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21 January 2022

Dear Jenny and Michael,

Thank you for your contributions to the debate on the Air Traffic Management and Unmanned Aircraft Act 2021 (Airspace Change Directions) (Determination of Turnover for Penalties) Regulations 2022. During the debate, you asked for an update on the progress of the airspace modernisation programme and the various public consultations that may take place this year, which I promised to follow up on.

Progress on the Airspace Modernisation Programme

I thought it may be helpful to first set out some of the background to the programme. The Civil Aviation Authority (CAA) launched the Airspace Modernisation Strategy in 2018, which sets out the ways, means and ends of modernising airspace through 15 initiatives. One of the key initiatives is the terminal redesign of airspace, also known as the Future Airspace Strategy Implementation (FASI) initiative.

As you may be aware, the CAA, as the UK's independent aviation regulator, has responsibility for deciding whether to approve changes proposed to the design of UK airspace. CAP1616 (the CAA's airspace change approvals process), refers to the CAA's guidance document for developing and submitting an airspace change proposal (ACP) to them. This includes a 7-stage regulatory process for changing airspace design, the process for planned and permanent redistribution of air traffic, and on providing airspace information. CAP1616 must be followed by all sponsors of ACPs.

Sponsors – whether airports or air navigation service providers - will typically choose when, if and how, they progress airspace change-related matters. The impact of the pandemic meant that, by March 2020 sponsors paused the work they had undertaken on their airspace changes. As a result, in March 2021, DfT and HMT agreed a funding support package of up to £5.5m for the

FASI programme to support sponsors reaching Stage 2 of the CAA's CAP1616 process (the develop and assess gateway). In addition, we have recently announced a further £3.5m to ensure this vital work can continue.

As you rightly pointed out during the debate, ACPs are a complex undertaking and there are major challenges in coordinating multiple airspace changes to modernise the UK's airspace. This is why DfT and the CAA commissioned NERL to create the Airspace Change Organising Group (ACOG), that coordinates the FASI Programme. ACOG will support NERL in creating a single coordinated implementation plan for airspace changes across the UK (the Masterplan). The purpose of the Masterplan is to set out where airspace design changes need to be coordinated and developed to achieve the range of benefits that modernisation can deliver and to consider potential conflicts, trade-offs and dependencies.

Up to 21 airports and NERL are expected to bring forward public airspace change consultations across the UK in the coming years. At this stage in the programme I am unable to give definitive timelines on the various ACP consultations that may take place as ACOG need to consider the interdependencies between different proposals, and the stages that sponsors are at in the CAA's CAP1616 process. We do anticipate however that some sponsors could begin their consultations earlier than others, with some in a position to begin consulting later in 2022. This is what is meant by paragraph 7.4 in the Explanatory Memorandum to the Regulations, as pointed out by Lord Naseby during the debate.

Cost of familiarisation

During the debate, you asked about the impact assessment and costs of the Regulation. As I highlighted in the debate, in line with the Better Regulation Framework, a full impact assessment has not been prepared for this instrument as the net annual direct costs to business will be less than £5m so it is not required.

I wanted to let you know that I missed out a detail in my speaking note and gave the incorrect information in response to your question on the impact of the measure. I said: *"We believe that 72 organisations are in scope of needing to get to grips with this. We reckon it will cost **each of them** £1,333 to get to grips with these regulations, so, as can be understood, any impact from these regulations per se is de minimis and an impact assessment is therefore not required"*.

I wanted to let you know I have now corrected Hansard to say: *"it will cost £1,333 for **all organisations** to get to grips with these regulations"*.

As set out in the Explanatory Memorandum, given the high level of knowledge of the programme in general (industry has been deeply engaged

with the programme since its inception in 2018, with the Airspace Modernisation Strategy having been subject to consultation, and ACOG proactively engaging with industry stakeholders when developing each iteration of its masterplan), it is assumed that only one hour is required for each organisation and the CAA to undertake this task. The total cost of familiarisation across all organisations is estimated to be £1,333. I had no intention of misleading you or the House, it was a simple error for which I hope you will forgive me.

Thank you for your continued engagement and interest in the airspace modernisation programme. I am copying this letter to all Noble Lords who participated in the Grand Committee debate and I will place a copy in the Library of the House.

Yours,
Charlotte

BARONESS VERE OF NORBITON