

Aviation Council
12:30 – 13:45, Tuesday 11th July 2023
The Department for Transport, Great Minster House, London

Attendees

Chairs

- Baroness Vere of Norbiton, Parliamentary Under Secretary of State (Aviation, Maritime and Security), Aviation Council Chair, (*Hereafter* ‘Minister for Aviation’).
- Stewart Wingate, CEO Gatwick Airport, Aviation Council Co-Chair (*Hereafter*, Co-Chair).

Aviation Council Membership

- Alberto Martin, CEO, London Luton Airport.
- Andy Cliffe, CEO, AGS Airports.
- Dale Keller, Chief Executive, Board of Airline Representatives UK (BAR UK).
- David Leighton, CEO, Aviation Services UK.
- Gordon Dewar, Chief Executive, Edinburgh Airport.
- Johan Lundgren, CEO, EasyJet.
- Karen Dee, Chief Executive, Airport Operators Association (AOA).
- Kevin Craven, Chief Executive, ADS Group.
- Mark Tanzer, Chief Executive, ABTA.
- Martin Rolfe, Chair, NATS.
- Michael O’Leary, CEO, Ryanair.
- Mike Pearson, General Aviation Advocate, Department for Transport.
- Neil Pakey, Chairman, Regional Airports Business Association (RABA).
- Nigel Milton (*deputising for John Holland-Kaye*), Chief of Staff and Carbon, Heathrow Airport.
- Paul Smith, Interim Co-CEO, Civil Aviation Authority (CAA).
- Sean Doyle, Chairman and CEO, British Airways.
- Shai Weiss, CEO, Virgin Atlantic.
- Steve Heapy, CEO, Jet2.com.
- Tim Alderslade, CEO, Airlines UK (AUK).
- Tim Hawkins (*deputising for Ken O’Toole*), Chief of Staff, Manchester Airports Group (MAG).

Council Participants

- Jim Butler, Chief Financial Officer, Gatwick Airport.
- Julie Blasbery, Client Relationship Director, Aviation Industry Skills Board (AISB)
- Kerissa Khan, President, Royal Aeronautical Society (RAeS).
- Poorvi Patel, Vice Chair, AISB.
- Sam Screpis, Chair, AISB.
- Sir Timo Anderson, Chair, Airspace Change Organising Committee Steering Committee (ACOG SC).
- Tim Johnson, Policy Director, CAA.

Department for Transport (DfT) Officials

- Director General, Aviation, Maritime and Security Group.
- Director of Aviation.

- Deputy Director Airspace, Noise, and Resilience.
- Deputy Director Safety, Sponsorship, Skills and General Aviation.
- Deputy Director Aviation - Commercial, Strategy and Consumers.
- Aviation Council Secretariat.

Other Government Department Representatives

- Deputy Director, Industry Engagement and Income Generation/Premium Services, Border Force.
- Director for Sustainability and Infrastructure, Department for Business and Trade.

Representatives of Devolved Administrations

- Department for the Economy, Northern Ireland Executive.
- Deputy Director, National & International Connectivity, Welsh Government.

Apologies

- Amanda Francis, CEO, Association of International Courier & Express Services (AICES).
- Duncan Walker, Co-Chair, Future of Flight Industry Group (FFIG).
- Emma Gilthorpe, Chair, Jet Zero Council.
- John Holland-Kaye, CEO, Heathrow Airport.
- Ken O'Toole, Deputy Chief Executive, Manchester Airports Group (MAG).
- Simon McNamara, Area Manager for UK and Ireland, International Air Transport Association (IATA).
- Director of Aviation, Maritime, Freight and Canals, Transport Scotland.
- Director, Art, Heritage and Tourism, Department for Digital, Culture, Media & Sport.

Actions

- **Action (AC003-001)** DfT and IFATE officials to support AISB to develop a progress dashboard on options to further support apprenticeships.
- **Action (AC003-002)** Members should fully engage with the joint industry and Government Generation Aviation programme to take forward practical solutions to improve skills in the sector.
- **Action (AC003-003):** The CAA would ensure it continued to have appropriate governance to retain its role as the UK's independent airspace regulator in the Single Design Entity (SDE) framework.
- **Action (AC003-004):** As part of the SDE development work, the DfT and CAA would review the existing processes for identifying and deciding trade-offs between different factors in airspace designs.
- **Action (AC003-005):** The CAA would publish a refreshed CAP1616 in the Autumn.
- **Action (AC003-006):** The Aviation Council Secretariat would contact members with details of the next meeting.

Summary of Meeting

- The Minister for Aviation welcomed members to the third meeting.
- The Co-Chair invited Sam Screpis (AISB) and Kerissa Kahn (RAeS) to outline the challenges for the sector with regard to aviation skills and apprenticeships specifically.

- The Aviation Council discussed proposals to improve the congested London Terminal Manoeuvring Area (LTMA). This included establishing an SDE, identifying funding, developing governance, and a review of CAP1616 guidance.

Minutes

1. Welcome

- 1.1. The Minister for Aviation welcomed members to the third Aviation Council.

2. Aviation Skills - Enhancing the use of apprenticeships.

- 2.1. The Minister for Aviation said that aviation skills requirements should be industry led. She cited the Reach for the Sky Challenge Fund and the Generation Aviation programme, which was launched last year, as good examples where government initiatives in partnership with industry could help reach less accessible communities.
- 2.2. The Co-Chair said that many new recruits had joined the industry over the last 18 months as the sector continued to recover from the pandemic. The Co-Chair highlighted Gatwick's record of ongoing investment in apprenticeship schemes, despite the challenges during the pandemic.
- 2.3. Sam Screpis (Chair, AISB) said that the AISB works across industry to promote skills and he challenged industry to provide more support to make progress on the key issues. He outlined the main challenges that the sector faced in relation to apprenticeships:
 - 2.3.1. The flexibility of apprenticeships, in particular, off-the-job training.
 - 2.3.2. That access to the apprenticeship levy pot is only available in England. This made it difficult for devolved nations to access funding.
 - 2.3.3. The monopolisation of end-point assessment providers, which limited the provision of suitable assessors on time.
 - 2.3.4. The inconsistent teaching methodology used by training providers.
 - 2.3.5. The lack of awareness of vocational programmes and the range of routes they can provide into the sector.
- 2.4. Continuing, Sam Screpis said that reducing the gap between the funding cap and cost of pilot training would help address pilot shortages and increase diversity and social mobility into the pilot ranks. Further, he said that for operational apprenticeships in face-to-face roles, six hours per week of off-the-job training was challenging. Lastly, he said that the process for employers to join the register of approved training providers could be simplified.
- 2.5. Kerissa Khan (President, RAeS) said that government and industry should provide a roadmap to address the challenges of an aging workforce and the resulting need for an intergenerational transfer of knowledge; a lack of diversity; recruitment and retention; the need for skills that reflect new aviation technologies; and the need for an increase in those with skills in Science, Technology, Engineering and Mathematics (STEM).
- 2.6. Shai Weiss (CEO, Virgin Atlantic) said that the apprenticeship model would have to improve to fit the aviation sector. Further, he suggested that the six-hour off-the-job training rule for operational roles and the 12-month programme funding requirements may not fit the needs of the sector (the latter especially for back-office functions where there's increasing appetite to use apprenticeships) and should be reviewed. He noted that the gap between actual costs and the levy

meant it was not working as intended and that the removal of VAT from pilot training should be considered.

- 2.7. Kevin Craven (Chief Executive, ADS Group) said that the apprentice levy is working but that it requires flexibility to allow for funding to be spent on travel and sustenance. Further, he said that there is more awareness of university education routes into STEM skills, and that raising awareness of technical education, and making the routes easier to access would help improve the skills landscape.
- 2.8. Tim Hawkins (Chief of Staff, MAG) said that incorporating the apprenticeship model had been challenging when trialling a new security management scheme at Manchester Airport. Further, he said that the prioritisation of T-levels had reduced interest in BTEC Travel and Tourism courses and that these concerns had been raised with the Department for Education.
- 2.9. The Minister for Aviation thanked members for their contributions, outlined that the Council should develop an approach to track progress on the options noted that could help increase the use of apprenticeships or skills, and invited members to contact officials with practical steps that they could take to improve the landscape.
- 2.10. The Co-Chair said that this had been an important discussion and skills would be a key priority for the sector to get right. He said that AISB should develop proposals, working with industry and DfT, and report to the Council.
- 2.11. **Action (AC003-001)** DfT and IFATE officials to support AISB to develop a progress dashboard on options to further support apprenticeships.
- 2.12. **Action (AC003-002)** Members should fully engage with the joint industry and Government Generation Aviation programme to take forward practical solutions to improve skills in the sector.

3. Airspace Modernisation

- 3.1. The Director of Aviation (DfT) outlined four recommendations on airspace modernisation:
 - 3.1.1 An SDE would be established to speed up delivery of airspace change, initially in the congested LTMA. A project team has been formed between DfT and CAA to design the SDE framework by the end of this financial year. Early indicators suggest that the SDE would be managed by NATS (En Route) PLC (NERL), however further work is required to consider all options.
 - 3.1.2 The additional design costs of the programme should be borne by airlines, airports, and passengers, who would be the beneficiaries. These additional design costs could be added to the UK en-route charge for airlines with airports continuing to bear the costs of local consultations.
 - 3.1.3 A new programme board, reporting to the Minister for Aviation, would be formed to monitor progress of the LTMA programme. This would be comprised of DfT and CAA, as sponsors of the programme, with NERL, ACOG, the Ministry of Defence and airline and airport trade bodies.
 - 3.1.4 The CAA would publish revised CAP1616 guidance on airspace change.
- 3.2. The Minister for Aviation said that airspace modernisation would be a multi-year programme, that the delivery date for the Future Airspace Strategy Implementation programme was expected to be in Q1 2029, and progress would require the sector to compromise and work together.

- 3.3. Karen Dee (Chief Executive, AOA) said that LTMA airports would welcome the SDE. Further, she said that NERL undertaking the SDE role would be sensible, provided that reassurances could be given on NERL undertaking the role in a neutral manner. She said that AOA should be included in any engagement and consultation on the SDE.
- 3.4. Johan Lundgren (CEO, easyJet) said that the SDE would be critical to the sector and urged for delivery to be sped up.
- 3.5. Tim Hawkins said that he agreed with the need for pace in the programme, but that resourcing the LTMA organisation to full capacity may increase the risk of delays to progress outside London. He said that the LTMA organisation's scope and role should be at the minimum level required to deliver.
- 3.6. Martin Rolfe (Chair, NATS) said that if the approach to SDE was confirmed by the end of 2023, and that the design activity was undertaken by NERL, it could mobilise the new function quickly, particularly if airports and airlines could commit to providing additional resource.
- 3.7. Mike Pearson (General Aviation Advocate, DfT) said that general aviation interests should be represented in the programme.
- 3.8. Neil Pakey (Chairman, Regional Airports Business Association (RABA)) said that he would be concerned should the CAA, in its role as the UK's airspace independent regulator, promote particular design solutions and determine its acceptability. He said that governance should be in place to protect the CAA.
- 3.9. The Minister for Aviation said that she agreed that this was not the intent, and that the CAA would ensure that, as part of the SDE work, its role as the airspace regulator would be protected.
- 3.10. **Action (AC003-003):** The CAA would ensure it continued to have appropriate governance to retain its role as the UK's independent airspace regulator in the Single Design Entity (SDE) framework.
- 3.11. Tim Hawkins said that trade-offs would need to be made and that this would need to be done in a transparent way.
- 3.12. **Action (AC003-004):** As part of the SDE development work, the DfT and CAA would review the existing processes for identifying and deciding trade-offs between different factors in airspace designs.
- 3.13. The Minister for Aviation said that the current ambition would be for a fully funded SDE to be funded through an addition to the existing UK en-route charge. This would be tested to ensure it was legal, fair, and could be practically implemented.
- 3.14. Gordon Dewar (Chief Executive, Edinburgh Airport) said that if LTMA design costs were met through the UK en-route charge, there could be a disincentive on airports outside the LTMA to progress airspace change.
- 3.15. Karen Dee said that LTMA and SDE would work but could hold up airports without an obvious commercial or business case. The funding model is linked to the SDE and where airports are not part of it then they would not receive funding. She suggested that this could be resolved, should funding be made available to other airports retrospectively.
- 3.16. Tim Alderslade (CEO, AUK) said that airlines would welcome the SDE proposal but would be concerned about the moral hazard issue of airports outside of the LTMA being incentivised not to move forward with their own consultation work to secure access to the en-route funding. He cautioned that whilst the LTMA should remain the priority he would also want to see the rest of the country make positive

progress. He said airlines would be happy to discuss funding other elements of the programme outside of the SDE but that they would want to see tangible progress made.

- 3.17. The Minister for Aviation said that she acknowledged these points, and that work would be done to progress the SDE.
- 3.18. The Director of Aviation said that work would be undertaken to avoid disincentivising airports across the country and that there were already legal measures available to the Government to direct parties to undertake airspace change and mitigate any potential negative impacts across the country.
- 3.19. Michael O’Leary (Chief Executive, Ryanair) said that a sensible approach would be for the DfT to fund the programme, to deliver it within 12 months, and that the current discussion would achieve nothing.
- 3.20. The Minister for Aviation said that DfT would not provide funding.
- 3.21. Continuing, the Minister for Aviation said that good governance would be important for the delivery of the programme and would provide accountability and drive progress.
- 3.22. Karen Dee said that the issue of only some LTMA airports having representation in any new programme governance board could become a problem in this competitive area.
- 3.23. Martin Rolfe said that any governance should ensure that the design suits all parties, in advance of progressing to the delivery stage.
- 3.24. Alberto Martin (CEO, London Luton Airport) said that good governance for LTMA would be positive, that it would be vital that SDE works for all airports, and that a transparent process based on benefits would be required for SDE.
- 3.25. The Minister for Aviation emphasised that the need for good governance and proper consultation would be essential to the success of the programme.
- 3.26. The Director of Aviation said that the proposed changes could have impacts on a range of stakeholders, including communities and other airspace users, and that CAP1616 would be an appropriate method to ensure consultation with all groups on proposed design.
- 3.27. Sir Timo Anderson (ACOG SC) said that ACOG SC’s role was to ensure the impartiality of ACOG within NERL. He reiterated that ACOG did not hold formal programme management responsibility for sponsors and that they were similar in terms of membership to that proposed for the LTMA industry board. Further, he said that ACOG could employ objective tools to support the SDE Masterplan within any governance structure.
- 3.28. Paul Smith (Interim Co-CEO, CAA) said that the CAA had undertaken a call for evidence on changes to the existing CAP1616 process and an updated process would be published in Autumn. The legal framework for airspace change would not change and stakeholder consultation would remain a central feature. The changes would be focussed on improving the clarity and simplicity of the process and giving sponsors earlier feedback on potential issues. Consistent with the existing law and policy, the aim would be to reduce the number of gateway failures by improving the quality of submissions. The priority would be to free-up resources by reducing the 60% failure rate. Community consultation would be required to streamline the process and minimise the risk of failure.
- 3.29. **Action (AC003-005):** CAA would publish a refreshed CAP1616 in the Autumn.

3.30. Karen Dee (AOA) asked whether CAA international charges for courses for sponsors on airspace change before they start the formal regulatory process.

3.31. Paul Smith (Interim Co-CEO, CAA) said the CAA would provide guidance on this.

4. **Any Other Business**

4.1. The Minister for Aviation thanked the membership for their contributions.

4.2. **Action (AC003-006):** The Aviation Council Secretariat would contact members with details of the next meeting, currently scheduled for Tuesday 7th November.