

CAA Growth Duty report 2026

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1. Introduction

1. The CAA supports economic growth by applying a pro-growth mindset and maintaining regulatory frameworks that allow businesses to innovate, scale and operate in new ways without compromising safety, security or consumer protection.
2. The Civil Aviation Authority (CAA) supports the principles of the growth duty contained in section 108 of the Deregulation Act 2015. The Growth Duty requires that:

“Regulators have regard to the desirability of promoting economic growth when delivering their regulatory functions.”
3. As part of this, the CAA considers the importance for promotion of economic growth of exercising regulatory functions in a way which ensures action is only taken when it is needed, and that any action taken is proportionate.
4. As a matter of law, the Growth Duty does not extend to the CAA’s functions under the following legislation:
 - Part 1 (air traffic and air navigation functions) of the Transport Act 2000
 - Part 1 (airports) of the Civil Aviation Act 2012
 - the Airports (Ground handling) Regulations 1997
 - the Civil Aviation (Allocation of Scarce Capacity) Regulations 2007
 - the Airport Charges Regulations 2011.
5. The CAA enacts the Growth Duty in the context of its wider regulatory improvement activities; ensuring that its regulatory decisions demonstrate transparently how the CAA has had regard to economic growth. Safety and security remain the CAA’s primary duties and the Growth Duty is considered alongside other duties not instead or at the expense of other protections. The Growth Duty also informs the design and delivery of our strategy, annual priorities and plan, as well as our Regulatory Principles.
6. The Secretary of State for Transport, Rt Hon Heidi Alexander MP, wrote to the Chair of the CAA (Sir Stephen Hillier) on 20 April 2026¹, setting out the Government’s priorities for the CAA for 2026/27.
7. To ensure transparency, the CAA reports annually on how its work has taken account of economic growth in its relevant regulatory decision making. As passenger demand has returned after the pandemic, the impact of economic

¹ [Secretary of State priorities letter, 20 April 2026](#)

conditions and geopolitical uncertainty and conflict are continuing to impact consumers, and the wider economy, meaning regulatory support for recovery and growth remains vital.

8. The CAA is supporting Government and industry in developing new technologies in aircraft, engine and infrastructure design. Our regulatory sandboxes and advisory services accelerate the safe adoption of emerging technologies, such as through our Future of Flight Programme and Hydrogen Challenge, which provide clear pathways for innovators to test and certify new technologies. They have enabled pioneering drone trials for medical deliveries and infrastructure inspections, and hydrogen-powered aircraft testing, and provide a flexible, outcome-based approach that supports innovation while managing risk.
9. Following the UK's exit from the European Union, the CAA has worked closely with industry and foreign aviation safety regulators, to establish a series of international bilateral safety arrangements and agreements. These arrangements significantly reduce current barriers for UK exporters by minimising and in some cases eliminating duplicated oversight, certification costs and compliance demonstration activities. They also reduce regulatory barriers for organisations wishing to import aircraft manufactured overseas, procure replacement parts for in-service aircraft, purchase aircraft maintenance services overseas and obtain professional pilot training.
10. The CAA is also fully committed to contributing to the Government's mission to drive economic growth and investment, including delivery of the commitments within the Government's Regulatory Action Plan. This includes the target to reduce the administrative cost to businesses from regulation by 25%, by the end of this Parliament. Further detail on the CAA's work is outlined below.

2. Working with Government to enable growth

11. Growth is central to the CAA's role as an enabling regulator. Our mission, "Protecting people, enabling aerospace", reflects the conjoined responsibilities of enhancing safety and security while creating conditions for innovation, investment and sustainable growth.
12. This approach is complementary to the Government's growth mission and Regulatory Action Plan. The CAA's focus is now on delivery, including our role in supporting the timely implementation of airport capacity planning decisions, including the third runway at Heathrow, delivering the Future of Flight programme and supporting airspace modernisation. More broadly the CAA continues to prioritise our wider work to accelerate regulatory processes, reduce unnecessary costs for those we regulate, explore ways to scale up our existing operations, and ensure our decisions remain proportionate and risk based.

13. Through our sponsorship relationship with the Department for Transport, we continue to support shared priorities on growth, enabling new technology and innovation, and sustainability, maintaining regular engagement across Government to align policy, regulatory delivery and sector outcomes.
14. Going forwards, the Civil Aviation (Consumer Protection and Regulatory Reform) Bill, which is currently before Parliament, would give the CAA delegated powers to make regulations within a framework agreed with Government. Our preparations for this Bill have been a key element of the CAA's work with the Department for Transport to enable more responsive and flexible regulation which will support growth.
15. In section three of this report, we set out further detail on our specific regulatory activities.
16. In his letter of 15 January 2025 to the Prime Minister, the CAA's CEO, Rob Bishton set out five areas of action that would support investment and confidence in the aviation sector:

Airspace Modernisation

- establishing UK Airspace Design Service (UKADS) to accelerate and enhance the changes that are vital to achieving modernisation
- enabling two trials using remotely piloted drones beyond visual line of sight to demonstrate scalable operations
- consulting on improvements to the effectiveness and proportionality of our process for changing airspace

Improving capacity and resilience

- progressing our regulatory reviews of two of the largest aviation entities, Heathrow and NATS, prioritising regulatory certainty, confidence and growth
- Playing our full role in the implementation of any airport capacity expansion planning decisions
- Implementing the recommendations from the independent review of NATS air traffic failure to improve aviation resilience and passenger confidence.

Enabling aerospace innovation

- Delivering a digital drone licencing platform to make it more efficient for commercial operators to scale up their plans and investment in the UK
- Creating more accessible drone regulatory pathways for the emergency services, healthcare, and infrastructure surveillance, with an end goal of making the UK a centre for excellence for these types of operation

- Making timely regulatory licencing decisions space applications, including on the UK's first vertical launch rocket operators
- Expanding significantly our sandbox safe trial activity for the nascent hydrogen propulsion technology to help inform the regulatory framework for this technology and encourage investment.

Digitising regulatory services

- Delivering a new digital service for air traffic controller licensing
- Concluding the initial phases of a digital transformation of professional pilot licensing services.

International aviation

- Working with our peers in the five states of the National Aviation Authorities Network to develop a joint certification process for air taxis (Advanced Air Mobility Aircraft)

17. In section three of this report, we set out how we have delivered against these commitments.

18. In his letter of 22 October 2025² to the Chair of the Regulatory Innovation Office (RIO), Lord Willetts, Rob Bishton set out how the CAA is enabling growth through our programme of continuous improvement and through devoting significant resource to implement recommendations from the DSIT regulatory review and DfT's Post Implementation Review (PIR) of the Space Industry Regulations – recognising these are key opportunities to improve the regulatory framework for the sector.

3. Regulatory actions to support growth

Advanced air mobility

19. The CAA is enabling the safe introduction of Advanced Air Mobility (AAM) aircraft (also commonly referred to as electric vertical take-off and landing aircraft). The emergence of these aircraft offers new opportunities for the aerospace industry and the potential to reshape how people travel, and goods are delivered.

20. The challenge of enabling AAM aircraft is not exclusive to the UK. Unlike existing aircraft types, there are no international mutually recognised safety standards. To help with this the CAA signed a roadmap agreement in June 2025 with Australia, Canada, New Zealand and the United States to ensure safety, foster collaboration, and promote technological innovation. It also aims to streamline the certification

² [Letter from the Chief Executive of the Civil Aviation Authority to Chair of the RIO - GOV.UK](#)

and validation process for new aircraft types across international boundaries.

Airports

21. We recognise the importance of the efficient and effective expansion of capacity at Heathrow Airport to the wider economy, airlines and consumers. To support this, we are seeking to develop the regulatory framework to both deliver the best outcomes for consumers and support the Government's timetable for the delivery of expansion.
22. We currently have three economic regulation projects underway covering Heathrow. Our H8 review covers our ongoing role of setting a price control on the airport's charges for its existing two runway airport, based on its market power.
23. Our two other projects are more directly linked to the airport's expansion. One looks at how our economic regulation of the airport could be developed to deliver improved outcomes in the interests of consumers. The second project considers how Heathrow Airport Limited, and any other credible developers with sufficiently mature proposals, can recover early planning costs associated with capacity expansion.

Airspace modernisation

24. Airspace modernisation is essential to unlocking the benefits of additional airport capacity. The UK needs safe, efficient and resilient airspace to support future demand and improve performance.
25. Modernised airspace designs will deliver this while taking account of the government's environmental objectives. In time, it will also facilitate the safe integration of new and innovative types of aircraft with existing airspace users.
26. In 2025, the CAA and DfT confirmed plans to establish the UK Airspace Design Service (UKADS), supported by new regulations and multiple consultations on required process changes.
27. The CAA opened consultation on revisions to the CAP1616 airspace change process in September 2025, alongside parallel DfT consultations on Air Navigation Directions and Guidance.

Digitising Regulatory Services

28. The CAA recognises that improving the ease and speed of regulatory decision-making processes, including through digitisation, can help the sector improve its performance and ability to expand. We are currently delivering a multi-year Customer Experience and Modernisation programme, which includes the digitisation of several of our licensing services. This will improve our customers' experience, reduce their administrative burden and lead to more efficient and effective regulation whilst maintaining robust safety and security standards.
29. The first phase of a new digital licensing platform for Air Traffic Controllers was launched in Spring 2026, with subsequent phases and the pilot licensing digital service in development.

Drones

30. Enabling safe innovation by UK aerospace is a key part of our role. This includes drones, particularly their use for delivering items and inspecting infrastructure.
31. With continuing Government grant funding, we have enabled over 1,300 RPAS (drone) trial flights across four Government priority missions, including beyond visual line of sight (BVLOS), and we have published a Specific Operations Risk Assessment (SORA) based roadmap for BVLOS operations.
32. Under the UK's Future of Flight BVLOS Roadmap, the regulatory framework is evolving to make every day uncrewed flights a routine reality by 2027. BVLOS drone operations have potential for massive economic, societal, and environmental advantages. BVLOS enables drones to fly beyond the physical view of the pilot, removing major operational bottlenecks and making uncrewed aviation scalable.
33. The primary potential benefits include:
- **Life-Saving Medical Logistics:** Routine, rapid delivery of urgent NHS medical supplies, blood samples, and emergency kits to remote or island locations, bypassing slow or congested road networks.
 - **Critical Infrastructure Inspection:** Continuous monitoring of long-range assets like railway lines, power grids, and offshore wind farms without deploying ground workers into hazardous or hard-to-reach environments.
 - **Public Safety and Wide-Area Surveillance:** Faster disaster response, wildfire tracking, and search-and-rescue operations.
 - **Significant Cost & Emissions Reduction:** Replaces more expensive crewed aviation (like helicopters or small planes) with lower-altitude, highly efficient

uncrewed aircraft, resulting in lowered carbon footprints and operational savings.

- 34. The cumulative revenue generated through establishing commercial drone operations is estimated to be between £20.3bn and £66.2bn over the course of the next quarter of a century.
- 35. The UK is seen as a strong long-term market for drones and ranks third globally for readiness for the next generation of aerial vehicles. To compete with leading markets such as China and the US, the UK must continue to reduce barriers to scaling commercial drone operations.
- 36. The CAA is taking steps to ensure that the UK is recognised by investors as a hub for commercial drone operations.
- 37. The CAA was formally nominated as the UK's Market Surveillance Authority for drones, enabling a more efficient pathway for manufacturers to demonstrate compliance with safety criteria.

Improving capacity and resilience

- 38. The CAA is also committed to playing our role in improving the performance and capacity of the UK's globally significant aerospace sector which can contribute to growth and the confidence of passengers and investors. For example, this includes our work in supporting the timely implementation of airport capacity planning decisions, including a third runway at Heathrow.
- 39. The CAA has continued to work to oversee the industry's response to the Independent Review of NATS (published in November 2024) following a major failure of its flight planning system in August 2023. We published a progress report on this work in April 2025. Work in response to that review has continued and all recommendations from the Independent Review have now been completed or fully integrated into ongoing policies, regulatory oversight, or long-term practices across the UK aviation system.
- 40. In July 2025, the CAA announced the scope of its review into the regulatory framework for capacity expansion at Heathrow Airport. In November 2025 we published a working paper outlining potential regulatory models and evaluation criteria. Work continues to support the proposed expansion of Heathrow Airport.

Innovation

41. In addition to our work to support commercial drone operations, the CAA is supporting innovation across the wider aviation sector.
42. With DfT support, we expanded safe-trial sandbox activity for hydrogen propulsion to 13 participants in July 2025, and have continued to lead working groups with industry, academia and other aviation authorities to help inform the design of the necessary regulatory framework.
43. We have continued to input into the Law Commission's project looking at autonomy in the aviation sector, which forms part of UK Research and Innovation's (UKRI) Future of Flight Challenge. The Law Commission published the final report of its review of aviation autonomy in May 2026.³

International Aviation

44. Aviation is a global sector which relies on the effectiveness of international aerospace institutions and other states' confidence in each other. The CAA works closely with industry and foreign aviation safety regulators to establish international bilateral safety arrangements and agreements. This includes work with the National Aviation Authorities (NAA) Network to develop a joint certification process for air taxis (Advanced Air Mobility Aircraft).

Space

45. The space industry is becoming a much more significant user of our airspace. The CAA is leading the development and delivery of the Regulatory Sandbox for complex and novel Rendezvous and Proximity missions. This should enable industry to understand and navigate the opportunities that the UK's outcomes-based regulations present for unlocking nascent and emerging space markets and opportunities for the UK.
46. Following our approval of the UK's first vertical launch spaceport at SaxaVord, August 2025 saw the first vertical launch licence granted to a UK based rocket company. With Skyrora being licensed to launch and operate its sub-orbital Skylark L vehicle from SaxaVord.
47. We will continue to monitor the company to make sure it adheres to the terms of its licence and safety is prioritised. This includes in the build-up to, and during launch.

³ <https://lawcom.gov.uk/project/aviation-autonomy/>

Ongoing monitoring is also a significant part of our work, driving high safety standards across the space sector.

48. The Government has announced the following new commitments, following work between the CAA, DfT, DSIT, UK Space Agency (UKSA) and Regulatory Innovation Office (RIO):

- Over the next six months, CAA will work with HMG to explore with industry the potential of licensing operators rather than individual missions, and other options such as licensing constellations, that may achieve similar outcomes. The CAA aims to deliver a more flexible regulatory framework by early 2027.
- From the beginning of 2026, the CAA will publish key performance metrics, such as average licensing times, giving businesses clarity to inform business planning. They will also review and improve orbital licence terms, conditions, and reporting requirements, and publish clear licence templates for orbital activities
- The CAA has delivered a Discovery Project, exploring options for update IT systems for licensing and monitoring applications from space operators, to help deliver greater efficiency, transparency, and responsiveness to industry.
- The RIO will work with all relevant government departments, the devolved governments and regulators, including the CAA, to improve coordination on environmental information requirements for marine licensing across UK spaceports and launch activities, supporting increased UK launch capacity and reducing regulatory barriers for operators.

STEM

49. Finding the future generations that will fill key roles in the UK's aerospace industry is something the CAA is fully committed to.

50. Since its launch in June 2020, the CAA's STEM Programme has reached more than 500,000 young people across the UK and beyond, inspiring future aviation and aerospace professionals through outreach, partnerships and digital engagement.

51. At its core, the CAA STEM Programme exists to inform, inspire, and influence future career choices, opening doors to opportunities in STEM, aviation, and aerospace through meaningful engagement and partnerships.

52. The need for a strong STEM pipeline has never been greater. The aviation and aerospace sectors, like many technical industries, are facing a growing skills gap. At the same time, many talent pools remain underrepresented, limiting diversity and

innovation within the workforce.

53. Our programme is addressing this challenge head-on by:

- Working to inspire young people to explore careers in STEM, aviation and aerospace, to support and encourage their future career choices.
- Positively supporting efforts to increase diversity with a focus on addressing root causes which prevent inclusivity.
- Understanding ambitions and interests of all currently under-represented groups to create opportunities which are inclusive and engaging for all.
- Challenging misconceptions and stereotypes about careers in STEM and aviation and aerospace.
- Where possible, influencing industry to keep encouraging and supporting STEM.

A Growing National Effort

54. Over the past five years, the programme has evolved into a comprehensive national initiative, delivering impact through outreach, partnerships, and digital engagement.

55. Our Reach for the Sky programme provides funding to organisations delivering aviation outreach activities and our own programme connects with students through a wide range of activities.

4. CAA Growth Goals 2026/27

56. Looking ahead, the Secretary of State for Transport, Rt Hon Heidi Alexander MP, wrote to the Chair of the CAA (Sir Stephen Hillier) on 20 April 2026⁴, setting out the Government's priorities for the CAA for 2026/27 and including six specific 'Growth Goals' which the CAA will regulatory report against:

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 has published or will publish:

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

⁴ [Secretary of State priorities letter, 20 April 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.

Routine Beyond Visible Line Of Sight (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 Remotely Piloted Aircraft Systems (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 Federal Aviation Administration's Unmanned Aircraft System (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 Specific Operations Risk Assessment (SORA).

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.

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.

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 letter to National Air Traffic Services (NATS). This includes implementation of the UK Airspace Design Service (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 (CAP1616⁵) 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 Business As Usual (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

⁵ [CAP1616: Airspace Change Process | UK Civil Aviation Authority](#)

appetite. The precise benefits that accrue from this will depend on industry enacting the change that is enabled by this workstream.

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
- 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 (RPO) 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.

Enabling and adopting greater automation with Artificial Intelligence (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.

5. Legislative reform

57. In November and December 2025, the CAA consulted on proposed changes to statutory charges for the financial year 2026/27⁶. As part of that consultation, the CAA proposed Aviation Safety Regulatory Reform, which sought to modernise the UK's aviation safety framework. Currently, the framework is enshrined in detailed legislation, making even minor updates a multi-year process. The reform would empower the CAA to create and amend technical regulations directly, enabling faster adaptation to industry needs and international standards. This flexibility is expected to:

- Reduce delays and uncertainty in implementing safety changes.
- Minimise divergence from international systems, lowering compliance costs.
- Simplify the regulatory landscape, consolidating complex legislation into a coherent framework.

58. This reform is now included in the Civil Aviation (Consumer Protection and Regulatory Reform) Bill and is a key dependency for many other initiatives aimed at reducing costs and improving service delivery. Subject to Parliamentary approval, the measures in the Bill could be enacted in 2027.

6. Evaluation

59. Effective and proportionate regulation, which minimises the administrative burden, supports growth. Evaluating the impact of our regulation on the aerospace sector and wider economy is therefore a function which we are continuing to mature. For example, we committed to publish our first Value & Impact Report in our statement on 2026/2027 Statutory Charges.

60. In addition, in 2025, a key part of this has been identifying and, where possible, quantifying the extent to which ongoing changes to regulation are reducing the net administrative burden on industry. This is in line with the Government's target to reduce the regulatory administrative burden by 25% during the lifetime of this Parliament.

⁶ [CAP3184 Statutory Charges FY2026/27 Consultation Document](#)

61. As part the Department for Transport's Annual Simplification Plan, the CAA produced quantitative estimates of the benefits of existing measures in reducing administrative burden on industry of complying with regulation.
62. The CAA is developing its approach to evaluating the impacts of our work on the aerospace sector and wider economy. In the prior year, a key part of this has been identifying and, to the extent possible, quantifying the extent to which ongoing changes to regulation are reducing the net administrative burden on industry. This is in line with the Government's target to reduce the regulatory administrative burden by 25% during the lifetime of this Parliament. As part of the government-wide Annual Simplification Plan, the CAA supported the DfT with quantitative estimates of the benefits of existing measures in reducing administrative burden on industry of complying with regulation.
63. Effective and proportionate regulation, which minimises the administrative burden, supports growth. Evaluating the impact of our regulation is therefore a function which we are continuing to develop. For example, we committed to publish our first Value & Impact Report in our statement on 2026/2027 Statutory Charges. Further we are creating an economic service function to support the appraisal of any new regulation, importantly including being ready to take on any new regulatory function we receive under the Aviation Bill 2026 and well as continuing to build in considerations of how we can reduce the administrative burden of new and existing regulation and ensure regulation proportionately enables new and innovative parts of the sector to grow.

