to be spent on the risks that optimise the benefits of expenditure across the whole system.

In order to make the application of a risk-based approach consistent across the many areas of regulation (e.g. airworthiness, equipment requirements, pilot competence, medical, operations) over which such risk is spread, it is important that decision making across all of these areas is itself consistent. Thus qualitative or subjective measures are rarely sufficient, as they do not allow for adequate comparison of different measures.

A quantitative approach does not necessarily have to be data-driven. It only requires that risk is assessed without subjective input as to what is 'safe' or 'unsafe' in a particular area. Risk might be assessed in terms of the probability of a fatal accident per flight or flight hour, or the value of prevention of a fatality.

**Case study: Quantitative medical and certification standards, and broader application of acceptable levels of risk**

A quantitative approach is used in certification in the FAA's AC 23.1309,<sup>3</sup> which is consistent with EASA and CAA methodology. It sets allowable probabilities (to the nearest order of magnitude) for failure conditions of various types, some of which may cause accidents or hull losses. Similarly, allowable probabilities of incapacitation are used by those setting medical standards for pilots to assess whether particular conditions are permissible, and if so whether any limitations should be placed on operation (for example, flight without passengers). These standards are based on current fatal accident rates of approximately  $1 \times 10^{-5}$  per hour in general aviation in small aircraft. Thus risks at levels considerably lower than  $1 \times 10^{-6}$  per hour can probably be allowed to go without regulatory intervention to mitigate them without significantly affecting the overall fatal accident rate.

By contrast, the CAA's approach in the otherwise encouraging draft CAP 1122 on Instrument Approach Procedures to Aerodromes without an Instrument Runway and/or Approach Control says:

*In assessing the effectiveness of the proposed alternatives to a runway configured to normal instrument standards and/or to the provision of an Approach Control service the applicant will, as owner of the risk, need to be satisfied that the proposed alternative arrangements will provide a degree of residual risk which is sufficiently low to be acceptable.*

It does not, however, specify what level of residual risk is "acceptable" for what type of operation. As a result, subjective judgements will be applied in a way that might either unduly restrict operations whose total system safety could benefit from the availability of GNSS approaches at a small airport, or conversely permit situations where the risk associated with such an approach is incommensurate with the accepted safety standards for such an operation. A quantitative approach would avoid this.

1.iii Safety regulation should be evidence-based where possible and supported by good impact assessments and cost benefit analyses.<sup>3</sup>

Where appropriate data (accidents, incidents, occurrences) is available, it should be used to inform safety regulation. In the absence of data indicating a problem, regulatory intervention is rarely justified. For consistency with the total system approach, impact assessments and cost-benefit analyses should be used as a

3 [http://www.faa.gov/documentLibrary/media/Advisory\\_Circular/AC%2023.1309-1E.pdf](http://www.faa.gov/documentLibrary/media/Advisory_Circular/AC%2023.1309-1E.pdf)

regulatory tool to identify best options, not a post-rationalisation of the regulator's chosen position.

### **Case study: London TMA RNAV 1 Mandate**

The CAA distributed (on 15 April 2014) a consultation on a mandate for aircraft operating in the London TMA requiring them to be capable of a certain minimum navigation performance (RNAV 1). The consultation describes three “options considered by the CAA Board”: a Do Nothing option, a UK-wide mandate, or the preferred option of a mandate for the London TMA, with effect from 2017 and 2019 (for aircraft and airspace respectively). The first two options are, rapidly and reasonably, dismissed as unacceptable, leaving only the regulator's preferred option.

However, the option of awaiting the introduction of an EU-wide mandate planned for 2020 is not considered. This might achieve the same benefits with a year or two's delay while reducing the impact on operators by synchronising investment with that required in the rest of the EU. The Panel is not suggesting that this *should* be the preferred option, merely that it should be assessed as a much more appropriate baseline than “Do Nothing”. We are also mindful that this is the early stage of a consultation, and that an impact assessment has not yet been carried out. It is included to warn against the selection of limited options that are so extreme that the result of an assessment is a foregone conclusion (and is consequently easier to perform).

#### 1.iv Certification and approval should only be applied where the cost-benefit analysis justifies it.

A requirement to obtain a certificate, approval or permission before an activity is particularly burdensome on regulated parties, and should be required only where:

- it delivers an economy of scale benefit by verifying compliance with standards to multiple third parties who would otherwise need to carry out their own checks of compliance; or
- standards and rule-sets are sufficiently complex or underdeveloped that interaction and dialogue is required for an appropriate outcome.

In other circumstances, the regulator should avoid certification processes and intervene where a failure to adhere to standards is evident.

**Case study: Permission for Aerial Work in Foreign Registered Aircraft**

Currently, operators of foreign-registered aircraft who wish to perform “aerial work” in the UK are required by Article 225 of the Air Navigation Order to obtain a permission from the Secretary of State (a process previously operated by the DfT, now transferred to the CAA). The broad UK definition of “aerial work” means that even those owners who wish to pay an instructor to provide training in their own aircraft need to obtain such a permission. The cost and administrative burden of obtaining such a permission is not insignificant

The DfT has provided the Panel with data on the number of such aerial-work permits issued (and refused), together with a rationale for the requirement: an organisation might set up an aerial work operation (including a flight school) using foreign-registered aircraft to evade the standards of safety in UK law, therefore a separate oversight process is required.

It appears that permission is routinely granted for aircraft owners to receive instruction in foreign-registered aircraft. Such a process clearly adds nothing of value to oversight. There should therefore be no requirement to obtain such a permission.

**1.v Safety regulation should foster innovation, not stifle it.**

The safety benefits delivered by new technologies, products and procedures must not be undermined by the need for demonstrations of compliance unless they are necessary to address real, practical risk.

### **Case study: Avionics development – ADS-B and position sources**

RTC #263 suggests that the CAA “Allow non-certified GPS to provide data for ADS-B out.” The CAA replies:

“This proposal will be examined by the Airspace and Safety Initiative Electronic Conspicuity Working Group. The aim is to achieve a scalable way forward to developing a technology solution which is affordable and appropriate to improving situational awareness for the GA community in less dense and low complexity airspace.”

While the development of such a technology is important and welcome, this does not address the issue raised, which concerns the position data source for an existing ADS-B transceiver. With appropriate data quality information associated with the ADS-B messages, there should be no regulatory reason to object to non-certified data sources.

A project was submitted in 2013 and the DfT has allocated £300,000 from the UK State Safety Programme to carry it out. The project has four elements:

- (i) To develop a full transmit and receive device with proof of concept flight trials and analysis;
- (ii) To research the use of uncertified GPS devices with a view to enable the CAA to set a minimum standard for developers;
- (iii) To research the use of uncertified GPS devices with a view to develop an application for an existing mobile device; and
- (iv) To research potential interference issues with electronic conspicuity devices and ensure that additional equipment in the cockpit is safe.

The Panel notes that this is an important project for GA, and that further funding may be needed to assist in achieving the objectives of the project and/or to take the project further.

The availability of a low-cost low-power conspicuity solution provides potential benefits for GA and safety nets for CAT. The key will be to strike an appropriate balance between system performance/capability (e.g. precision, range, functionality) and its cost and power consumption, and to enable it to be installed on the broadest range of aircraft.

#### **1.vi Innovations should be compared with status quo safety situation, not an aspirational target.**

Innovations must be assessed in comparison with the current situation rather than with ideal models or aspirational goals. Innovation should be facilitated when it delivers an improvement over the practical level of safety achieved by what it is replacing, taking into account the full safety chain, including for example human factors issues.

### **Case study: GNSS Overlay approaches and fix substitution**

The CAA's reluctance to adopt Global Navigation Satellite System (GNSS) technology has probably been the area that has most threatened the credibility of the CAA as a safety regulator within the GA community. The Global Positioning System (GPS) has been available as a navigation tool since the late 1980s. GPS receivers suitable for air navigation started to appear on the market in the early 1990s, and GA pilots rapidly realised their potential for improving situational awareness and reducing cockpit workload.

On 17 February 1994 the US FAA introduced Phase 2 of its GPS Approach Overlay Program. This allowed pilots to use a TSO C-129 A1 GPS receiver to fly an overlay of an approach designed for conventional nav aids. On 28 April 1994 Phase 3 allowed these approaches to be flown without any conventional nav aids or on-board receiver avionics. Substitution of GPS fixes for NDB or DME based navigation was also authorised. As a consequence, most owners of US aircraft, including GA aircraft, disposed of ageing and unreliable conventional navigation equipment, in particular ADFs, and invested in modern GPS equipment.

By contrast, in the UK, regulatory acceptance of GPS has proceeded at a 'snail's pace'. Many UK GA pilots have used handheld GPS receivers as their effective means of navigation for VFR and IFR since the mid-1990s, in the face of warnings that it must not be used as a primary means of navigation. Even GPS receivers that are, in effect, required to meet airspace requirements for Performance Based Navigation still may carry a placard prohibiting their use as a sole or primary means of navigation.

In 2006, the UK CAA announced a trial of GPS approaches for General Aviation aircraft at six UK airports. Even after successful trials, it took several years before airports were authorised to use even these approaches because of difficulties establishing safety cases. There has never been an overlay program in effect. In December 2011, the UK CAA published AIC Y 107/2011 finally exempting aircraft from the requirement to carry an ADF as a prerequisite merely for flying IFR in controlled airspace. It notes however:

"4.2 Precision or Non-Precision Approaches with Missed Approach based upon NDB.

The missed approach based upon an NDB is an integral part of the approach procedure and therefore an aircraft must be equipped with ADF to conduct the missed approach procedure. "

Of the few GPS approaches now available in the UK, most, such as those at Gloucester, Blackpool and Cambridge, use an NDB as part of the missed approach procedure. Aircraft flying the procedure must therefore be equipped with an ADF, even though for all practical purposes the equipment is likely to remain switched off while the missed approach is flown, with great precision, using GPS.

**Case study: GNSS Overlay approaches and fix substitution** *(continued)*

There is an unquantified hypothetical risk (perhaps better termed a “hazard” in standard safety terminology) associated with the substitution of GPS fixes for NDBs: the obstacle clearance criteria are, technically, different. However, the practical risk associated with such a substitution is, as proven by experience in the USA, negligible. Yet in deference to this hypothetical risk, the benefits of the new technology are largely lost.

It is not credible that the requirement for an ADF should be the result of an objective analysis of the balance between the risk associated with GPS fix substitution and the cost of continuing to carry ADF equipment in a serviceable state. That this remains the legal situation in the UK two decades after the FAA put its GPS Approach Overlay Program into effect (with no net safety issues) is a sad indictment of the appetite of the UK CAA to embrace innovation and should be addressed. The lack of progress has adverse implications to GA and to enhancing UK regional connectivity.

1.vii [The legal framework and culture should support this approach.](#)

Optimising across total system safety may improve safety with respect to some types of risk, but lower it with respect to others.

For example, the introduction of a new technology may reduce the overall number and severity of safety incidents, but failure of that technology on one occasion might lead to an incident that would not have happened had that technology never been introduced. Similarly, a lowering of certification standards may improve the affordability of safety equipment that assists in prevention of accidents, but also increase the risk of such equipment failing at a critical time and causing an accident. Such a trade-off is an inevitable component of good safety management.

As a consequence, any regulatory change that increases total system safety may (and usually will) permit or cause some accidents that would not have occurred in the absence of the change, even though overall accident rates should improve.

Unfortunately, both the civil legal system and human nature tend to work against this aspect of safety management. The few accidents caused by a change that improves total system safety attract attention, and third parties will attempt to attribute blame and in some cases civil liability. By contrast, the accidents prevented by the change go unnoticed, except in the overall safety statistics. Thus an individual who is part of the regulatory system may well ask the question, “why should I take responsibility for this change, when I will get little credit for the benefits it brings, but will be blamed for any accidents that result?”

It is therefore crucial to the success of the CAA's programme of reform that the legal and cultural framework for regulation is supportive of good risk management and safety regulation principles. This goes beyond “Just Culture”, in that it recognises that a change that allows an accident to happen is not necessarily a

“mistake”. Many parties, including the government, the DfT, the media and the stakeholder community itself, need to embrace this principle if progress is to be made in safety regulation. If, when an accident occurs, third parties look for a regulatory scapegoat, the changes that are necessary to improve safety regulation will never be made. The Panel welcomes the CAA's responses (Annex B, Q 11 & 12) that indicate a good awareness of relevant issues.

## Airspace

### **2. The CAA should regulate Airspace equitably as a shared resource.**

Connected uncontrolled airspace, as well as access to controlled airspace, is critical to the future of GA as controlled airspace places real constraints on GA freedom. Although Class D should not be an impenetrable barrier, it is the experience of many GA pilots that controlled airspace is inaccessible in practice.

Airspace design is hampered by the glacial speed of developments at ICAO. Controlled airspace that was designed for low performance commercial aircraft does not provide the flexibility required of a modern, mixed operating environment. The Future Airspace Strategy (FAS) and the London Airspace Management Programme (LAMP) will in part address the performance limitations of UK airspace. The Future Airspace Strategy VFR Implementation Group will work to ensure that the needs of those operating outside controlled airspace are equitably considered.

Radio and/or Transponder Mandatory Zones present opportunities to provide a known traffic environment without Class D airspace. Potential developments in low cost, low power electronic conspicuity that could lead to widespread voluntary equipage represent a further opportunity to limit the need for controlled airspace. As the FAS is not expected to deliver benefits to users of uncontrolled airspace until the implementation of a revised Transition Altitude in late 2017. A challenge for the CAA is to ensure that new controlled airspace is only established if absolutely necessary in the short term or if it is consistent with the emerging strategy. Proportionality, equity and the safety of all others outside proposed controlled airspace often tend to be overlooked by sponsors.

The Panel welcomes recent comment to industry from CAA stating that the process of establishing or changing controlled airspace will be significantly more transparent and rigorous than has been the case in many examples, this needs to include the regular review of airspace categories.

#### **2.i Controlled and regulated airspace should be no larger than is practically required to meet operational needs.**

In the interim report the Panel noted that very often the volume of controlled airspace is larger than what is operationally required in the case of terminal airspace and control zones around airports

The CAA has a mature system for making changes to the airspace allocation within the UK. It requires the sponsor of a proposed change to develop detailed

proposals (and Airspace Change Proposal, ACP) and consult on them, with a requirement for appropriate justification of any decisions made based on the consultation, particularly if recommendations by those consulted have been rejected.

However the Panel is concerned that:

- the current airspace design process, in which the CAA themselves do not actually design the airspace but only adjudicate ACPs, means that the process is biased towards aviation stakeholders who want controlled airspace rather than those who would rather have less. The CAA has delegated the costly design process, and so there are likely to be more ACPs initiated by ANSPs proposing new airspace than there are ones applying for CAS removal by airspace users.
- possible conflicts of interest exist where the proposed design of the new airspace is sometimes made by the Consultancy arm of the ANSP provider.
- it is impractical for stakeholders to challenge the technical assumptions about airspace structure made during the design process. If an airport wishes to apply for controlled airspace it would typically have to employ airspace designers to devise an ACP proposal. A document detailing the proposals then goes out to consultation. Although the proposal may include extensive justification for the proposed changes, precise technical information on which judgements could be made about the necessity of airspace volumes applied for are often absent from such documents.

The delegation of the design process has also not always worked well in practice, with designers generally designing around an airport's own operational desires; the CAA however has to balance those with the needs of other airspace users and the overall equity and efficiency of the air traffic system. It would likely be more equitable and efficient for the overall air traffic system if the CAA were more closely involved in the airspace design from the start.

#### **Case study: ACPs**

It is difficult for the Panel to directly comment on the CAA's recent conduct of the ACP process since the two most notable ones, Southend and Farnborough have yet to be resolved. It believes, however, that these would be good cases in which to apply the principle of making new controlled airspace no larger than practically required.

#### **2.ii Existing controlled and regulated airspace should be reviewed regularly.**

Controversial airspace change proposals typically concern the establishment of class D controlled airspace at airports that have previously operated in class G, often in response to increased (or planned increases of) CAT activity. Industry representatives have commented to the Panel that changes in airspace policy and designation of new control areas (CTA) and other class D airspace are not

consistent with the level of activity or potential risk. Examples given include airspace around Doncaster-Sheffield and Norwich.

There is a concern among GA pilots that:

1. assumptions about traffic levels that are used to justify the establishment of controlled airspace tend to be exaggerated, but it appears that the CAA does not take action when such levels are not realised in practice; and
2. the access to VFR traffic promised by ANSPs to mitigate the effects of controlled airspace tends to be unavailable in practice, in part because the ANSP takes an overly conservative approach to separation. This is not consistent with the fact that ICAO does not require separation between IFR and VFR traffic in class D airspace, and in part because it fails to staff the relevant ATC unit sufficiently to service that access, even though most GA aircraft requiring access or transit are Transponder equipped.

It is a more complex issue when (due to a reduction or change in runway configuration, long term improvement in aircraft performance or the design of new procedures) some areas of previously required controlled airspace become redundant. The question then becomes who should pay for any redesign process since in the absence of any airspace charging mechanism, the airport in question has no incentive to do this, and since the CAA does not itself conduct the airspace design function it requires an ACP sponsor to make a proposal.

#### **Case study: Airspace review – Norwich airport**

The CAA has a mechanism for reviewing the necessity of airspace on an ongoing basis but in practice unless an airport actually closes there is little pressure for CAS, particularly CTRs and CTAs, to be returned to class G. In some cases, such as Norwich Airport, the forecast traffic levels on which the original ACP was predicated never materialised. For example, between 2009 and 2012 movements actually fell around 15% at the airport and even though they have since recovered they still do not match the pre-airspace change levels. Overall movements in 2013 were 24% less than peak movements in 2007, which was several years before CAS was established.

In these situations the CAA should review airspace justification and re-designate the airspace through a relatively simple process.

#### **2.iii The beneficiaries of controlled and regulated airspace should meet its costs, including the cost of providing access to that airspace for other users.**

Since airspace should be a shared resource, it is reasonable for those who benefit from the establishment of controlled airspace to fund the services necessary to provide equitable access to it.

### **Case study: Class A airspace**

The extensive use of class A airspace in the UK effectively bars all VFR traffic that might wish to enter on an ‘ad hoc’ basis even if traffic conditions may in reality permit it. Especially in the South East of the UK this airspace seriously constricts the ad hoc movement of GA traffic in a way that is not present in many other states, particularly concentrating it at low altitudes with potential safety implications. In the USA and most other European airspace class B or C airspace is used in terminal areas, and this permits VFR access.

The Panel recommended in the interim report that reclassification of terminal and en-route airspace should take place and that the beneficiaries of controlled airspace should meet the cost of providing access to the airspace as required.

## European regulations

### **3. The CAA should ensure that the single market, harmonisation and simplification benefits of EU regulation are realised in full.**

In recent years the EU oversight of aviation safety has increased. Regulation (EC) No 1592/2002<sup>4</sup> brought Airworthiness (Initial and Continuing) into EU competence and established EASA. This was extended under Regulation (EC) No 216/2008<sup>5</sup> which brought Flight Crew Licensing and Air Operations into EU oversight. An amendment to Regulation (EC) No 1108/2009 did the same for Air Traffic Management and Aerodromes.

A common complaint is that the UK does not play an active role in the EU rulemaking process to ensure that rules are suitable for UK stakeholders. Of all the myths exposed following responses to the RTC, this is one of the most significant misconceptions. The Panel recognise that, to their credit, both the CAA and the DfT play a significant role in the crafting of EU aviation regulation, through the EASA Regulatory and Thematic Advisory Groups, rulemaking groups, and the EASA Committee. The UK, arguably has the strongest influence of any of the member states over the shape of regulation. Moreover, their engagement and consultation with GA stakeholders is almost unparalleled across the EU. The scale of the CAAs task is large and it will take time to bring about the desired change, but the Panel commends them for their work in this area.

4 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:240:0001:0021:EN:PDF>

5 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2008R0216:20091214:EN:PDF>

**Case study: UK CAA involvement in EU regulation development**

The UK has for example:

- steered consensus on a number of important FCL implementation issues in the FCL Partnership Group and SSCC-TAG;
- refused to accept EASA's unworkable opinion on Specialised Operations at EASA Committee;
- during the development of the Standardised European Rules of the Air (SERA), insisted on a number of exemptions and permissions that can be applied on a national basis which are critical to GA users in the UK;
- championed some important alleviations in medical standards in Part-MED;
- held out for some important modifications to the rules for non-commercial operations; and
- negotiated (with the Commission) an amendment to the aircrew regulation to allow the UK to continue to issue ratings substantially equivalent to the UK IMC rating, with the significant contribution to flight safety that it brings.

### 3.i The CAA should support smarter EU regulation for GA.

As with CAA, EASA's approach to General Aviation has gone through a radical transformation over the last two years, culminating in their Roadmap for Regulation of GA. In 2014, EASA announced new principles for dealing with GA and established a new GA department, to deliver "simpler, lighter and better regulation". This is a critical opportunity to improve European regulation of GA, with far reaching consequences for UK GA.

**Case study: Leadership of the NAA GA Roadmap Group**

The UK representative on the group of national authorities which will support EASA in implementing better regulation for GA was unanimously elected as its chair. The UK can now make a significant difference across the EU, leading change at this level.

### 3.ii The CAA should take account of the benefits of harmonisation on total system safety.

Harmonisation of rules and standards, whether at an EU or global level, is designed to improve safety and make procedures interoperable between states. Compromises are occasionally made in agreeing such rules, and some resulting regulation may not appear to optimise safety. However, the rules may still deliver an adequate level of safety and in addition the benefits of harmonisation may outweigh the shortcomings of these sub-optimal rules. Where there is a strong case for doing things "the UK way", overall safety is usually best served by

proposing improvements to internationally agreed standards through ICAO, or by helping the European Commission and EASA to develop better regulation for all stakeholders.

#### **Case study: UK phraseology**

RTC response #246 asserts that radio phraseology is too complicated and urges the CAA to revert to ICAO SARPs. The CAA responds that “UK phraseology is in line with international standards”. There are however, still numerous differences:

- The UK does not use the word “to” in an instruction relating to a flight level.
- The UK inserts the word “altitude” before an altitude.
- The UK uses the words “flight level wun hundred” (not “flight level wun zero zero”) for FL100.
- The UK alone uses the words “freecall” and “continue with” to convey different information from “contact”.
- The UK alone uses the terms “basic service”, “traffic service” and “deconfliction service”.
- The UK uses “descend with the glideslope” and only recently introduced the phraseology “cleared ILS approach”.
- The UK uses non-standard phraseology “climb now” instead of “climb (level), SID level restrictions cancelled” in instructions related to the vertical profile of SIDs.

There is a sensible rationale behind most of these differences. If the UK selected options were considered in isolation these might be viewed as being preferable in many cases. However, the existence of an international standard and the UK’s variation from this may lead to the potential for confusion, particularly as the international standard appears to be used with acceptable safety levels in most other states.

- 3.iii The CAA should avoid applying higher standards for UK stakeholders (gold-plating) than those set out in EASA regulations, even if the potential level of safety which could be achieved is higher.

Gold-plating stems from a desire to make minimal changes to national law by implementing EU rules, because the status quo has resulted in an acceptable system, and the new EU regulation represents an unknown. The belief is that to add extra requirements over and above the EU rule adds to the level of safety achieved by regulation at a national level.

However, it is rare that this is based on any quantitative assessment of the level of safety that will actually be achieved by these extra requirements or evidence that unacceptable risk is borne by those states who choose not to add extra requirements. To have extra rules increases the complexity for stakeholders and potentially adds financial and administrative burdens; if additional rules were applied in each EU member state, the resulting complexity would undermine the benefits of harmonisation and standardisation.

The CAA has made a commitment to avoid 'gold plating'.

*"Since the Government launched its GA Red Tape Challenge we have, for example, publicly committed to identify and eliminate regulatory 'gold-plating', which some RTC respondents said the CAA habitually did"<sup>6</sup>*

The Panel has no doubt that this commitment is sincere. It welcomes the intentions set out in response to Qs 16 & 17 in Annex B. This is, however, one area where high level principles are not always appropriately applied at the level of detail. Panel members have had a number of interactions with the CAA about its intentions for the UK's implementation of the Standardised European Rules of the Air (SERA). It remains concerned that the UK intends to preserve a number of more restrictive rules that go beyond the requirements of SERA. One example is described in the interim report, another in the case study below.

There are some areas where EU regulation specifically allows for national regulation to remain in force (for example, in SERA, for dropping, spraying, towing and parachute descents) or allows generic exemptions or permissions (for example, regarding minimum heights and cruising levels) which the UK has appropriately chosen to use, which are not "gold plating". There are also times when the UK takes a position that is different from other states, arguing for more or less restrictive rules. This is entirely appropriate, but once the rule becomes a standard European rule, it should be accepted in order to allow the harmonisation benefit to be realised.

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### **Case study: The UK implementation of SERA – aircraft lights**

One of the rules of the air that the UK wishes to retain relates to aircraft lighting. The rule itself looks reasonable in isolation, but has undesirable consequences in an international context. It has 11 detailed subparagraphs and includes subparagraph 2 as follows:

(2) If it is necessary to fit more than one lamp in order to show a light required by this Article because of the physical construction of an aircraft, the lamps shall be so fitted and constructed that, so far as is reasonably practicable, not more than one such lamp is visible from any one point outside the aircraft.

The new Piper Archer DX, which was announced at AERO Friedrichshafen 2014, comes with a range of optional extras, of which one is the “United Kingdom Lighting Package”. For \$1,400, the manufacturer paints over the rear navigation lights mounted rear-facing on each wingtip (which are acceptable under the certification specifications and in every other country of the world), and fit an extra light at the top of the fin. It appears that this is done to satisfy subparagraph (2) above.

This is a good example of gold plating.

### **3.iv There should be no organisational gaps between the EU and the UK implementation of regulation.**

The split of responsibilities between the UK and the EU can lead to a less than perfectly joined up system of aviation safety regulation. Rules tend to be created in committee by consensus, with all of the inconsistencies and compromises that go with this. Sometimes, the UK is forced to implement rules that it does not believe to have a favourable cost-benefit, particularly UK stakeholders. At other times, the UK will come to recognise the advantages of initially unfamiliar rule-sets.

Where, based on the substantial experience and expertise the UK believes that EU rules can be improved, it should work with the European Commission and EASA to improve them. Often, Acceptable Means of Compliance or Guidance Material can be developed by the UK, this can be shared with other states and with EASA, such as the CAA’s ongoing work on a PPL syllabus, and can eventually become accepted at the European level.

By contrast, it is not acceptable to defend poor regulation by claiming that it originates elsewhere in Europe and that nothing can be done to change it. The CAA should either be able to defend the safety basis for regulation, or point out the steps it is taking to engage with the European Commission and EASA to improve it. Such engagement takes time and resource, so it must prioritise the issues to be resolved, but the need for doing this should not be forgotten.

### 3.v The CAA should cooperate with other NAAs in the implementation of initiatives.

#### **Case study: Leadership of the NAA GA Roadmap Group**

The CAA is one of dozens of NAAs implementing EU regulation. Dialogue with other NAAs, as well as facilitating consistency of application between member states, can offer opportunities for efficiencies, such as shared projects and systems, particularly for less mainstream activities where it is difficult to cost-effectively maintain expertise in every NAA.

The election of the CAA representative (who is also the head of the CAA GA Unit) to the chair of the NAA GA Roadmap group represents a significant opportunity in this regard, and the Panel suggests that the CAA should make the most of this opportunity.

The Panel also welcomes the CAA's commitment to working not only with other States, but also with international bodies such as ICAO or EASA, and with other partners as necessary, to secure an aviation environment that can facilitate cross-border activities, as set out in its response to Q14 in Annex B. The CAA should work more closely with EASA and the Commission to implement rules.

The nature of divided competence means that, even without the intention to gold plate on the CAA's part, gaps in understanding and interpretation emerge between EASA's intent and the CAA's implementation. EU law is often written in a way that leaves it open to different interpretations, and lacks good explanatory material to set out its rationale. NAAs have a difficult task in navigating their way through how rules can be applied in practice. Sometimes, the most liberal interpretation might be preferred by stakeholders, but would result in widespread inconsistencies and is unsustainable in practice. In such cases, it is important that the CAA engages with European regulators to establish and implement the intended action, which may often be less prescriptive than is apparent at first reading.

### **Case study: The UK implementation of SERA**

In its cover regulation, SERA includes:

“Article 8 Transitional and additional measures

1. Member States that have adopted, prior to the entry into force of this Regulation, additional provisions complementing an ICAO Standard shall ensure that those are compliant with this Regulation.
2. For the purpose of this Article, such additional provisions complementing an ICAO Standard shall not constitute a difference under the Chicago Convention...

Article 9 Safety Requirements

Further to the entry into force of this Regulation and without prejudice to future amendments to SERA, Member States shall, in order to maintain or enhance existing safety levels, ensure that, within the context of a safety management process addressing all aspects of the implementation of this Regulation, a safety assessment on the implementation plan, including hazard identification, risk assessment and mitigation, is conducted, preceding the actual changes to the previously applied procedures. Such mitigation may include the application of [the flexibility provisions].”

The CAA has interpreted these Articles as requiring a rule-by-rule analysis of the SERA rules against existing UK rules and moreover that they are mandated by Article 9 to retain any individual national rule that offers a higher level of safety than the SERA equivalent. It is hard to believe that this interpretation is the intention of the Commission, as it fundamentally undermines the objective of harmonising the rules of the air across the EU. It is also inconsistent with the principles of total system safety, which would require the rules to be considered as elements of a complete rule set.

The CAA should seek clarity from the European Commission on the intention and interpretation of Article 9 of the SERA regulation, and, if necessary, withdraw proposed national rules that are more restrictive than SERA equivalents but cover substantially the same subject matter.

## CAA Culture

### **4. The CAA should ensure its changed approach to regulating GA is embedded throughout the organisation.**

The Challenge Panel recognises the CAA's commitment to change, which is in part demonstrated by the establishment of a dedicated GA Unit. To quote,

*“The GA unit will make a key contribution to fulfilling the Government's aspiration for the General Aviation sector to enjoy a safety regulation system that imposes the minimum necessary burden and empowers individuals to make responsible*

*decisions to secure acceptable safety outcomes, to make the UK the best country in the world for General Aviation”.*

The head of the GA unit is a member of the CAA Safety and Airspace Regulation Group (SARG) leadership team. It is recognised that the GA Unit will not be working in isolation. Other specialist areas within the CAA SARG will provide input where sought by the GA Unit.

In order to achieve a lasting culture change the CAA must enact a total transformation of its culture and outlook. There is an understandable perception among some CAA employees and the GA industry that the changed approach to regulating GA has a ‘political agenda’ and is a ‘passing phase’ that is associated with the CAA’s current executive post-holders. It will take time and a sustained effort to ensure that all elements of the CAA are committed to minimising the regulatory and associated cost burden on GA. The CAA’s approach to how it regulates GA should be clearly expressed within CAA plans, publications and wider communications.

## CAA finances

### **5. The CAA should review its approach to fees, rate of return to Government and service levels.**

The fees and charges which the CAA places on the UK aviation industry are seen by many as being disproportionate, particularly for those in the GA sector. This issue was a recurring theme during the GA Red Tape Challenge and was covered in some detail during discussions between the Panel and the CAA. The CAA has provided written answers (Annex B Q1-6 &8) to the Panel’s questions.

The industry has been heavily critical of the CAA’s requirement to make an annual rate of return to Government. The level, calculated as a rate of return on the capital employed, is currently set at 6%. This is particularly high when compared to the rates of return required of bodies similar to the CAA. The Panel welcomes the Government’s commitment to review the 6% rate and recommends that it should be reduced to zero. Governments of other European states underwrite the regulation of GA, which reduces charges being placed on the sector. Reducing the rate of return would result in the CAA breaking even on GA, a positive outcome for all concerned.

- 5.i The Government should commit to reduce the annual rate of return paid by the CAA.
- 5.ii The CAA should reduce the fees and charges which it levies on the industry that it regulates.

The investment in the programme of one off regulatory reforms that the CAA plans should be funded in-part by such cost reductions. In future years, when less resource is required for this programme, fees and charges can be reduced.

- 5.iii The CAA should define clear service levels for each area of the new GA unit, and publish service standards to encourage the achievement of targets.

For example they should set out the amount of time the unit will take to undertake specific functions such as the issuing of licences. There should be incentives to avoid failure to meet service standards such as meeting the agreed time frames for issuing or renewing licences, and avoidable mistakes in the issue of licences and ratings requiring corrective action.

The consultation on fees and charges should be transparent in order to encourage the CAA to operate as efficiently as possible.

## Deregulation and delegation

### **6. The CAA should promptly set out plans for acting on its stated intention to deregulate and delegate.**

CAP1123, the CAA's response to the GA Red Tape Challenge, identified two guiding principles for change in the way the CAA regulates GA. These are 'deregulate wherever possible' and 'maximise delegation'. Unfortunately, the CAA's strategic plan for this will not be available until after this report is published, thus the Panel can only comment on its aspirations, not on the details.

#### 6.i Deregulation

CAP1123 sets out the CAA's intention to remove oversight and rule-making in areas where there is no EU obligation, and to identify what parts of the GA sector might be removed from EASA oversight. The CAP also sets out the CAA's intention to introduce the principle of 'informed consent', which moves the onus to participants to demonstrate their awareness of and then to accept the risks involved in certain GA activities. A move to a system of informed consent will shift the CAA's role from regulation and authorisation, to providing guidance and oversight so that participants can make informed choices. The Challenge Panel welcomes the intention and expects the CAA to promptly provide clarity by setting out legal and other requirements and a clear, timetabled plan for action.

#### 6.ii Delegation

The CAA has committed to maximising delegations, constrained only by industry appetite including liability/insurance requirements, competence and resilience. The CAA has indicated that it intends to be the sole Competent Authority, but will delegate regulatory oversight to Qualified Entities. The CAA implies that Qualified Entities could deliver regulatory oversight for a particular sector more proportionately and efficiently, and that fees and charges would be reduced, and service standards increased, by introducing competition between Qualified Entities for business.

The CAA may have good intentions about delegation (set out in responses to Q9 & 10 in Annex B), but such intentions need to be tested against the realities of the GA industry. For example, there is a finite volume of activity for each sector of the market against which delegated regulatory activity costs need to be balanced. Having more than one Qualified Entity operating in smaller markets may not be practical; particularly where existing membership organisations with established, dedicated and low-cost resources, including highly valued expert volunteers that are well-placed to provide the most expert delegated oversight are at risk of being excluded through interpretation of Annex V of the Basic Regulation. There is a clear and pressing need for the CAA's GA Unit to engage with their legal experts and elements of the GA sector to establish both the legal basis and practical potential for delegating regulatory activity.

The Challenge Panel expects the CAA to set out a clear, timetabled plan for action to carefully consider the issues and to turn good intentions into effective action and measurable improvements for GA.

# Wider Opportunities for Deregulation and Growth

## Role of government

### **7. The Government should develop coherent policies on GA, and this should be supported and co-ordinated across all departments.**

The panel recognises that GA is influenced by the Policies of a number of Government Departments which can result in a lack of coordination and strategic direction across Government or even conflict between respective policies. There are also issues outside of the scope of CAA and EASA regulation that can only be addressed by Government.

In order to address this, and as outlined in the Interim Report, the Panel met with Ministers and representatives of the Home Office, DCLG, HM Treasury and BIS to review where respective policies constrain GA and to identify potential measures to address the issues. In particular to further review policies on taxation, planning, skills/training, operations and border security, all of which can be judged as barriers to entry and increase the cost of GA. In order to secure wider Government engagement and identify growth opportunities the Panel took a broad interpretation of GA to ensure that all relevant activity (e.g. commercial flight training) and links between GA and other areas of aviation were addressed.

The Panel concludes that the Government should develop coherent policies on GA, supported and co-ordinated across all Departments recognising the following principles:

- 7.i The Government should ensure that there is no further increase in the burden of regulation and a commitment to investigate ways to reduce it in relevant areas.
- 7.ii The Government should appoint a GA champion and establish a permanent GA governance structure, with representation from relevant Government Departments, to review polices that affect GA and maintain the momentum of reform.
- 7.iii Government policy should enable GA to help the regions and regional airports through connectivity, training and manufacturing.

There should also be recognition of:

- GA's important contribution to the UK's economy, and maintaining its status as one of the world's pre-eminent aviation states;

- The indirect benefits GA brings in terms of fostering interest and participation in aviation and aerospace.

## Planning

### **8. Greater weight and consideration should be given in national, local and regional planning to the value of GA airfields including the benefits of a network of GA airfields.**

It is acknowledged that the planning system can adversely impact the viability of small to medium sized aerodromes, which are the focus for GA. These concerns were brought to our attention in the responses to the GA Red Tape Challenge. Planning pressures are also contributing factors to a number of airfield closures in recent years (e.g. Plymouth and Filton). This has impacted on the availability of a network of local/regional airfields and the connectivity and associated economic activity they afford to local communities.

The National Planning Policy Framework (NPPF), provides a presumption in favour of sustainable development but the panel considers insufficient weight is placed upon the contribution an aerodrome makes to the local, regional and national economy when considered against other requirements such as housing stock. This is evident in recent cases such as Wellesbourne, Panshanger and Manston airfields which have come under threat due to planning pressures for new housing. As a result the panel would like to see greater priority provided by Government (such as through CAA safeguarding provisions) on the retention of a network of GA airfields. The positive action taken to secure their future through securing safeguarding by Deanland airfield in East Sussex demonstrates how this can be achieved.

#### **8.i Safeguarding or retention (in planning terms) after consultation and in conjunction with the operators of sites should be provided by specific policy or statutory means including by safeguarding where appropriate.**

The current designation of aerodromes as brownfield sites (brownfield in that they have had a use prior to the proposed redevelopment of a site) causes much concern in relation to retention of the strategic network. This current designation makes them easy targets for local development and can lead to their strategic value within a network of airfields being overlooked. In addition, confusion has also arisen due to the old PPS3 and the new NPPF as to whether aerodromes are classified as brownfield sites. In order to rectify this the classification of airfields as brownfield sites should be reviewed and clarified. The designations or protection of airfields should be made clear in planning policies and exemptions from the classification should be applied more widely where this could enhance/protect regional networks of GA airfields.

#### **8.ii Clarification of the designation of aerodromes as brownfield sites should be sought and where appropriate exemption granted.**

In addition to the above measures, another way local GA aerodromes could be protected would be for them to be considered as assets of community value under Part 5 Chapter 3 of the Localism Act 2011. Provided specific criteria is met, this provides community groups or other interested stakeholders with a right of pre-emption to purchase the asset before it can be sold or transferred. This might provide a significant step in the retention of specific aerodromes and the re-allocation of the site for alternative re-development. The panel acknowledges that this legislation is relatively new and could be expensive. Access to funding should be highlighted through Government grant for this type of community planning project or planning aid.

- 8.iii Information should be provided directly to strategic airfields informing them of the benefits of their assets to the community and potential access to funding to assist with neighbourhood planning or designation of this kind of asset.
- 8.iv There should be protection for GA in areas such as planning and airfield safeguarding.

## General aviation & growth

### **9. The Government should actively pursue opportunities to stimulate growth of GA across all areas of policy and funding.**

In view of the proven value of GA in its own right and in supporting Commercial Air Transport and Aerospace, the Government should actively pursue opportunities to stimulate growth of GA across all areas of policy and funding

The Panel believes that more should be done to support and promote the growth of GA and to help secure recruits to, and interest in aviation, thereby maximising the UK's leading role in air transport and aerospace production.

It believes there is a link between the UK's success in commercial air transport and the aerospace sector and the level of GA activity. For example, many of those employed in aviation as pilots, engineers or in other roles, had their interest in aviation spawned by an initial exposure to GA, at air shows, through cadet or scouting organisations or through gliding clubs; whilst flight schools and engineering organisations often train both private GA and commercial aviation customers. In addition, GA provides a significant contribution to the UK economy and helps underwrite larger economic contributions from Commercial Air Transport and aerospace which is sometimes overlooked.

The Panel believes that GA should be recognised in all areas of policy as a fundamental component of Britain's status as one of the world's leading aviation states.

9.i Government should champion GA's contribution to aviation and aerospace.

## Innovation and Development in GA

### **Manufacture of aircraft and associated components**

The Panel sought views on the impact of regulation on a select number of GA manufacturers in the UK. The result of this was inconclusive. The Panel notes there is currently a relatively low volume of production in the UK of general aviation aircraft and associated components compared to Eastern Europe, Italy and Germany in particular. However, there are areas which UK companies could take advantage of to increase growth. They could for example, partake in the production of next generation diesel and electric power units and smaller and lighter avionics for general aviation aircraft. This could also include areas of design and manufacture given UK leadership in commercial aerospace wing technology which might “spin off” for GA.

As BIS confirmed, there are various ‘funding pots focussed on non-aviation specific research and development, start-up and SME level support packages. However, the Panel believes that existing packages are too complex and uncoordinated.

If Government is serious about supporting growth of General Aviation it should identify and direct areas for specific support. For instance, under the UK strategic aerospace strategy, the Government has undertaken to preserve the UK's specialist knowledge of key areas of aerospace technology, for example wing design and propulsion.

9.ii The Government should facilitate partnerships with key manufacturers to encourage development of levels of GA expertise.

The following may provide future development opportunities:

- Improvements in engine technology
- Research and development into GA aircraft aerodynamics
- Manufacture and repair of modern aviation materials
- Development of avionics (the current Government funded project on future Electronic Conspicuity devices will be relevant to this).

Alternatively, it may be possible through BIS or regional development funding to attract foreign manufacturers to start new ventures or to re-locate to make use of facilities at under-utilised regional airports for GA manufacturing activity.

9.iii The Government should evaluate potential technological developments for GA and the economic and employment benefits of this.

## **EGNOS and enhanced navigation technologies**

The report noted earlier the CAA's slow progress in adoption of GPS approaches and that the provision of enhanced GNSS capability in Europe has not been implemented at many UK airports due to the difficulty in getting approach approvals. This is unfortunate because EGNOS significantly increases the level of accuracy of approach guidance with measurably lower approach minima, curved approaches and vertical guidance further from the airport than conventional ILS allows. A major obstacle to this is the historic UK prohibition of published instrument approaches at airfields without approach control. Although the CAA has this under review, the Panel believes there are significant advantages to GA development and overall connectivity for GA airfields that lack ATC by granting such approvals.

EGNOS could provide these airfields with improved operational capability and resilience. ICAO recommends that by 2016 all European runways are equipped with EGNOS approaches; the Panel recommends that the Government adopts EGNOS where the UK lags behind France and Germany in use of available technology.

European funding is available to implement EGNOS which the Government should facilitate and target.

- 9.iv The Government should ensure that the enhanced navigation capability enabled via the established EGNOS programme should be recognised and implemented to assist GA and improved regional access.

## **Aviation Skills development**

### **10. The Government should encourage the development of UK aviation skills and economic research into the sector.**

The Panel has received input from the British Business and General Aviation Association on the issue of skills which suggests that:

- The market for the training of aviation skills is highly international;
- The UK has many strengths as an international centre for the training of aviation related skills at GA level and beyond e.g. reputation and English language; and
- While there is strategic policy on the protection and development of key skills in aerospace there is limited policy to support other areas of aviation skills such as MRO and GA;

The Panel recommends that:

- 10.i The Government should engage with major industry groups, to develop a coordinated skills strategy for GA.

The Panel concludes that there are specific issues relating to training that need to be addressed to facilitate the UK's status as an international training destination.

For example the issue of occupational codes, which are used to monitor skills shortages, needs to be reviewed to ensure they match the skills of different aviation practitioners.

The UK has a significant advantage in marketing aviation training through its use of the English language. This advantage is being prejudiced by the differing visa requirements for language training and aviation training under Tier 4 visas which interrupts the training process and loses the seamless packaging that would be attractive to overseas students but is being offered by UK competitors.

- 10.ii The Government should ensure that visa requirements and training courses focussed on attracting overseas students are fully coordinated and communicated.

### **Pilot training**

In the interim report the Panel identified the declining numbers of licences issued at PPL level and the reduction in commercial flight training in the UK.

The Panel sees a significant market for attracting overseas customers to the UK to undertake pilot training, which is by definition GA. The Government could provide targeted support to UK flight schools to encourage more activity in this area to underwrite UK GA renaissance, for example at some regional airports and using regional development funds. Both Airbus and Boeing forecast the need for some 500,000 new pilots over the next 20-30 years to meet the demand of new aircraft orders and pilot retirement. The Panel believe the UK could gain a larger share of that market, which would help UK GA. The Government should promote UK as an aviation training centre through trade delegations and other international outreach programmes. This should include support packages for existing and future UK training providers. There are two fundamental issues that Government must address to facilitate the UK gaining a greater share of the flight training market:

- VAT on flight training and
- Funding arrangements for professional pilots in the UK.

On VAT the Panel notes the EU VAT Directive allows for member states to exercise discretion in allowing exemptions on educational products sold by commercial organisations; a discretion that is applied in countries such as Ireland, Spain and Germany, but not the UK, which puts the UK at a significant competitive disadvantage. The Panel believes that a reduction/exemption in flying training VAT would increase flight training activity in the UK, help underwrite UK GA and significantly increase overall economic activity and employment in associated supporting industry such as maintenance and aircraft sales.

The Panel also believes that there is a serious equity issue with arrangements for training funding. Industry sponsorship has all but disappeared and airlines are relying on enough people who wish to become commercial pilots to fund their own training, costing in excess of £100,000. Additionally there are no loans available on a 'student' basis, trainees borrowing money have to use commercially secured loans.

For those in other professions, such as lawyers or doctors, the training for takes place for a large part in a university environment which allows a formal Government backed loan structure on a student basis. The Panel believes Commercial Flight Training should be afforded a similar status. As there would likely be high demand for such training it would be advisable to appoint an independent industry group to assess the skills and acceptability of loan applicants. The Panel understands that in the 1990s flying was integrated into the NVQ system, and believes that subject to more rigorous checks it would welcome the reintroduction of such a funding model.

### **Training for engineers**

In the interim report the Panel noted the increasing average age of engineers in GA organisations with consequent shortages of GA qualified engineers in the future.

The Panel also noted that the UK offers advantages in the international market in other aviation skills such as engineering training. Of the forecast global shortages for pilots and engineers, engineering is likely to be the harder one to overcome. The UK should take advantage of its historic skills base in this area, with GA being the catalyst to provide introduction to different areas of the aviation industry as well as providing the potential for the Government to assist GA organisations.

For UK students, the apprentice model has traditionally been the best way into aviation engineering. The Panel supports this and would encourage Government to ensure appropriate courses and funding are available.

The Panel endorses the inclusion of aviation in the Trailblazers apprenticeships programme and recommends increased funding for apprenticeships at SME level.

As a test case the Government may wish to facilitate the testing of the market for specific GA Engineer licence training which could lead on to opportunities in Commercial air transport engineering e.g. Type A licences. The Panel understands that Northbrook Engineering College at Shoreham has such a programme but has not launched it due to lack of funding.

- 10.iii The Government should ensure new courses for GA engineering apprenticeships are available and adequately funded and consider launching a test programme.

### **Regional connectivity**

The Panel is aware of Public Service Obligation funding for new route development which was announced in the last budget. The Panel believes that if such funds are used to secure new or replacement routes to points such as Newquay, Teesside, Humberside and Prestwick etc from London, preferably at or near the London hub airport, then the improved accessibility may make such regional airports more attractive to establish GA based commercial pilot training, MRO and GA aerospace design and development activity. This could facilitate new aircraft design or UK construction of certified GA aircraft kits to help the renewal of the UK GA training fleet (which averages over 40 years old).

The potential catalyst that such support in conjunction with targeted use of other regional development funds may provide to such regions may be worth investigation by Government in its response to the Panel's report.

10.iv The Government should encourage the use of PSO funds for new route development between regional airfields and a London airport.

### **Economic research**

The Panel strongly supports new Government funded research into the economic value of GA; the first for almost 10 years.

The broad aims of the future research should be to:

- Update the evidence base on the size, shape, level of activity and direct and indirect contribution from GA to inform future Government policy and decision-making on GA;
- Solicit advice on further policy opportunities and initiatives to protect and grow the value of the General Aviation sector;
- Provide an estimate of the direct and indirect benefits of the GA sector to the UK economy, measured in jobs, GVA and user value;
- Provide a breakdown of these benefits by different kinds of GA activity (leisure flying, business jets etc);
- Provide an analysis of whether these benefits go to UK-based or foreign businesses;
- Identify recommendations on policy interventions to protect and grow the benefits the UK GA sector provides to the UK economy.

The Panel believes priority should be afforded to:

- Understanding the value of aviation training to the UK given a share of the increasing worldwide demand and the impact of price elasticity of demand thereof, to inform decisions on taxation and VAT exemption on flight training;
- A cost analysis of GA flying in the UK to determine why GA flying in the UK is comparatively expensive;
- Investigation of any skills shortages in GA;
- The economic value of GA airfields and the connectivity they afford to regions where no commercial air services exist.

The Panel has received an offer from the General Aviation Awareness Council to update the General Aviation Small Aerodrome Research Study conducted by Terry Lober. It recommends that the Government consider it as a component of future economic research since the report was very comprehensive in providing data on GA activity.

10.v Government research on GA should focus on the economic value it could bring to the UK.

## GA Border issues

### **11. The Government should ensure that border regulations and security and airport administrative procedures do not impinge of GA activity.**

Flying internationally from the UK involves immigration and customs procedures. But a non signatory to SCHENGEN puts UK GA at a disadvantage compared to continental Europe.

GA pilots frequently have to change travel plans at short notice to cope with changing weather conditions or aircraft serviceability. GA pilots usually do their own planning, obtaining clearances etc. without the support available to Commercial Air Transport pilots.

## GAR forms and associated notification periods

### **Customs and Immigration Notification Requirements**

When arriving into the UK from abroad GA flights are required to submit pre notification of arrival to the Border Force via a GAR form to be submitted prior to arrival. To fly from the EU, the pilot is required to submit a pre-notification to the Border Force four hours prior to arrival. This requirement is a serious impediment to pilots operating under Visual Flight Rules which is weather-dependent. For example a flight from France back to the UK may take less than an hour, so a pilot waiting for a break in the weather must wait three hours after making that pre-notification before making use of the temporary good weather to return home. This could be operationally difficult and not conducive to safe operations.

The Panel believes that notification periods should be reduced to a maximum of one hour for an GA international operation and not be required at ports of entry airports, where Border Force representatives should always be present during the period notified. The Panel would recommend that submission of GAR forms at ports of entry be a matter of best practice, to allow pre-clearance of arriving flights but that these should not be a specific requirement.

#### **11.i The notification period for GA flights should be reduced to a maximum of one hour and should not be required at ports of entry.**

The Panel welcomes the planned introduction of a hotline for GA border issues to deal with short term changes of operational plans.

### **Terrorism Act requirements for GA**

Currently flights between the UK and the Channel Islands, the Republic of Ireland and the Isle of Man, and between Great Britain and Northern Ireland, have more onerous notification requirements in some circumstances. The Terrorism Act 2000 requires that pilots give Special Branch twelve-hour advanced notification of flights to and from these places if departing from, or arriving into an airport not designated under this Act; this includes almost all GA airfields.

This pre-notification requirement could reduce flexibility and make it hard for pilots to submit accurate information about their plans. It could also discourage pilots from making flights at all and reduces activity to those destinations. It could also encourage pilots to fly to and from the Channel Islands via another EU country such as France where a 4 hour notification period for EU flights or give no notification at all for outbound flights.

The Panel notes that even though a GA flight can depart for another country (such as France) with no pre-notification, flights between Northern Ireland and parts of the United Kingdom require a twelve-hour pre-notification if flying into a non-designated airport. Furthermore, the monitoring function that Special Branch performs on Common Travel Area transport could be adequately fulfilled with a less formalised oversight process that does not require pre notification of every GA flight but uses intelligence and co-operation with GA airfields and participants to monitor activity. The Panel does not believe that requiring 12 hours notification inbound and outbound, especially to Northern Ireland, is reasonable or proportionate and this requirement for GA flights should be removed. One way of addressing this would be to designate all UK airfields under the Terrorism Act so that pre-notification was not required.

- 11.ii The provision under the Terrorism Act which requires that pilots give Special Branch notification should be taken out and should adopt measures similar to those for other forms of transport.

### **Quality of information**

The Panel has discussed pre-notification requirements with Home Office which included discussion about the quality of the information submitted. The Panel believes that information quality could be enhanced by better integration between filing a flight plan and submitting a borders notification.

For example current avenues include development of a system by which third party flight planning software can ‘plug into’ the Border Force website allowing more streamlined input of GAR information – all appropriate software must be permitted to do this and no one non-government developed system should be gatekeeper for that process. The Border Force should improve procedures with respect to cross checking flight plans with GAR forms through further automation and consistency. This would make intelligence led and risk profiled deployment of resources more effective. The number of Border Force officials who are cleared to access the system on which GAR form information is stored should be increased and greater access to GAR form information systems improved.

- 11.iii Border Force should work with the GA sector to improve notification procedures which secure them high quality information yet streamline notification procedures for GA pilots.

## **Discharging of border policy**

The Panel considers that the management of some border issues could be enhanced. It also questions the manner in which charging for so called ‘enhanced services’ was introduced for business aviation at some airports and the lack of clarity and consultation on this policy as described to the Panel by the British Business and General Aviation Association. The Panel is also concerned that charging for extra services may open the door for charging for standard Border Force services. The Panel believes that the majority of GA operators going about their business are not sources of risk and derive no direct benefit from Border Force scrutiny. The benefit is realised by the whole UK population and the cost of providing scrutiny should be borne by the UK taxpayer, as with other forms of protection against criminal and terrorist activity. There appears to be a tension between having policy ownership separate for customs and immigration purposes yet using the same organisation, the Border Force, to discharge the policies in practice. Historically this has caused confusion – for example the distinction between an airports being designated for immigration but not customs purposes is now redundant. The Panel recommends the entire system of designation should be rationalised so that there are simply three types – ports of entry, general aviation agreement and private sites

There should be a clear policy chain which integrates customs and immigration so that there is no confusion between the two or conflicting requirements and “ownership” of policy should reside with one agency.

11.iv The Government should develop a clear strategy on customs and immigration.

## **Travel to and from the Schengen Area**

The borderless environment of Schengen, of which the UK is one of the few non signatories, means that most European states have withdrawn customs and immigration facilities from airports that do not have regular non-Schengen flights. States on the Continent have little incentive to introduce an equivalent of the UK’s pre-notification system to allow arrivals at airfields that are not designated at customs since that would in practice be only catering for GA flights from the UK and Ireland and a few from outside the EU.

This means many GA flights from the UK to Schengen Area airfields must land at a designated customs airport in a Schengen Area State before the flight can continue increasing both time and cost for GA.

- 11.v The Government should negotiate improved co-operations and dispensations with European authorities to enable flights originating in the UK to land at airfields that do not have customs facilities.

The Panel recognises that the best outcome for GA would be to join the Schengen area.

### **The security threat from GA**

Most GA aircraft are owned and operated by law abiding individuals and companies and are generally only used by people known to the owner or operator. The Panel is aware of the Home Office Operation Pegasus initiative for GA but trusts that this will not result in further restriction on GA activity.

In reality GA pilots can significantly assist the authorities in “noticing the unusual”. Subjecting all GA to stricter controls to address the perceived threat from potential miscreants alienates those who can best assist ensuring border safety, security and upholding the rule of law.

The Panel are of the opinion that with the presence of a GAR system in which information was ensured as being accurate, intelligence and co-ordination between relevant security services is the best way to uncover illegal activity.

### **Security and airport administrative procedures**

Security and associated administrative requirements at airports can place an undue level of cost and adverse operational impact on GA. Airport operators and GA users should seek to reduce requirements without compromising security by adopting best practice.

To facilitate this, GA activities should be located away from the security critical parts of airports, and then not require GA users or their baggage to be security screened unless specifically required by regulations concerning the nature of the flight.

In general the Panel recommends that unless there is overarching evidence to the contrary or a GA operation is to a major International airport with specific security requirements, they should continue to be exempt from such requirements.

Two case studies illustrate further opportunities for action to be taken to minimise the burdens on GA users;

### **Case study: Airside Access Passes**

Once a UK airport accommodates traffic above a certain size, domestic and EU regulations require the airport to enforce security procedures for access to security critical parts of the airport. This affects GA's use of such airports.

Normally, GA facilities are situated away from security critical parts of the airport. This allows airside access to GA aircraft without mandatory security screening, allowing normal GA operations and maintenance to take place without security issues occurring.

Arrangements for access to non-security critical airside areas is for airport operators to decide. Typically this requires an access check point provided by the airport, or it is left to the aviation organisations resident at the airport to control access in a manner acceptable to the airport authorities and regulators.

In many airports operating without mandated security requirements, a pilot's licence with photo ID or some other evidence of having reasonable need for airside access is adequate for them to gain this access. However, most airports that have security critical parts require frequent GA users to obtain airside passes requiring the GA user to undergo a process of checks. These checks must be repeated for each airport the GA user wishes to obtain a pass for.

The Panel recommends that airports develop a common airside pass scheme or accept the airside passes of other airports, so that a GA user does not have to repeat the same security checks at each airport he or she wishes to gain an airside access pass for.

The Panel further recommends that airports require nothing more to allow airside access than an airside pass or equivalent evidence of reasonable purpose (such as pilot's licence and photo ID).

**Case study: self-handling at airports**

A consequence of GA users requiring access to secure airside environments is that it enables airports to nominate which organisations can provide this access. The users of an airport may choose to fulfil that role themselves (effectively making provision for what is called ‘self-handling’), or it may designate other organisations to do this.

For those associated with GA organisations resident at an airport, such as flight schools or maintenance companies, this is of little consequence since access takes place within the context of that organisation. However, for GA users visiting an airfield where there are mandatory security requirements, the GA aircraft may have to be ‘handled’ by ‘handling agents’ appointed by the airport to discharge the administration of airport procedures and perform any technical services required by the aircraft operator. The handling agent usually collects airport fees and provides the required aviation services to the GA participant, whilst usually charging an additional fee for administering airport procedures and providing airside access. If the airport authorities do not make provision for ‘self-handling’, then GA visitors to such airports have no choice but to use the handling agent and pay any additional fees. Airports where GA visitors must use handling agents are known as having ‘mandatory handling’. Stopping mandatory handling was raised as an issue in the GA Red Tape Challenge (#284).

Some airport authorities restrict availability of ‘handling’ to one or only a small number of agents even though there may be many organisations resident on an airfield capable of providing handling to visiting GA aircraft. All the visitor requires is aircraft parking whilst all the airport authority requires is to ensure that participants have good cause to be airside and that access is appropriate.

Where the airport restricts handling to one or a small number of agents, the handling agents have little or no incentive to reduce fees. Moreover, other organisations resident at airports who might wish to sell services to GA visitors are prevented from doing so. For example, a flight school with spare ramp space is prevented by the airport from hiring that space to visiting aircraft. The Panel views this an undesirable restrictive practice that results in high fees for GA users at many airports.

The EU Ground Handling Directive seeks to govern the market for handling agents for commercial air traffic, prohibiting restrictive practices enabling airlines to choose agents or provide their own handling services as they see fit. However, this legislation does not appear to cover anti-competitive practices for GA handling.

The Panel recommends that the Government extends the spirit of the EU ground handling directive to GA activities and that all airports make ‘self-handling’ facilities available to GA flights, matching the requirement that airports provide ‘self-handling’ facilities for scheduled traffic. In cases where self-handling is impractical due to airport design, at the very least all resident airport organisations willing and able to provide ‘handling’ should be permitted to do this and airport operators should not be permitted to prohibit them from doing so.

Providing self-handling facilities would only require ramp space for aircraft parking, and a common access point to airside for GA users in close proximity to that point.

# Panel conclusions and recommendations

The Panel's Final Report has focussed on identifying key themes for the CAA to address in its regulation of the GA sector. Many of those have already been adopted by the CAA and recognised in the formation of the new GA unit which the Panel welcomes.

The Panel cautions that the CAA should adopt an evolutionary not revolutionary approach to regulatory change and ensures that all departments and staff are on board with the process.

More broadly, the Panel believes that in developing policy the Government should recognise the crucial role that GA plays in supporting both the commercial air transport and aerospace sectors through creating interest and recruitment. Whilst the GA network of airfields afford regional connectivity denied by commercial air transport. It also provides a valuable and legitimate source of leisure activity across a range of disciplines and is crucial to air shows, the second largest UK spectator involvement after association football, so makes a significant contribution to UK society.

Against this background the Panel concludes and recommends the following:<sup>7</sup>

## **Recommendation 1: The CAA should adopt a risk-based total-system approach to safety using the following principles:**

- 1.1: Risk management should differentiate between stakeholder classes according to their ability to assess and control risk.
- 1.2: Risk management should be quantitative to allow resources to be spent on the risks that optimise the benefits of expenditure across the whole system.
- 1.3: Safety regulation should be evidence-based where possible and supported by good impact assessments and cost benefit analyses.
- 1.4: Certification and approval should only be applied where the cost-benefit analysis justifies it.
- 1.5: Safety regulation should foster innovation, not stifle it.
- 1.6: Innovations should be compared with status quo safety situation, not an aspirational target.
- 1.7: The legal framework and culture should support this approach.

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<sup>7</sup> The Panel's recommendations from its Interim report are included as an Appendix to this report for ease of reference.

**Recommendation 2: The CAA should regulate airspace equitably as a shared resource using the following principles:**

- 2.1: Controlled and regulated airspace should be no larger than is practically required to meet operational needs.
- 2.2: Existing controlled and regulated airspace should be reviewed regularly.
- 2.3: The beneficiaries of controlled and regulated airspace should meet its costs, including the cost of providing access to that airspace for other users.

**Recommendation 3: The CAA should ensure that the single market, harmonisation and simplification benefits of EU regulation are realised in full using the following principles:**

- 3.1: The CAA should support smarter EU regulation for GA.
- 3.2: The CAA should take account of the benefits of harmonisation on total system safety.
- 3.3: The CAA should avoid applying higher standards for UK stakeholders (gold-plating) than those set out in EASA regulations, even if the potential level of safety which could be achieved is higher.
- 3.4: There should be no organisational gaps between the EU and the UK implementation of regulation.
- 3.5: The CAA should cooperate with other NAAs in the implementation of initiatives.

**Recommendation 4: The CAA should ensure its changed approach to regulating GA is embedded throughout the organisation.**

**Recommendation 5: The CAA should review its approach to fees, rate of return to Government and service levels.**

- 5.1: The Government should commit to reduce the annual rate of return paid by the CAA.
- 5.2: The CAA should reduce the fees and charges which it levies on the industry that it regulates.
- 5.3: The CAA should define clear service levels for each area of the new GA unit, and publish service standards to encourage the achievement of targets.

**Recommendation 6: The CAA should promptly set out plans for acting on its stated intention to deregulate and delegate.**

**Recommendation 7: The Government should develop coherent policies on GA, and this should be supported and co-ordinated across all departments**

- 7.1: The Government should ensure that there is no further increase in the burden of regulation and a commitment to investigate ways to reduce it in relevant areas.
- 7.2: The Government should appoint a GA champion and establish a permanent GA governance structure, with representation from relevant Government Departments, to review policies that affect GA and maintain the momentum of reform.
- 7.3: Government policy should enable GA to help the regions and regional airports through connectivity, training and manufacturing.

**Recommendation 8: Greater weight and consideration should be given in national, local and regional planning to the value of GA airfields including the benefits of a network of GA airfields.**

- 8.1: Safeguarding or retention (in planning terms) after consultation and in conjunction with the operators of sites should be provided by specific policy or statutory means including by safeguarding where appropriate.
- 8.2: Clarification of the designation of aerodromes as brownfield sites should be sought and where appropriate exemption granted
- 8.3: Information should be provided directly to strategic airfields informing them of the benefits of their assets to the community and potential access to funding to assist with neighbourhood planning or designation of this kind of asset.
- 8.4: There should be protection for GA in areas such as planning and airfield safeguarding.

**Recommendation 9: The Government should actively pursue opportunities to stimulate growth of GA across all areas of policy and funding.**

- 9.1: The Government should champion GA's contribution to aviation and aerospace.
- 9.2: The Government should facilitate partnerships with key manufacturers to encourage development of levels of GA expertise.
- 9.3: The Government should evaluate potential technological developments for GA and the economic and employment benefits of this.
- 9.4: The Government should ensure that the enhanced navigation capability enabled via the established EGNOS programme should be recognised and implemented to assist GA and improved regional access.

**Recommendation 10: The Government should encourage the development of UK aviation skills and economic research into the sector**

- 10.1: The Government should engage with major industry groups, to develop a coordinated skills strategy for GA.

- 10.2: The Government should ensure that visa requirements and training courses focussed on attracting overseas students are fully coordinated and communicated.
- 10.3: The Government should ensure new courses for GA engineering apprenticeships are available and adequately funded and consider launching a test programme.
- 10.4: The Government should encourage the use of PSO funds for new route development between regional airfields and a London airport.
- 10.5: Government research on GA should focus on the economic value it could bring to the UK

**Recommendation 11: The Government should ensure that border regulations and security and airport administrative procedures do not impinge GA activity.**

- 11.1: The notification period for GA flights should be reduced to a maximum of one hour and should not be required at ports of entry.
- 11.2: The provision under the Terrorism Act which requires that pilots give Special Branch notification should be taken out and adopt measures similar to those for other forms of transport.
- 11.3: Border Force should work with the GA sector to improve notification procedures which secure them high quality information yet streamline notification procedures for GA pilots.
- 11.4: The Government should develop a clear strategy on customs and immigration.
- 11.5: The Government should negotiate improved co-operations and dispensations with European authorities to enable flights originating in the UK to land at airfields that do not have customs facilities.

# Annex A: List of Interim Report Recommendations

The GA Challenge Panel's interim report can be found at <https://www.gov.uk/government/publications/general-aviation-challenge-panel-interim-report>

The interim report made 53 recommendations:

**Recommendation 1:** regular economic research should be conducted into the value of GA to the UK economy.

**Recommendation 2:** the CAA should collect data on GA in a way that balances proportionality in the cost and burden of collection with the need to have a sound evidence-base when making regulatory decisions.

**Recommendation 3:** the CAA should, where possible and proportionate, analyse and make available the data on GA it collects.

**Recommendation 4:** GA programme success should be measured by outcome focussed, robust data that can be proportionately collected or is already collected but not analysed, and can be used as a metric without creating unintended consequence.

**Recommendation 5:** the CAA GA Unit should consider a range of measures for success (including hours flown, aerodrome numbers, safety levels, charges to the GA sector, the proportion of craft operated from the UK not on the UK register, impact assessments, and pilot medicals), and regularly publish data on several different measures of success.

**Recommendation 6:** the CAA publish an annual report of activities undertaken that will change the cost or burden of compliance for GA.

**Recommendation 7:** the CAA be given a duty to have regard to the desirability of promoting economic growth, and for the CAA to consider opportunities for GA to contribute to economic growth when carrying out that duty.

**Recommendation 8:** the UK should support the European Commission's proposal to change EU legislation to give EASA objectives that balance safety, growth and a proportionate approach to risk.

**Recommendation 9:** the Government should review the requirement that the CAA provide a 6% return on capital.

**Recommendation 10:** the CAA should work to ensure that positive changes in its culture of GA regulation permeate throughout the organisation.

**Recommendation 11:** the CAA should work to communicate clearly with the GA sector in developing and communicating regulatory decisions.

**Recommendation 12:** the CAA should establish regular meetings between the CAA CEO and senior staff and frontline GA practitioners to improve communication between the CAA and those it regulates in discussions of the impact of CAA regulation and oversight.

**Recommendation 13:** the CAA should focus efforts on explaining the EASA regulatory framework and the rationale behind it, using links to the original regulations where feasible.

**Recommendation 14:** the CAA should set out the cultural and organisational measures it will take to protect and reward good management of total system safety in accordance with the risk-based proportionate approach.

**Recommendation 15:** the Government should ensure that the legal framework supports good management of total system safety in accordance with the risk-based proportionate approach, and protects individuals from civil liability where they make decisions in accordance with that approach.

**Recommendation 16:** the CAA should work with the European Commission and EASA to ensure that the UK framework for the regulation of promotional flights is consistent with the European framework, and to develop a common understanding of ‘informed consent’.

**Recommendation 17:** the CAA should develop clear, quantitative target level of safety (allowable risk levels) for each different class of stakeholder exposed to risk, against which potential regulatory interventions can be assessed. It may be necessary to specify a marginal expenditure of resource to be compared with the risk (e.g. the Value of Preventing a Fatality) for stakeholders with little or no control over their risk exposure.

**Recommendation 18:** the CAA should carefully consider the cost-benefit of all certification and approval processes over which it has discretion, and apply criteria of cost (including compliance costs and time, as well as fees) vs benefit (including confidence and complexity factors) to decide if certification/approval is warranted.

**Recommendation 19:** where EU regulation requires certification or approval that is not supported by a favourable cost benefit, the CAA should apply the lightest possible touch to such processes to minimise compliance burden, and where appropriate, lobby for changes to the EU regulation.

**Recommendation 20:** the Government should, with immediate effect, issue a general exemption from the requirement to obtain permission for paid flight instruction to the owner (or joint owners) of a foreign-registered aircraft.

**Recommendation 21:** the Government should review the value added by the current regulatory framework for aerial work in foreign-registered aircraft and consider entirely removing the requirement to obtain permission.

**Recommendation 22:** the CAA should cease its practice of requiring certified version of documents submitted in support of licence applications.

**Recommendation 23:** the CAA should use impact assessments to conduct a genuine exploration of options, not to justify simplistic make-rule vs do-nothing options.

**Recommendation 24:** the CAA should consider in all impact assessments strategies to mitigate the effects on GA, and small businesses, and on other classes of affected stakeholder for whom benefits may be limited and costs disproportionate.

**Recommendation 25:** where impact assessments depend on cost-benefit arguments, the CAA should a) pay particular attention to the sensitivity of costs and benefits to any assumptions made, particularly forecasts in relation to system capacity; and b) conduct a post-hoc review of the actual costs incurred and benefits delivered in practice to improve the quality and reliability of future impact assessments.

**Recommendation 26:** the CAA should review and update all policies on GNSS usage to address practical risk compared to the status quo, not theoretical risk against an arbitrary standard. It should also seek to accelerate the introduction of GPS approaches to a larger number of UK GA focused airfields.

**Recommendation 27:** the CAA should design policies and procedures for ensuring that:

- where possible innovative new technologies are assessed for benefit vs risk against current technologies on the basis of practical risk, not hypothetical hazard, using available information and data;
- operational experience of new technologies can be incorporated into regulation in a timely and effective review process; and
- due consideration is given to experience with such technologies in other, early-adopter states.

**Recommendation 28:** the CAA should carefully consider differences to ICAO standards, in particular phraseology and terminology, to evaluate whether the safety advantage of the UK difference is outweighed by the potential confusion to affected stakeholders.

**Recommendation 29:** the CAA should review the classification of lower airways and some Terminal Manoeuvring Areas (TMAs) as class A airspace, with a view to the use of class C or class D airspace in its place.

**Recommendation 30:** the Government should require, as a matter of public policy, that reasonable access under Visual Flight Rules to controlled airspace is provided by Air Navigation Service Providers offering Air Traffic Control within that airspace, to users who are not the intended beneficiary of the airspace, at the cost of the intended beneficiaries of the airspace classification and at no cost to other users.

**Recommendation 31:** the CAA should review airspace design guidelines to ensure that controlled airspace reflects practical operational requirements, not theoretical requirements.

**Recommendation 32:** the Government should implement, as a matter of public policy, an ongoing charge per unit volume to Air Navigation Service Providers who service controlled airspace, to incentivise efficient use of airspace as a shared resource.

**Recommendation 33:** designation of controlled airspace should be reviewed on a regular basis to confirm whether it is still justified against the original specification.

**Recommendation 34:** the CAA should facilitate the work of the FAS VFR Implementation Group to deliver significant improvements for GA.

**Recommendation 35:** the CAA should align national navigation equipment carriage requirements (Schedule 5 of the ANO) for General Aviation operators with those in EASA's Part-NCO as soon as possible, limiting any "airspace requirements" to requirements for compliance with Performance Based Navigation specifications.

**Recommendation 36:** the CAA should continue to support work on electronic conspicuity in collaboration with a broad range of stakeholders.

**Recommendation 37:** adoption of electronic conspicuity technology should be encouraged by the delivery of benefit to users who choose to equip with it and not mandated by regulation.

**Recommendation 38:** the CAA should ensure that:

- the ADS-B project is managed by the CAA's GA Unit;
- a project plan and progress report on it is submitted in time for consideration by the Panel ahead of its final report;
- the necessary work is taken forward as a matter of some urgency with a completion date of April 2015;
- the GA Unit should also seek other possible funding options both to help the project and also to take forward its outcome after April 2015; and
- the GA Unit should draw up a longer-term project plan to deliver the desired outcome as soon as practicable and taking into account any manufacturing and financial constraints.

**Recommendation 39:** the CAA should be mindful of the interface between EU regulation and its UK implementation. Where EU regulation does not appear to offer an acceptable regulatory solution through any reasonable interpretation, it should engage with EASA and the European Commission to resolve issues at their source. In doing so, in the interest of harmonisation, it should, wherever possible, work to achieve better regulation at the EU level, rather than seeking national exemptions or applying additional measures applicable only for the UK or to UK stakeholders.

**Recommendation 40:** when stakeholders challenge regulation as unreasonable, the CAA should either take responsibility for the safety basis of the regulation or

identify the steps it is taking with EASA and the European Commission to improve the regulation in question.

**Recommendation 41:** The CAA should seek clarity from the European Commission on the intention and interpretation of Article 9 of the SERA regulation, and, if necessary, withdraw proposed national rules that are more restrictive than SERA equivalents but cover substantially the same subject matter.

**Recommendation 42:** the CAA should revise its interpretation of the term ‘passenger’ for the purposes of Part-FCL to avoid adverse consequences, and should offer guidance accordingly.

**Recommendation 43:** the CAA should continue its efforts to eliminate ‘gold-plating’, and should ensure that those responsible for drafting policy and implementing rules understand the principles behind this initiative.

**Recommendation 44:** the UK Government and CAA should continue actively to support the European GA Safety Strategy and Roadmap for Regulation of GA.

**Recommendation 45:** the CAA should:

- support the initiatives of the GA sub-committee of EASA’s Safety Standards Consultative Committee and endorse its document on issues in current regulation adversely affecting GA;
- engage strongly (for example via a working group of national aviation authorities) in EASA’s work to find solutions to improve EU regulation of GA; and
- ensure consistency of this work with UK national regulatory policy

**Recommendation 46:** the CAA should, once again, pursue the case with the Commission and EASA for a medical declaration to be used instead of a medical assessment for GA pilots, with limitations consistent with the principles of risk-based safety and informed consent, using the evidence base it has from UK NPPL and glider operations.

**Recommendation 47:** the CAA should continue to engage with the work of the Part-M GA taskforce, and work for a reduction in the administrative burden for GA maintenance.

**Recommendation 48:** The CAA should engage with other NAAs to examine the potential of joint development of systems and procedures to support implementation of EU regulation.

**Recommendation 49:** the CAA should engage with other NAAs (particularly those of neighbouring member states) to ensure that cross-border training and aerial work is facilitated appropriately.

**Recommendation 50:** the CAA should review the lessons from the early adoption of Part-FCL to inform any future decisions on derogations.

**Recommendation 51:** the CAA should review the consequences of the duality of EU and national regulation in all domains and take a strategic approach that balances the advantages of standardisation with the need to retain flexibility.

**Recommendation 52:** the DfT should:

- commission economic research into the direct and indirect benefits of General Aviation to the UK economy,
- consider the case for Government intervention to increase the impact of General Aviation on the economy; and
- if there is a good case, consider what interventions could be adopted.

**Recommendation 53:** the DfT should write direct to a number of SMEs engaged in the manufacture of light aircraft to seek their views on what they consider to be the constraints to growth of their business ;and for this exercise to be low key and not a formal consultation and with a response due date of mid-February 2014.

# Annex B: CAA response to Panel Questions

	Question	CAA Response
1	<p><b>Business, applications</b></p> <p><b>How is the CAA collaborating with and learning from other NAAs in improving application efficiency?</b></p>	<p>The CAA is keen to improve application efficiency. As part of our strategy to improve our systems we have evaluated what other national aviation authorities (NAAs) do and, where appropriate, are incorporating into our strategy. We are evaluating the systems that other NAAs use – recognising that what the CAA chooses has to be paid from the fees and charges we levy on the UK aviation industry, while other NAAs will have systems effectively bought for them. We are also taking feeds from EASA data sources as part of our Information Strategy programme. We already work closely with our colleagues on other Member States to share knowledge as well as take opportunities for joint working where it is beneficial to all parties, for instance on Change of State processes. The CAA’s Head of General Aviation Unit has recently accepted the chairmanship of the EASA NAA GA Roadmap Group which will enable influence and coordination of GA regulatory change and activity with EASA and other member states.</p>
2	<p><b>Business, customer service</b></p> <p><b>How is the CAA learning from customer service practices in other industries and sectors?</b></p>	<p>The CAA is committed to ensuring that our customer service standards match those of other service providers within the public and private sector, recognising that such services must be demonstrably cost effective. The CAA is committed to being Digital by Default. As part of our Transformation Programme we are building an Online Portal through which our external stakeholders can access a range of services starting with E-Exams and Permits to Fly in the Spring. Through our Shared Service Centre (‘The Hub’), we have already made strides in improving our transactional services, with 70 per cent of our licensing transactions now online and a rolling programme of Service Optimisation to extend and improve user-friendliness of this approach, across the CAA.</p>

	Question	CAA Response
3	<p><b>Business, applications</b></p> <p><b>How does the CAA decide what data is collected, and how does CAA ensure it is recorded and made available where it can be re-used?</b></p>	<p>At a Strategic Level we govern the collection of our data and the shaping of our information through our Strategic Information Board. At a tactical level we drive the creation of policy and Information Plans through our Information Strategy Working Group. These bodies advise our Programmes and appropriate departments as to our Information Strategy Principles and guidance to data management.</p> <p>In general, data is collected to meet statutory requirements, for example safety data via the Mandatory Occurrence Reporting (MOR) system. Other information, often defined by EU Regulations, is collected in order to be able to grant or maintain an approval (license, certificate etc.). Furthermore, information is requested and collected where a need is identified to understand a specific risk and where the cost of collection is proportionate to the risk itself.</p> <p>The CAA is in the process of a radical overhaul of our current Information Strategy. This project is part of an overarching transformation programme to improve the efficiency and effectiveness of the CAA as a regulator. The programme will deliver systems and tools that will facilitate information sharing, as well as underpin a performance and risk-based compliance regime. A key part of the over-arching strategy is to make information available to both internal and external stakeholders, even providing protected access through the web.</p>
4	<p><b>How will CAA ensure that that the right data is collected to better inform the regulatory process?</b></p>	<p>The Information Strategy detailed above will ask the fundamental questions around what data we need to collect to deliver our strategic objectives so that European and international negotiations, our priorities, policy interventions and enforcement action are based on evidence. The CAA is also developing a better regulation gateway process that will test whether policies are evidence-based. The CAA is looking for assistance from the community to inform better cost/benefit analysis and regulatory impact assessments. Without these, we will not be able to assess proportionality.</p>

	Question	CAA Response
5	<p><b>Business, customer service</b></p> <p><b>How does the CAA deal with missing data or incorrectly filled out forms?</b></p>	<p>The Hub – the name we have given to our shared services centre - adopts a triage process to ensure incorrectly completed forms are quickly identified and returned to the applicant usually within the first 48 hours of receiving the application to avoid delays.</p> <p>CAA's on-line forms are designed with degrees of error-trapping ranging from missing data to incorrect data. We will continue to improve these validation features of our online forms. As we move to a portal-based solution with user log-on we will be able to pre-populate fields with data we already hold, which the user will be able to update when necessary.</p>
6	<p><b>Costs &amp; charges</b></p> <p><b>How will the CAA contribute to ensuring that UK-based GA remains competitive with substantial differences in charges across the EU in a competitive single market?</b></p>	<p>In considering costs and charges it worth looking at the cost of complying with aviation regulation as well as the charges that the CAA imposes on the sector. It is generally the cost of compliance that is more costly to the sector than the CAA's overall charges. The costs of regulating the GA sector are not fully recovered by the fees and charges imposed. The CAA would expect these costs to fall considerably as more deregulation and delegation take effect, and therefore CAA involvement reduces. The CAA has a statutory duty to fully recover its costs from those it regulates. The GA sector will benefit most through reducing the burden and administrative costs of regulation which the CAA new approach to GA is designed to deliver. We would expect reductions in administrative costs to exceed reductions in fees and charges.</p> <p>Over the last 10 years to 2011/12 the CAA has reduced its operating costs in real terms. The CAA has also given commitments to HM Treasury that we will deliver real term cost reductions year on year, for example there will be zero increase in fees and charges for those we regulate, except in situations where material cross-subsidies reside. When compared with inflation this is a cost reduction. CAA fees and charges are subject to industry consultation via the Finance Advisory Committee and its associated GA sub-group.</p>

	<b>Question</b>	<b>CAA Response</b>
7	<p><b>Safety management, CAA's objectives</b></p> <p><b>How will the CAA assess whether safety regulations, that make sense in isolation, do not in a wider context have a cumulatively negative effect on safety either through the stifling of innovation and/or overall reduction in flying activity?</b></p>	<p>The CAA recognises that both nationally and international there is a relative lack of operational and safety outcome data, apart from fatal accidents, in the GA sector which makes it difficult to assess the cumulative impact of regulation on the sector.</p> <p>The previous structure of the CAA may have compounded the issue because of “silo-working”. The stand-alone GA Unit is much better placed to assess the cumulative impact that national and EU regulation may be having on the sector. The Unit will welcome information collected and provided by the sector itself and will use this to augment more formal data collection in the application of performance based regulation and oversight.</p>

	Question	CAA Response
8	<p><b>Costs &amp; charges</b></p> <p><b>How will the CAA ensure adequate industry representation when developing business process and associated financial policy that impacts GA communities?</b></p>	<p>The current interface between the CAA and the GA sector is complex and, as seen from responses to the red tape challenge, was not delivering to the satisfaction of any of the parties. The GA Unit is working with its industry stakeholders via the General Aviation Partnership – GAP to enhance mutual engagement, seeking up-front involvement and collective working in areas of policy development. Recognising that this issue will take time to fully mature, as an interim step and in order to focus better the high level governance structure for GA within the CAA, the General Aviation Strategic Forum (GASF) has been reconstituted to a core team comprising representation from the GA Alliance, British Business &amp; General Aviation Association, Department for Transport, the Head of the GA Unit and CAA’s Group Director for Safety and Airspace. This Group will have go/no-go powers over associated GA business processes and financial policies. It will also work with and through the GAP and GA sub-group to the Finance Advisory Committee to ensure effective industry stakeholder engagement until new mechanisms can be put in place. The DfT have recently been asked to consider if other Government Departments should be represented on the GASF and this will be considered by the GASF at the end of April 2014.</p>

	<b>Question</b>	<b>CAA Response</b>
9	<p><b>Delegation</b></p> <p><b>Under what circumstances and conditions would the CAA consider delegation of regulatory functions and activity to organisations such as AOPA, BGA, BMAA and LAA?</b></p>	<p>As the CAA’s response to the Red Tape Challenge states, our guiding first principle towards GA is delegation. This means that we will always consider delegation to interested parties where we are legally able to do so; where there is stakeholder support; and, willingness to take on the responsibility. CAA’s power to do so is set out in para 15 of Schedule 1 of the Civil Aviation Act 1982. Apart from direct regulation and delegation, the CAA can also consider approving a body to make recommendations to it (as set out in the Air Navigation Order Art. 244) or can press for change to the law to either permit a particular function to be undertaken by a CAA-approved body or to make another body the authority for that body. In choosing delegation, as it has done recently in respect of delegating airworthiness oversight to suitably competent persons (as set out in BACR A8-26), the CAA has to be cognisant of its retained responsibility for assuring an appropriate continuing level of safety and content that those to whom it delegates have the appetite, competence, resources, reliability and resilience to undertake the task.</p> <p>In addition to delegation, the CAA is currently reviewing how to match regulatory oversight with safety risk. Informed consent, for example, could allow payment for those flights which are not eligible to be conducted under an Air Operator Certificate. It is among several options being reviewed to make the CAA’s regulatory activity more proportionate.</p> <p>The CAA is presently developing a regulatory policy framework in this area. A report will be issued for public consultation in early June when an internal review and engagement with the DfT has been concluded. We expect that several options will emerge for industry organisations to have a greater role in administering oversight of many aviation activities.</p>

	Question	CAA Response
10	<p><b>Delegation</b></p> <p><b>Would the CAA support the appointment of other competent authorities for certain limited functions?</b></p>	<p>It is the UK Government to decide who or what body should be the competent authority or competent authorities for aviation. EU legislation allows for Member States to have more than one competent authority providing there is no overlap between their responsibilities.</p> <p>In considering whether a new competent authority should be appointed the Government will wish to consider whether it would an economically appropriate and proportionate response given the current cost of regulating the GA sector and plans to reduce the cost.</p> <p>There would need to be primary legislation to establish any new UK aviation competent authority as an entity distinct from the CAA. Most simply these could mirror the Civil Aviation Act 1982 (as amended) and give the new bodies their statutory base, legal powers, how they might be funded, governance structure etc, with suitable changes to incorporate any new duties the Government wishes to give them.</p>
11	<p><b>EU relationship, communication &amp; clarity</b></p> <p><b>How will the CAA ensure that stakeholders understand the difference between mandatory requirements and recommendations?</b></p>	<p>The CAA recognises that published guidance material has not always provided sufficient differentiation between regulatory requirements, acceptable means of compliance, and best-practise guidance material. Examples include for maintenance programmes, and organisational approvals. We are looking to eliminate such misunderstandings by a combination of enhanced wording of relevant CAPs and Information Notices (INs), perhaps by separately listing mandatory requirements from best practice, and by utilising the GA Unit's focus to deliver a more consistent approach whereby for example it will be clarified that it is for the owner/maintenance company to develop an appropriate maintenance regime for the aircraft using the manufacturers' recommendations as a guide.</p> <p>During 2014 we will be working with stakeholders to develop improvements to the way information is communicated and alerts are issued.</p>

	Question	CAA Response
12	<p><b>How does the CAA ensure that stakeholders with obligations under EU regulations understand the scope of their responsibilities and are not unnecessarily risk averse?</b></p>	<p>This is an interesting question and one that is probably worthy of wider discussion. There is always a balance to be struck between the CAA providing advice and guidance on how to comply with the aviation regulatory regime and allowing aircraft owners and companies to make their own decisions based on their knowledge of flying and their aircraft. We would welcome companies and individuals to take more responsibility and our plans for deregulation and delegation should help facilitate this. We will then be able to target our resources at the most high risk operations.</p> <p>The CAA currently uses publications, website material and established engagement forums such those mentioned above - GASF and GAP - to help ensure understanding of European regulations and associated guidance material. Risk appetite/aversion within the regulated stakeholder community remains largely a personal / business matter for individual stakeholders. We will also ensure any CAA guidance material is much clearer, reducing the possibility of misinterpretation.</p>

	<b>Question</b>	<b>CAA Response</b>
13	<p><b>EU relationship, coordination</b></p> <p><b>How does the CAA intend to use the flexibility provisions in the VCS (8.33) regulation to ensure minimum impact on UK users?</b></p>	<p>In order to apply appropriate and proportionate regulation the CAA has already made provision to allow the limited use of 8.33-capable handheld radios that do not fully comply with the certification requirements of the VCS Regulation, so helping facilitate the required conversions.</p> <p>Currently the CAA has no plans to invoke the option(s) in Article 14 in the Commission Implementing Regulation No. 1079/2012 to take local measures granting exemptions from the requirement to convert to 8.33kHz voice channel spacing (VCS).</p> <p>The phased implementation of 8.33 kHz channel spacing began in 1998. It will not be mandatory for an aircraft to be operated in all UK airspace, where carriage of radio is required, to have aircraft radio equipment that has the 8.33kHz channel spacing capability until 1 January 2018. Exemptions from the requirement to convert to 8.33kHz VCS are not feasible due to the large number of frequencies in use which if not converted would lead to major constraint on the implementation of additional channels in the future and increase the risk of interference.</p>

	Question	CAA Response
14	<p><b>How does the CAA work with other states to facilitate cross-border activities?</b></p>	<p>The CAA has a strong track record of commitment to working not only with other States, but also with international bodies such as ICAO or EASA, and with other partners as necessary, to secure an aviation environment that can facilitate cross-border activities. This work has taken many forms sometimes working directly with other States or with EASA; at other times, working through representative bodies of the aviation community. We continue to provide support to expert working groups that create internationally-applicable standards and we participate in bilateral discussions with other States. Of late, EASA-related work dominates examples of the former whilst an example of the latter is the recent reciprocal agreements we have concluded with Ireland, France and the Channel Islands to allow UK "Permit to Fly" aircraft flown by UK National PPL holders to enter their airspace and operate from their aerodromes. The GA Policy Framework to be consulted upon in June 2014 will help to ensure that all CAA experts take account of the principles and the proportionality of their rulemaking towards General Aviation.</p>

	Question	CAA Response
15	<p><b>How will the CAA minimise the impact on stakeholders of the dual system of EASA and non-EASA aircraft?</b></p>	<p>Whilst some stakeholders gain advantage from the existence of two systems, the CAA recognises that dual systems can be both a burden and a potential safety issue in situations where stakeholders are involved with both systems. To reduce this burden and risk, the CAA will continue to support EASA's efforts to minimise the burden of the EASA system and, in parallel, work to align the non-EASA system with the EASA system wherever it is sensible to do so. We are being careful to mitigate the risk wherever there is convergence that we do not inherit a disproportionately burdensome approach, however well intentioned.</p> <p>As EU regulation does not permit non-EASA national approvals to be accepted for European activities, we continue to apply a policy, wherever possible, of rendering the EASA licenses and approvals valid for equivalent national operations. Examples include flight crew licences, training school approvals and maintenance organisation approvals. We also take every opportunity to work with other States to make similar provisions in their national legislation.</p> <p>The recent announcement by EASA that they want to promote a radically different and more proportionate approach to the regulation of General Aviation, starting at the lighter end of GA, is to be welcomed. It is vital that the UK supports this activity to enable a more proportionate approach to be taken both in the European and National areas thereby minimising the risk of have two widely divergent systems of regulation.</p>

	<b>Question</b>	<b>CAA Response</b>
16	<p><b>EU relationship, gold-plate</b></p> <p><b>How does the CAA balance proportionality for stakeholders with the risk of a ‘finding’ on an EASA standardisation audit?</b></p>	<p>The CAA approach is to ensure that regulation, both EU and national, is applied and interpreted in a risk-based, proportionate manner consistent with achieving the desired safety outcome with minimum regulatory burden. The CAA’s oversight programme aims to both assure regulatory compliance and focus on areas of known safety concern. The risk of a finding is not the overriding consideration. What matters is taking the correct safety decision. The checks and balances, including the better regulation gateway process we are developing (see response to question 25 below), following our restructuring will make this more formalised within our policy making process. The CAA would be prepared to challenge findings that we believe are disproportionate. This work will be further supported and focused by the GA Policy Framework to be subject to public consultation in June 2014.</p>
17	<p><b>How will CAA ensure that the formal ‘approval’ process by CAA is not used as a lever to add CAA-generated requirements to EASA requirements?</b></p>	<p>The CAA recognises that it has not always got this right in the past. The CAA has made a public commitment not to gold-plate EASA requirements. We recognise that the interpretation of requirements can cause variations to the intended effect of requirements. Our response to this issue has been rooted in the selection and ongoing training of our staff and in the assurance integral to our processes and tools. The significant revision to these processes and the restructuring of our organisation now underway recognise the need to avoid both gold plating and laxness in our approval work. With the very best of intentions the CAA prepared, for example, a standard template training manual for flying schools, however its wording did not sufficiently differentiate between mandatory and guidance material and it is being re-published.</p> <p>In future a key role of the GA Unit will be as the critical custodian/gate keeper of the end to end process for the GA community tailored to their needs. This will include the design of the GA approval process that the CAA will use.</p>

	<b>Question</b>	<b>CAA Response</b>
18	<p><b>Safety management, consistency</b></p> <p><b>How does the CAA ensure that judgements by e.g. surveyors are consistent?</b></p>	<p>We will deliver a more consistent approach by surveyors working in the GA Unit, communication and procedures within the Unit will facilitate discussion and standardisation between surveyors and management to enable proportionate and consistent judgements to be determined prior to notification to the stakeholder. Formal briefing guides / policies will be produced and audit reports will be subject to review and independent quality checking before being sent to the organisation. Improving the content of our website and publications to make them clearer will also reduce the chance of misinterpretation.</p>
19	<p><b>Safety Management, International obligations</b></p> <p><b>How will the CAA satisfy the ICAO mandate for APV on instrument runways?</b></p>	<p>ICAO Resolution A37-11 is not a mandate. It is a Resolution targeting instrument runway ends i.e., extant instrument approach procedures. The CAA view is that we cannot insist on new instrument approaches (with vertical guidance) although we have proactively encouraged aerodromes to consider such a move, recognising benefits from improved access, safety and resilience particularly when compared to NPAs. The decision to implement an instrument approach procedure rests as a business decision with the aerodrome largely in response to customer demands but the cost of implementation and ongoing maintenance is clearly a significant part of any decision. Europe may invoke the ICAO Resolution as part of an Implementing Rule circa 2018, but the CAA line in response to that consultation will be the same.</p>
20	<p><b>Safety management, value of oversight</b></p> <p><b>How does the CAA audit technical quality (rather than just the presence of procedures)?</b></p>	<p>In order to secure an assessment of technical quality as the core of its regulatory oversight, the CAA policy continues to adopt performance-based regulatory practices and to select and train its staff accordingly. Our practices are embedded in our formal processes which in turn are audited by the CAA quality assurance team, EASA and ICAO both for compliance and effectiveness.</p>

	<b>Question</b>	<b>CAA Response</b>
21	<p><b>Safety management, value of oversight</b></p> <p><b>How does the CAA determine and assess the measures it takes to prevent abuse/fraud in applications?</b></p>	<p>As with all regulatory regimes, the CAA is reliant principally on the integrity of our stakeholders. The CAA also recognises that not all stakeholders will operate with the same integrity hence its inspection and audit programme. CAA also has an Enforcement Policy. A key element of the Policy is to join-up the enforcement resources the CAA has at its disposal. Joined up investigating means that we are better equipped to target the serial offenders and take a risk-based approach.</p> <p>Where appropriate we will require identity information, in line with other bodies, to prevent fraud. If deemed necessary we require forensic assessments to be carried out where blatant abuse is suspected. Of course a balance has to be struck between additional actions intended to prevent and detect fraud/ falsification, and the costs, charges and inconvenience associated with requiring additional data and completing more checks.</p> <p>We have close relationships within other national aviation authorities around the world with which we share intelligence.</p>
22	<p><b>How will CAA ensure that its publications accurately reflect the current regulatory requirement and focus users' attention on issues important to them?</b></p>	<p>A significant project is underway to improve the way we communicate with stakeholders. The CAA's new website is a key part of this project and will be up and running by the end of 2014. Following improvements to the way publications are produced to increase efficiency and presentation, we are now working on the content of publications - this will result in many of our publications being re-written. Significant changes to the content and software of the CAA website is planned and the introduction of the Hub will improve direct contact with stakeholders. Separately, during 2014 the CAA will be working with stakeholders to develop improvements to the way information (such as information notices or subscriber alerts) is communicated and issued. We have already delivered some considerable improvements, for example how to apply for and gain a Private Pilots Licence.</p>

	Question	CAA Response
23	<b>How will the CAA measure any value-add to GA represented by the output of the GA Unit?</b>	<p>Another good question and one the CAA needs to get its head round. We know such metrics do not currently exist. The GA Unit will therefore develop and utilise a set of metrics, in conjunction with industry stakeholders. The metrics will have to be proportionate as asking for information that is “nice to have” is administratively burdensome on those who are asked to supply it.</p>
24	<b>How often and with what success has CAA challenged EASA regulatory proposals? Are any changes in such challenge process envisaged?</b>	<p>The CAA intervenes when required at all levels within the European Commission, European Parliament and EASA as well as facilitating and supporting direct challenge from the aviation community where appropriate. We apply all available avenues for challenge and will continue to do so. We have recently had some notable successes:</p> <ul style="list-style-type: none"> <li>● CAA secured EU agreement to allow the UK to continue to issue the Instrument Meteorological Conditions (IMC) rating for pilots until April 2019;</li> <li>● The CAA lobbied EASA and the European Commission to allow GPs to undertake medical assessments for the Light Aircraft Pilot Licence.</li> </ul> <p>The CAA has extensive representation on EASA working and task groups to enable it to influence discussions and negotiations. Naturally sometimes the CAA will not achieve all its negotiating goals but we will always challenge vigorously when we believe a measure introduced by EASA will have a negative impact on the safety of the aviation industry.</p> <p>The CAA's Head of the General Aviation Unit has recently be confirmed as Chair of EASA's NAA GA Roadmap Group which will enable us to influence and guide EASA stated aim to take a radically different approach to the regulation of General Aviation.</p> <p>The aviation industry, including the GA community, has an important role in lobbying the European Commission and EASA to make sure interventions are first necessary and second proportionate.</p>

	Question	CAA Response
25	<p><b>How will the CAA review GA regulation in future to ensure specific regulation is appropriate? Will CAA introduce a one in one out rule for regulations?</b></p>	<p>A key strategic objective for the CAA is to be an efficient and effective regulator that complies with the principles of better regulation. The CAA is developing a strategy, informed by an externally conducted health check, to inform this strategy. This will tell the CAA what it needs to do to ensure compliance with the Government’s Regulator’s Code and other better regulation initiatives. One of the tools being developed is a better regulation gateway process that will be applied to all policies. This checks policies against the principles of better regulation, makes sure policies are evidence based, and has go/no go points built into the process.</p> <p>This process will also be applied to developing our negotiating strategy for European regulations. Our first question will be: where is the evidence that means action is needed in this area? The CAA believes this forensic approach will deliver greater benefits than a numbers-based one in one out (OIOO) approach. OIOO does not strictly apply to EU regulations as the UK does not have a choice as to whether it should implement or not. It was striking how few specific regulations were cited in the GA red tape challenge, unlike in other red tape challenges. The important factors to consider when implementing is to remove defunct national legislation; be proportionate in implementation; take advantage of all flexibilities and derogations; don’t gold-plate; and make sure stakeholders know what they have to do well before the compliance date.</p> <p>The most likely way of achieving success in reducing the EASA regulatory burden is to actively engage and support their recently announce intention to take a radically different approach to the regulation of GA to make it more proportionate and less burdensome.</p>

# Annex C: Challenge Panel Terms of Reference

## General Aviation Challenge Panel

### Terms of Reference

#### 1. Overall objective

- 1.1 Following the General Aviation Red Tape Challenge the Civil Aviation Authority (CAA), the independent regulator of the UK aviation industry, was tasked with cutting unnecessary bureaucracy, reducing disproportionate regulation, and adopting a risk based approach to the regulation of General Aviation (GA) . This will support and encourage a vibrant GA sector, whilst ensuring that safety remains paramount.
- 1.2 In line with the Civil Service Reform Plan, the Government will be making use of a non-Civil Service external “Challenge Panel” to operate as a “critical friend” of the CAA. The Challenge Panel will be asked to think freely, to probe and suggest innovative approaches to achieve deregulatory outcomes, to encourage effective engagement between CAA and the GA sector and to drive growth and innovation in the sector. The Challenge Panel should not feel constrained by previous or existing policy or forthcoming proposed changes from the European Aviation Safety Agency (EASA).

#### 2. The Challenge Panel will have the following tasks:

- To test and critique the CAA's programme for GA reform.
- To identify projects which they consider have the potential to promote growth and innovation in the GA sector.
- To challenge the CAA to be consistent, 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 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 its approach to GA regulation so that its role is focussed on encouraging, supporting and educating rather than regulating and policing.
  - To advise on and advance communication between CAA and the GA sector.
- 2.1 To facilitate it in fulfilling this role, the Challenge Panel will have access to any papers prepared by the CAA to update Ministers. The Challenge Panel can, if it chooses, submit its own papers to the CAA and/or Ministers at any stage.

### **3. Outputs of the Challenge Panel:**

- 3.1 The Challenge Panel will be asked to submit reports to Ministers in January 2014, to provide interim suggestions, and again in April 2014, at around the time the CAA's new GA Unit becomes operational. It is for the Panel to decide on the structure of the reports they produce but they may wish to:
- Outline their evaluation of the CAA's GA reform programme, including oversight of delivery where appropriate;
  - Suggest any further areas where regulatory burden could be addressed, through changing the application of domestic or EU regulation to GA, or by looking at proposals for changing the way regulations are enforced;
  - Recommend any further action to drive growth and innovation in the sector.
- 3.2 The reports will be addressed directly to the relevant DfT and Red Tape Challenge Ministers and will not be for the CAA to consider first, although the CAA will have the right of reply. Ministers will consider the Challenge Panel's reports alongside the CAA reports to the steering group on its GA programme including the remit and objectives of the new GA unit. It will be for Ministers to decide whether to request that the CAA undertakes further action to ensure the GA reform programme meets the objectives set out.
- 3.3 As a matter of courtesy, DfT will consult with Panel members to clear lines of communication or statements referring to them or the panel in the media as appropriate. Panel members should reciprocate this good practice, notifying the Department of any contact with the media and clearing lines or comments before these are published.
- 3.4 The Challenge Panel is intended to exist until the production of the April report, at which point any continuation of the panel would need to be agreed by Ministers.

**4. Membership:**

- 4.1 The Challenge Panel is made up of experienced and innovative individuals from across the GA and professional sectors. These are:

Laurie Price (Chair)  
Julian Scarfe  
Pete Stratten  
Amanda Campbell  
Chris Thomas  
Ed Bellamy

**5. Secretariat support**

- 5.1 The Challenge Panel will agree their work plan at the outset of the work. Separate secretariat support for the Panel will be made available by DfT.

**6. Additional support**

- 6.1 Before commencing work the Challenge Panel will meet with the relevant DfT and Red Tape Challenge Ministers who will outline the aims of the Government's new contestable policy making approach and the remit of the Challenge Panel. The Challenge Panel can request additional meetings with DfT and/or Red Tape Challenge Ministers or officials as necessary to discuss any concerns or questions they may have in relation to the progress of their work.

**7. Funding**

- 7.1 In line with other input from the GA sector, members of the Challenge Panel will not receive remuneration for their work but will be reimbursed for reasonable travel and subsistence expenses.