



Department
for Transport

Sir Stephen Hillier, Chair
Civil Aviation Authority
Aviation House
Crawley
West Sussex
RH6 0YR

From the Secretary of State
Rt Hon Heidi Alexander MP

Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: 0300 330 3000
E-Mail: Heidi.Alexander@dft.gov.uk

Web site: www.gov.uk/dft

20 April 2026

Dear Sir Stephen,

CIVIL AVIATION AUTHORITY (CAA) PRIORITIES FOR 2026/27

As international air travel continues to return to pre-Covid levels, the Government has set out a clear plan for supporting the growth of UK aviation to benefit our economy and consumers. As part of this, we have committed to expansion at Heathrow that meets the needs of consumers. We are also presently supporting the sector in managing ongoing resilience challenges arising from the conflict in the Middle East, and I am grateful to the CAA for its work in this area while also progressing longer-term priorities.

This letter sets out my overall expectations for you and the CAA from now until 31 March 2027, which will be supplemented as we agree business plans and as needed periodically. I am setting out six priorities for 2026/27 that I expect the CAA to follow for the use of both its own resources and government-allocated grant funding. As you would expect, my priorities align closely to those I set out in my letter of March 2025. As always, the continued delivery of safe and secure aviation and aerospace remains the overarching priority and should frame your approach to each of the priorities set out below:

1. Growth and innovation (which includes the CAA's work on expansion at Heathrow and other airports);
2. Economic regulation of aviation;
3. Airspace modernisation;
4. Decarbonisation of aviation;
5. Modernising the CAA's focus on aviation's passenger and freight consumers so as to put the consumer first; and
6. Efficiency, effectiveness and resilience.

I am also setting out specific growth goals in the annex to this letter, as the Government is doing for all its key regulators.

Growth and Innovation

Economic growth is the Government's number one mission, in line with the Chancellor's aspiration that regulation must always sustain growth, as set out in our 2025 Regulatory Action Plan. Growth in aviation will not only transform the sector and but also grow the businesses that use it. The CAA will contribute through smarter regulation with a focus on innovation, achieving the best possible outcomes at pace.

This year we will operationalise that aspiration with tailored growth goals that cover airspace modernisation, Heathrow expansion, routine Beyond Visual Line of Sight (BVLOS) flying, electronic Vertical Take Off and Landing (eVTOL) integration, space flight regulation and enabling and adopting greater automation with AI (also the subject of a separate joint ministerial letter dated 28 January). This work will also contribute to delivering the 25% reduction in the administrative costs of all Government regulation to business that we have committed to achieving by the end of this Parliament.

The Government supports airport expansion that is in line with our legal, environmental and climate obligations, and to that end we have formally commenced a review of the Airports National Policy Statement (ANPS) to reflect any changes in legislation, policy, and data since the current ANPS was designated in 2018. We expect to consult on any revisions to the ANPS by July this year.

The CAA has a vital role to play to support the Government in reviewing the ANPS – ensuring the work of the UK Airspace Design Service (UKADS) is aligned with the expansion, and ensuring that Heathrow puts the consumer first through effective economic regulation of the planned investment and expansion.

The CAA also needs to continue to develop the regulatory framework to support the growth of commercial and public sector use of UAS and eVTOL so that manufacturers and users have clear and proportionate pathways and standards for operations that can safely and securely operate at scale. This includes not only setting and communicating an enabling regulatory framework, but also fundamentally ensuring that safety and security standards are retained alongside innovation in aviation. As part of regulating civil drones, the CAA will implement new standards and regulation, following the outcome of the regulatory review and the legislation that came into effect in January 2026. The CAA will also be the Market Surveillance Authority monitoring, enforcing and controlling drone products that enter the United Kingdom market. The CAA's work with the Regulatory Innovation Office (RIO) continues to reduce the burden of bureaucracy and speed up access to new technologies which improve citizens' daily lives.

The CAA should consider this letter explicit encouragement from Government to focus with energy and determination on delivering the joint Government/CAA commitments made to these emerging sectors and detailed in the Future of Flight BVLOS Roadmap we jointly published in October 2025. Where practicable, the fast approval of drone operations for hazardous tasks (such as inspecting railways, power lines and agriculture) will help keep to workers safe.

The space sector continues to be a source of growth and innovation for the UK. To ensure further growth, the CAA should continue to work with the Government to review and

improve regulations; support the development of international agreements such as the Bilateral Commercial Spaceflight Transportation Agreement and embed the metrics and efficiencies work on licencing explored with the RIO.

Economic regulation of airports

Economic regulation will be a key priority for the CAA in the period ahead, reflecting its key role in developing and operating the regulatory framework within which Heathrow expansion can be delivered in the consumers' interests. I am very grateful for the constructive engagement between the Department and the CAA on expansion, and for the momentum the CAA have shown regarding delivering the Government's aspired timetable so far. The next 12 months will be crucial for the expansion programme as we approach the DCO process and other key milestones; it will be vital that the CAA maintains pace as we progress through this year.

As the CAA conducts its work in support of expansion, close engagement with Government, Heathrow Airport Limited (HAL), airlines and wider industry will be vital to ensure that the regulatory framework supports delivery and remains aligned with wider Government objectives, while continuing to protect consumers and uphold exacting standards of service and affordability.

Airspace Modernisation

Modernised airspace is vital to achieve a growing, sustainable and resilient industry making efficient and effective use of airspace and enabling the safe introduction of new entrants. The CAA's implementation of the Airspace Modernisation Strategy – including oversight of the Future Airspace Strategy Implementation Programme – is critical.

Following the announcements in 2025 and further work executed by my Department and the CAA to enable the creation of the UKADS, the focus must now be on supporting its continued mobilisation within NATS En Route Plc (NERL), and on reforming airspace change processes to buttress its work. This should include supporting the Department in delivering in 2026 a fundamental simplification of the Air Navigation Directions and Air Navigation Guidance, reform of the CAA's CAP 1616 Airspace Change process, and establishing the Airspace Design Support Fund.

The UKADS will initially focus on delivering modernised airspace for the London region, including for any third runway at Heathrow. However, to ensure that the benefits of modernisation accrue to the rest of the UK, we must make rapid, significant progress during this parliamentary term. Key to achieving this will be full and effective engagement with a wide range of stakeholders, supporting NERL's mobilisation and their development of an integrated plan for the deployment of technology upgrades and airspace changes across the UK. This must take place in line with the priorities for NATS set by my Department on 16 December 2025 and any specific prioritisation that we agree with the CAA.

Supporting sustainability goals

The CAA has a vital role supporting and monitoring the aviation sector's work to achieve net zero carbon emissions by 2050, including through the Jet Zero Taskforce that I chair. I

would appreciate the CAA's continued active participation in meetings of the Jet Zero Taskforce, and the supporting Task and Finish Groups now being established for 2026.

The CAA can help the UK develop new low- and zero-carbon aviation technologies, such as zero-emission aircraft, through initiatives like the Hydrogen in Aviation Regulatory Challenge and helping to provide up-to-date carbon emissions data.

Assessing and managing the industry's noise impacts is a vital consideration in airspace modernisation and Heathrow expansion. The CAA's expertise in noise modelling and analysis and its advice to DfT will be critical in supporting these priority policies.

Modernising the CAA's Consumer Focus

The CAA must ensure that passengers' interests are put first. I was pleased to see the progress the CAA has made and reported on by letter last October, and I look forward to continued delivery against their Consumer Strategy. Please share regular updates with the Minister for Aviation, which include progress on the UK261 compliance programme; the CAA's collaboration with the Competition and Markets Authority on pricing transparency; the outcome of the first airline accessibility review; and the next steps in taking forward the recommendations made to the CAA following the publication of the Alternative Dispute Resolution review.

The CAA should also lead by example by implementing its recommendations from the Aviation Accessibility Task and Finish Group, while maintaining their proactive role in the Implementation Group to help industry improve accessibility for disabled passengers.

Linked to resilience, I was pleased to see the work on improving industry communications to passengers during disruption. I now look forward to seeing the CAA deliver an effective code of conduct to improve consumers' awareness of their rights and help strengthen consumer confidence in the sector.

Efficiency, effectiveness and resilience

The CAA must ensure it has the relevant people, processes, and resources to deliver effectively. I look forward to the CAA building on the improvements in efficiency and effectiveness achieved since its independent review. This will help ensure that the CAA has the capacity, capability, resilience, culture and flexibility to deliver its regulatory responsibilities in an agile manner. The CAA should also continue to help the sector to strengthen resilience in aviation, aerospace and spaceflight through its infrastructure, workforce and preparations for operational challenges. In achieving this, the CAA must also implement the interventions agreed within the Department's Climate Adaptation Strategy for Transport. The CAA should integrate these actions into its work programme to 2030 to strengthen the evidence base on climate risks and enable more robust, risk-informed decision-making across the aviation sector.

In delivering these priorities, the Government recognises that we too have an important role to play. We set key strategic policy objectives, deliver an agile legislative framework for the whole of the aviation sector that can match the sector's own pace of change and provide proportionate funding for Future of Flight programme activities to enable their continued delivery.

I expect to see the CAA continuing to operate with strong corporate governance and board capability. Your recent external Board Effectiveness Review attests to the progress that you have made. As Chair you can be a role model for Board members, upholding the Nolan Principles and holding your Board members to account should they fall short of these standards. We will contribute through the appointment of non-executive board members, and we will seek to recruit, retain, and motivate people from the widest possible talent pool.

I am also keen that the CAA, along with my Department and our other arm's length bodies, embeds and disseminates learning from the James Stewart Review and other relevant reviews to strengthen the governance of complex programmes in which you are involved or of which you have oversight. Your Board should also give appropriate attention to climate adaptation and environmental responsibility, including zero emission fleets, and ensuring that the CAA seeks and maintains accreditation to appropriate environmental standards such as the Publicly Available Specification (PAS) 2080.

I would like to see the CAA strengthen engagement with the Department on analysis, ensuring transparency of data by default and that analytical work meets Government standards. You should work closely with us on the responsible adoption of AI as set out in the growth goals below. The CAA's commercial relationships are also invaluable, and need to be effectively governed and appropriately prioritised at Board level.

In summary, your leadership remains central to delivering Government priorities: as part of a more effective, outcomes focused public sector which puts the public first; and achieves greater efficiency and stronger collaboration and contributes to and deploys the DfT family's collective capability.

I expect you and the CAA to continue to engage with us and with key sector stakeholders based on partnership, regular dialogue, openness and transparency. This includes your participation in the UK Regulators Network, ensuring a joined-up approach with other regulators.

The CAA's contribution to these priorities should continue to be linked closely to objective setting and appraisals of both you as Chair and the Non-Executive Directors, assured through our engagement in your People Committee and liaison with the Senior Independent Director. I look forward to our continued close working on these priorities in 2026/27, and we have agreed that the Minister for Aviation will meet you quarterly to discuss progress against these priorities.

Yours sincerely,



Rt Hon Heidi Alexander MP

SECRETARY OF STATE FOR TRANSPORT

Annex A CAA Growth Goals 2026/27

1. Heathrow Expansion

Outcome Goal: For the CAA to have supported the delivery of runway expansion at Heathrow in line with the Government's objectives, and consistent with the CAA's statutory responsibilities.

Key Results: During 2026/27, the CAA will publish:

- Draft decision on Heathrow expansion early costs by Spring 2026.
- A shortlist of Heathrow regulatory models by Spring 2026.
- Publish preferred Heathrow regulatory models in Summer 2026.

Impact Narrative: The Government is currently developing its own impact assessment for a new runway at Heathrow and reviewing the Airports National Policy Statement with a commitment to consult on any required changes by Summer 2026. The CAA will develop and consult on regulatory arrangements that will support the delivery of expansion. The CAA will develop these proposals in a way that furthers the interests of consumers and seeks to meet the overall timetable set by Government.

This work will be critical to the expansion programme, having the potential to control the costs of expansion, ensure efficiency and service quality, reduce project delays, lower financing costs, and maintain the momentum of capital deployment. The expansion programme could enable significant investment in UK infrastructure, supporting up to 100,000 local jobs, and facilitating significant benefits for the aviation sector and wider supply chain.

2. Routine BVLOS

Outcome Goal: The Future of Flight Programme has enabled routine Beyond Visual Line of Sight (BVLOS) operations for key Government priority use cases including the NHS, emergency services, infrastructure surveying and commercial delivery operations, with capability delivered iteratively between now and 2027/28.

Key Results: During 2026/27 the CAA will enable:

- Atypical operations with multiple operators (such as multiple, consecutive, operations on the same length of railway). The CAA should expand the atypical air environments policy.
- Single operators to operate with less bespoke regulation and greater standardisation in complex urban environments (such as last mile delivery operations or between hospitals)
- Increasing integration of operations within specific areas of airspace
- Implementation of the Market Surveillance Authority for RPAS offering regulatory certainty and consumer confidence by end of 2026
- A significantly improved user experience for operators, underpinned by a more coherent interface with the industry. This should include clear end-to-end structures at the CAA that provide predictable and transparent timelines, unambiguous ownership of decisions and consistent expectations for applicants. A coordinated,

cross-organisational approach to drone regulation and advisory functions that helps operators navigate requirements, maximises the likelihood of approvals, and supports the growth of a nascent sector. The approach should be informed by comparison with other regulators, including for example the US FAA's UAS Integration Office.

- Implement processes that enable drone operators to progress approvals more quickly and consistently. This should include the CAA developing options on mutual recognition of flightworthiness assessments, as well as advancing positions on key policy - working closely with industry - including on multiple simultaneous operations and actively testing the Light UAS Certificate with UK operators. In addition, with Government funding support, the CAA will deliver a package of improvements to SORA. All these measures should be regularly reported against, and I expect to see demonstrable progress against them within six months.

Impact Narrative: Routine BVLOS operation will allow the safe sharing of airspace between traditional aviation and drones, as well as flying over cities and infrastructure. Drone use will fully unlock public benefits, including:

- Inspections of infrastructure such as railways, power lines and wind turbines
- Security inspections, such as perimeter inspections of large sites
- Deliveries including shopping, and medical supplies and tests
- Emergency assistance in remote locations

CAA and DfT analytics staff plan to work together to estimate productivity gains and demonstrate how BVLOS capability contributes directly to national growth and public service efficiency. Specific milestones will be developed and incorporated into grant agreements.

3. eVTOL Integration

Outcome Goal: The CAA has created the regulatory framework by the end of 2028 and enabled the operational systems that allow initial commercial passenger Advanced Air Mobility flights (AAM) in the UK.

Key Results:

- During 26/27 the CAA will enable pathway trials to develop key policies on initial and continued airworthiness; pilot licensing; and AAM aerodromes.
- Alongside, and learning from these pathway trials, during 2026 the CAA will respond to its policy consultation on rulemaking, providing the emerging sector greater clarity on its approach.
- CAA will also provide to DfT by the end of 2026 its Opinion and Instruction Document for eVTOL, setting out the legislative changes it recommends DfT implement in 2027 to enable eVTOL operations by 2028.

Specific milestones will be developed and incorporated into grant agreements.

Impact Narrative: eVTOL, and other AAM technologies are revolutionising urban mobility and offering new transportation solutions. Increasing interest and investment in AAM technologies will require sustained action by the CAA to safely enable and integrate the

capability inherent in these technologies. As the CAA moves to a more tailored mechanism, this will allow innovators to test new products where there is limited third party risk while providing a faster path towards commercialisation.

4. Airspace Modernisation

Outcome Goal: The next phase of Airspace Modernisation will proceed to deliver the priorities and timeframes set out in the department's 16 December 2025 letter¹ to NATS. This includes implementation of the UKADS, which will work towards a modernised airspace in the London region, which will also enable a third runway at Heathrow. We will also update and improve the regulatory framework for Airspace Change, enabling the regulator and sector drive forward modernisation activities in line with Government ambitions.

Key Results: Key enabling actions will be delivered during 2026/27, including:

- Implement new Airspace Navigation Directions and Airspace Navigation Guidance in summer 2026, following consultation in late 2025;
- CAA to revise and implement a new Airspace Change Process (CAP1616) in summer 2026, following the consultation in late 2025.
- CAA to consult on mandating the use of Electronic Conspicuity technology in UK airspace and publish the results, which will be a key enabler to enable RPAS BVLOS operations in an integrated environment.
- Work through extended trials to establish RPAS noise criteria for future BAU operations

Impact Narrative: Airspace Modernisation is a key enabler of significant growth in the airspace capacity of the UK, enabling the third runway at Heathrow and facilitating both the Future of Flight programme and offering significant benefits to the traditional aviation sector. Without modernising UK airspace, the full economic benefits of expansion of airports will not be realised. It has the potential to grow passenger numbers significantly whilst optimising the environmental impact of expansion, though the impact will depend on market appetite. The precise benefits that accrue from this will depend on industry enacting the change that is enabled by this workstream.

5. Space Flight Regulation

Outcome Goal: The CAA continues to support and enable the space sector by granting licenses ahead of technical readiness for both new technologies and operators as well as streamlining all processes with continuous improvement from learnings of deploying what are relatively new regulations which are not fully tested on all applications.

Key Results:

- In 2026/27 the CAA will be deploying new metrics to help the sector and regulator understand any potential pinch points in processes which could be addressed by applicants, the regulator, or the Government

¹ [dft-letter-to-nats-on-prioritisation-20251215-redacted.pdf](#)

- First vertical launch by the sector in 2026/27 will enable the full life cycle of a launch operator regulatory process to be completed and learned from for future launches by the operator from that site.
- Piloting approaches to achieve a more flexible regulatory regime for orbital operations where the legislation allows. This will include making use of monitoring intelligence to limit assessments for new applications from existing operators and licensing of constellations rather than individual satellites missions. This more flexible approach to licensing will have a major impact on reducing burdens on operators with multiple satellites, or satellites which will undertake multiple missions, including in the future ISAM (In-space Servicing, Assembly, and Manufacturing).
- CAA will conclude the Rendezvous and Proximity Operations (RO) Sandbox in April with draft guidance produced to support novel RPO missions in addition to continuing to deliver the Stage One Sandbox recommendations. These will ensure the regulatory regime is fit for purpose and easily accessible for new and existing operators of novel missions. *(Goal shared with DSIT and the Consortium)*

Impact Narrative: The space sector is a vital part of the UK economy, as well as being a huge opportunity for growth. In recent years, the UK has built a thriving space economy with end-to-end support for space enterprises from two space ports. We have a renowned science and technology sector, a strong talent pipeline, and leading satellite manufacturing and operations capabilities. The UK's space sector has a long and successful satellite history and continues to grow under the new space flight regime which will open up new economic opportunities in the coming years. A stable, effective and agile regulatory regime dedicated to supporting the industry's growth and protecting the public will present significant opportunities; the global space economy is projected to grow from an estimated £270 billion in 2019 to £490 billion by 2030.

6. Enabling and adopting greater automation with AI

Outcome Goal: The CAA will integrate AI-enabled automation into identified priority regulatory and intelligence processes to enhance safety assurance and operational efficiency, while maintaining the high level of public trust in aviation. In parallel the CAA will continue to identify regulatory challenges associated with the adoption of AI across the sector, building on its established capability for enabling innovation, to ensure that AI adoption in aviation is safe and trustworthy.

Key Results:

- By Q2 2026, pilot AI-enabled automation in priority corporate and regulatory CAA functions, including: RPAS policy support; safety intelligence and policy development from Mandatory Occurrence Reports; faster examination question development; streamlining industry and consumer communications.
- Update the CAA's Technology Landscape and cross-regulatory understanding of AI by September 2026.
- By the end of 2026/27, support industry with proportionate initial regulatory guidance for AI in aviation, building on existing robust frameworks.

Impact Narrative: The emergence and rapid evolution of artificial intelligence technologies represent a step-change for the aerospace sector and the CAA as its regulator. The increasing use of AI-based systems, particularly leveraging machine learning techniques, across various aerospace domains poses opportunities coupled with unique challenges, including the global nature of the sector. The aviation industry continues to embrace the transformative power of AI. It already enhances safety and efficiency through predictive maintenance, aiding air traffic management, and refining pilot training with advanced insights and simulations. The future of AI will usher in a new era in aviation that the UK as a leading aerospace nation can be primed to enable.