

Extract from MINUTES OF THE 542nd BOARD MEETING HELD ON WEDNESDAY 17 JUNE 2020, 11:00, BY SKYPE

X. BOARD DIRECTION TO IMPLEMENT A GENERAL ELECTRONIC CONSPICUITY EQUIPAGE MANDATE (DOC 2020-51) BY ROB BISHTON

76. The Board welcomed Jon Round, Stu Wain and Colin Chesterton to the meeting.
77. Mr Bishton introduced the paper and praised Mr Round's leadership and the team's commitment to the work. He explained that maintaining and improving safety standards whilst enabling access for new and different types of airspace user, both manned and unmanned/autonomous, would require changes to current procedures and full exploitation of the safety benefits afforded by new technologies. This was important for the UK given our already complex and increasingly busy airspace. The current approach to safety management relied on reducing conflicts between different airspace users by segregating finite airspace. With the predicted increase in the demand for airspace access from all existing and future users and the increasing constraints that would impose on all airspace users, the current approach was not sustainable. Many UK airspace users already carried some form of conspicuity devices. Many of these devices have been developed bottom up without a common technical standard. However, the absence of common technical standards meant that not all airspace users can at present see and be seen by each other. As such, this presents a safety risk.
78. Mr Bishton went on to say that a future airspace model should be predicated on integration and airspace sharing if it is to accommodate safely the competing demands for a finite resource. Creating a situation where all users can see each other would be an essential building block for achieving this outcome. The proposed approach to a common EC standard would help achieve that in a proportionate way, did not constitute a gold-plated solution and would encourage a new market to develop for equipment that met the standard. It was a compelling piece of work which was being taken forward in some other parts of the world successfully and we had reached a phase in the work which meant we could share it with the Board for a 'minded to' decision. There would be further engagement with key stakeholders including the GA community and Government in order to test our thinking further and consider further feedback.
79. Mr Round explained that whilst there was support and agreement on the approach amongst some parts of the sector, it remained contentious with

others in respect of the technical standards, whether a mandate was justified and the ability to bring together a diverse range of users' opinions. Following discussions with some parts of the sector, which had been chaired by DfT, we had agreed as a form of further assurance, to obtain a peer review of our strategy by the FAA, share a technical paper (which had been done) and engage again with the GA community in an open minded way to further test our approach.

80. The Board strongly endorsed the principle that electronic conspicuity was an essential tool for driving safety standards, enabling airspace access for existing and new users, and innovation. Any form of conspicuity device was better than no device, providing pilots were fully aware of the benefits and limitations of devices and at all times maintain high standards of pilot competence. But in order to achieve the wider safety, innovation and airspace access benefits described above, the CAA Board's strong view was that there will need to be a single standard for EC for all users in the UK airspace system. To ensure reliability and awareness of other operators within airspace the standard would need to define both data integrity and transmission requirements. Whilst the Board was committed to advancing this work – because of the clear safety and airspace access benefits for all users, both current and future - it recognised that there were some unresolved differences that had to be addressed and that further open- minded engagement with key stakeholders should take place.
81. Discussion covered the nature of the engagement that would take place before a final approach was agreed. The rationale for the outcomes and our approach was sound, but further engagement was required to share knowledge and understanding of the purpose and benefits of the proposed approach and enable stakeholder groups who were unconvinced to comment further. Those groups might include airspace users who disagreed with the mandate as they felt that the equipage was unnecessary to their activities or that the system they already had on their airframe was adequate despite not meeting the required standards. The CAA would also continue to encourage bottom-up innovation into areas which might provide further opportunities for other new technologies to improve conspicuity and safety, working with other nations, providing they conform to the right standards.
82. Mr Bishton emphasised the material safety benefits for all airspace users that would result from a consistently applied and reliable electronic conspicuity

solution in UK airspace. There is a compelling body of evidence which indicates a need to address conspicuity-related safety concerns which have been reflected in recent accident and incident investigation reports published by the AAIB. The Board also recognised that if a common conspicuity standard was to be mandated in law, it would need to secure the support of the Government which would be responsible for securing the necessary legislation. The Government would therefore also need to consider desirable policy outcomes and our proposed strategy before making a final decision.

83. The Chair summarised the Board's agreement on this issue: first, that the electronic conspicuity strategy had a compelling rationale to deliver safety, innovation and airspace capacity improvements in the UK; second, that it was minded to endorse a standard based on ADS-B out transmission and dual 978/1090 frequencies; third, that it was minded to recommend a national mandate is introduced by the Government in 2024; fourth, that this standard would allow and encourage a vibrant and competitive conspicuity equipment and services market to develop; and that we would initiate further engagement on an implementation plan, including an open-minded engagement with key stakeholders groups with considerations including how any standard might be implemented, for example the case for mandate and its timing.
84. The Board noted the report.

Stevens Mark

From: Johnson Tim
Sent: 19 June 2020 18:13
To: [REDACTED]
Cc: [REDACTED]
Subject: EC - CAA Board's position and next steps

[REDACTED]

We spoke earlier about the CAA Board's discussion on electronic conspicuity on Wednesday. I've set out the position it reached, including some next steps, below.

Once you've had chance to digest, worth another discussion early next week?

Best regards

Tim

=====

=====

CAA Board's current position on EC (19th June 2020):

- The CAA Board is committed to maintaining high standards of safety in UK airspace both for existing airspace users and future airspace users. It is also committed to promoting the success of the whole aviation sector in the UK through growing access to airspace to all present and future users, as well as creating opportunities to improve environmental performance through airspace change.
- Maintaining and improving safety standards whilst enabling access for new and different types of airspace user, both manned and unmanned/autonomous, will require us to change operating procedures and exploit fully the safety benefits of new technologies. This is important for the UK given our already complex and increasingly intensively used airspace, particularly compared to many other countries. The current approach to safety management relies on de-conflicting users of airspace by segregating finite airspace is not sustainable, with the predicted increase in the demand for airspace access from all existing and future users and the increasing constraints that will impose on all airspace users. A future model has to be predicated on integration and airspace sharing if it is to accommodate safely the competing demands for the finite airspace.
- Given the vision for greater integration and sharing of airspace, the CAA Board strongly considers that **electronic conspicuity is an essential tool for driving safety standards, airspace access, and innovation by:**
 - Reducing mid-air collisions and near misses, noting that the absence of electronic conspicuity has featured in a number of AAIB reports and recent inquests.
 - Enabling new types of airspace user to access airspace safely, particularly unmanned and autonomous users. This will avoid even greater segregation of users.
 - Creating a mechanism for delivering greater freedoms for some airspace users (including GA) through permitting some de-segregation of airspace if there is a high degree of confidence about all airspace users ability to see and avoid each other (eg drone Beyond Visual Line of Sight Operations currently requires a temporary danger area that excludes other users accessing that airspace).
- Any form of conspicuity device is better than no device, providing pilots are fully aware of the benefits and limitations of devices and at all times maintain high standards of pilot competence. But in order to achieve the safety, innovation and airspace access benefits described above, the CAA Board strongly believes there will need to be a single common emission standard for EC for all users in the UK airspace

system, defining both data integrity and transmission of that data, so that awareness of all others operating within their vicinity both exists and is reliable. Without a single and common standard, the benefits described above are unlikely to be deliverable.

- **The CAA Board recognises that:**
 - Many UK airspace users already carry some form of conspicuity devices and that many of these devices have been developed bottom up for different parts of the market without a regulatory mandate or common technical standard. In the absence of a mandate or common standard this is welcome as some conspicuity is better than no conspicuity providing pilots use existing equipment appropriately, and understand its benefits and limitations.
 - The existing devices on the market do not all use the same technical standards – and therefore not all users can at present see and be seen by each other.
 - There is currently no standard that would allow UAS to be seen by other airspace users.
 - It has undertaken formal consultation, engagement and discussions and many other steps over the last three years to engage key sectors in the development of this proposal.
 - It must engage further with the key parts of the aviation sector and other relevant stakeholders to understand the reluctance to support that common standard.
 - Consensus on a standard would be highly desirable. However, whilst the establishment of common standards has a good level of support amongst many airspace users and some providers of EC equipment, it remains controversial amongst some. Ultimately there may not be a solution that everyone will agree.
 - Any solution will need the DfT's support if a common EC standard is to be mandated in UK law to secure safety, innovation and access benefits. It is Government that determines any mandate through legislation.
 - Once the common standard is determined, the CAA will work with providers in the market to support any alignment of technical standards over an appropriate period of time to achieve genuine inter-operability.
- The CAA will continue to encourage bottom-up innovation into areas which might provide further opportunities for other new technologies to improve conspicuity and safety, working with other nations, providing they conform to the right standards.
- **Given the imperatives described above, the CAA is minded to recommend the establishment of a common standard for EC in the UK to take effect in 2024 based on ADS-B out transmission and dual 978/1090 frequencies.** This standard is equipment agnostic: what matters is the performance standard and that there is sufficient integrity of the approach for safety purposes. This standard would allow a vibrant and competitive conspicuity equipment and services market to develop.
- This minded to position is subject to three further phases of engagement and consultation with relevant stakeholders, which will take place at pace over the next few months.
 1. Education and communication: improving the understanding of the challenges that we face together and the potential benefits of EC;
 2. Continued engagement with key stakeholders on the CAA's minded to position to validate the technical integrity of the proposal and in addition to undertake.
 - Technical peer review by the FAA and CASA
 - Publication of the Qinetiq report on frequency saturation
 - An evaluation of how other countries around the world have adopted EC.
 3. A focussed consultation exercise with affected stakeholders on **how** the standards should be applied including:
 - Any exemptions to the general mandate
 - Technical relationships between existing systems
 - The proposed date of introduction of the mandate
 - The balance of manned and unmanned aviation across the two preferred frequencies
 - The role of non-standard products and technologies may play in the future.

Taking into account the outcome of these three steps, the CAA intends to make a final recommendation to the DfT on the technical standard and nature of any mandate for UK EC.

=====

Tim Johnson

Director of Strategy and Policy
Civil Aviation Authority
5th Floor 11 Westferry Circus
London
E14 4HD

T: [REDACTED]
M: [REDACTED]
E [REDACTED]@caa.co.uk

CAA website: caa.co.uk and Twitter: [@UK_CAA](https://twitter.com/UK_CAA)

Stevens Mark

From: Johnson Tim
Sent: 26 June 2020 18:39
To: [REDACTED]; [REDACTED]
Cc: Bishton Rob; [REDACTED]
Subject: FW: Electronic Conspicuity meeting 26 June Slides
Attachments: Electronic Conspicuity 26 June.pptx

[REDACTED], [REDACTED]

Hope you're both well.

Rob and I had a discussion with [REDACTED] at DfT this afternoon about next steps on EC. We're all keen to move the issue forward towards a successful conclusion. In addition to the steps we're already taking, we agreed to prepare a compelling presentation that sets out from first principles our approach to airspace/EC/why we think our approach is the best one (building on some initial thoughts from DfT officials, attached). We probably haven't had the opportunity to do this in a comprehensive way before for SoS. I've sketched out below the sort of issues this will need to cover – and am happy to have a go at a first draft but will welcome your help in pulling it together. Is there any existing material you can share that I can mine?

You've done an amazing amount of excellent work on this fundamental issue – given the importance of the prize, we all remain committed to working towards that outcome.

Best regards

Tim

1. Problem statement - UK airspace today:
 - How it is structured, how it works
 - What are its limitations that are constraining its use? Capacity limits, segregation (given UoS example), env inefficiencies etc
 - Safety trend data - including risk bearing airprox UAS/GA, UAS/CA, GA/CA. Reference fatal accident enquiries.
 - Growth in UAS – show some data on usage (flying hours of drones, GA, CAT, military). https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/827297/Military_flying_hours_by_fleet_FY2018-19.pdf
2. Given this context, what objectives do we have for airspace in the future?
3. What are we already doing to address these objectives? AMS, masterplan, classification review etc
4. How does conspicuity as a concept help address the objectives and what are our objectives for conspicuity?
5. UK's current approach to conspicuity: how effective is it in addressing the objectives? What will happen if we do nothing?
6. What are the essential building blocks for conspicuity?
7. What are the different options for achieving conspicuity objectives/building blocks?
8. What is the CAA's preferred option and why? What are the pros and cons of this approach?
9. Discussion on the merits of a blanket mandate, partial mandate, phased mandate, timescales.
10. What are the pros and cons for each stakeholder group (CA, military, GA in its component parts etc), and do we think they are broadly supportive of our approach or not?
11. How does the UK's current and proposed approach compare to other countries, and ICAO benchmarks?
12. What are the barriers to implementation/objections from stakeholders, and how might they be addressed?
13. Issues for discussion: are the objectives for AMS and conspicuity agreed? Are there elements of the CAA's proposal that are agreed, and elements that are open?
14. Next steps: publish Qinetiq report, FAA/CASA, consultation, back to SoS.

Tim Johnson

Director of Strategy and Policy
Civil Aviation Authority
5th Floor 11 Westferry Circus
London
E14 4HD

T: [REDACTED]
M: [REDACTED]
E: [REDACTED]@caa.co.uk

CAA website: caa.co.uk and Twitter: [@UK_CAA](https://twitter.com/UK_CAA)

From: [REDACTED]@dft.gov.uk]

Sent: 26 June 2020 14:57

To: Johnson Tim [REDACTED]@caa.co.uk>; Moriarty Richard [REDACTED]@caa.co.uk>; [REDACTED]
[REDACTED]@dft.gov.uk>; Bishton Rob [REDACTED]@caa.co.uk>; [REDACTED]
[REDACTED]@dft.gov.uk>

Subject: FW: Electronic Conspicuity meeting 26 June Slides

From: [REDACTED]

Sent: 26 June 2020 14:53

To: [REDACTED]@caa.co.uk

Subject: FW: Electronic Conspicuity meeting 26 June

[REDACTED] Aviation Directorate, Department for Transport

The information in this email may be confidential or otherwise protected by law. If you received it in error, please let us know by return e-mail and then delete it immediately, without printing or passing it on to anybody else. Incoming and outgoing e-mail messages are routinely monitored for compliance with our policy on the use of electronic communications and for other lawful purposes.



Department for Transport

Tim Johnson
Policy Director,
Civil Aviation Authority
Aviation House
Crawley
West Sussex,
RH6 0YR

[REDACTED]
Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: [REDACTED]

X September 2020

Dear Tim,

Electronic Conspicuity Devices Grant Fund Scheme

1. Until 31 March 2021 the Department for Transport will fund, under S12(1) of the Civil Aviation Act 1982, the CAA's costs of operating a grant funding scheme to encourage General Aviation pilots to utilise equipment to enable their aircraft to be conspicuous electronically.
2. This letter should be read alongside the Grant agreement at Annex B and is in addition to a letter from DfT of 29 April 2020 titled, 'General Aviation Programme- Electronic Conspicuity Grant for IT Solution', a copy of which is provided at Annex C.

Background

3. The Government supports the use by General Aviation (GA) pilots of systems which allow aircraft to be electronically conspicuous as a safety feature. This scheme will build on previous efforts by the CAA to raise awareness about Electronic Conspicuity (EC).
4. The scheme will allow pilots registered with the CAA to claim a rebate of 50%, up to £250 per applicant, for equipment purchased in the 2020/21 financial year. Our aim is to support up to 10,000 claims.
5. The CAA and DfT will continue work in parallel on a long-term strategy for EC and other financial means of supporting its uptake in the sector. DfT will notify the CAA as early as possible should funding be available to maintain the scheme into the 2021/22 financial year.

Task deliverable

- The CAA will deliver a grant scheme aimed at reducing the number of GA aircraft registered in the UK operating without any form of EC capability. The grant scheme should be open to receive applications from **5 October 2020 to 1 March 2021** to reimburse (in part) the costs of equipment purchased by applicants between **1 October 2020 and 28 February 2021** or earlier once all available funding is claimed.

This funding is to allow pilots registered with the CAA to claim a rebate of 50% on equipment purchased, up to a maximum of £250 per claim. Should the scheme need to close early, due to funding being exhausted, DfT and the CAA will agree a revised date for closure and communicate this in advance to the GA sector.

- DfT will provide up to £2,500,000 of capital funding which pilots will be able to claim through the CAA. The administration costs of operating the scheme are provided through the letter of 29 April 2020.
- The CAA should monitor the number of claims submitted, claims approved, claims rejected, funding issued and types of equipment claimed for. This information should be shared with DfT in an aggregate and anonymous format on a monthly basis. The CAA should not share any personal details of applicants with the DfT.

Criteria

The criteria outlined at Annex A will be the equipment eligible for grants under the scheme.

Funding available

	2020/21
Maximum grant fund budget – Capital	£2,500,000

The CAA will keep a record of the expenses it incurs. If it appears that there will be a shortfall in the funding, the CAA will contact the DfT General Aviation team promptly to agree remedial options, including the possible request of an additional grant or a reduction in programmed activities. Conversely if it appears that there will be an underspend then the DfT must be informed promptly. In any case, all funding spent by the CAA out of this grant, up to the grant total of £2,500,000 for 20/21, must be spent by 31 March 2021. If the CAA is unable to meet this requirement it should inform the DfT as soon as possible.

DfT will provide payment on a monthly basis in arrears to the CAA when the CAA have provided a breakdown of applications for the scheme. The CAA will provide written updates on a monthly basis.

No funding is provided through this letter for spending on communication activity. DfT and the CAA will mutually agree a communications plan for the launch of the grant fund and any funding provided through a separate agreement.

The details in this letter may be modified by written mutual consent.

 DfT

Annex A

EC Grant scheme criteria

Equipment eligible

Equipment able to be used on an aircraft for EC purposes currently available for sale including equipment types and manufacturers listed below:

- ADS-B out transponder certified GPS
 - ADS-B out transponder uncertified (Sil 0)
 - Flarm
 - Pilot Aware
 - Sky Echo
- Applications for alternative or newly developed equipment should be considered for inclusion on a case by case basis by the CAA.

Applicants eligible

Those holding the outlined licences below will be eligible to apply;

- Private Pilot Licence (PPL)
 - National Private Pilot's Licence PPL (NPPL)
 - Sailplane Pilot Licence (SPL)
 - Balloon Pilot Licence (BPL)
 - Light Aircraft Pilot Licence (LAPL)
 - Commercial Pilot Licence
- Active members of the British Hang Gliding and Paragliding Association (BHPA) and British Gliding Association (BGA) who do not hold pilot licences will be eligible, subject to the CAA agreeing a robust means of ensuring eligibility with these associations.
 - Unmanned Aircraft operators holding permissions in the Specific and Certified categories are eligible.

Time period

- Only equipment purchased between **01 October 2020 and 28 February 2021** will be eligible for a grant award from capital allocated to the CAA for the 2020/21 financial year.
- Only one payment per individual claimant can be made within the 2020/21 financial year.

Evidence

- Applicants should provide evidence of i) having purchased eligible equipment ii) the purchase having taken place within the timeframe of the scheme and iii) their eligibility as a license holder or other permitted person. The CAA should not make payments for any applications where this evidence is not provided.

THE DEPARTMENT FOR TRANSPORT

and

THE CIVIL AVIATION AUTHORITY

**GRANT FUNDING AGREEMENT FOR ELECTRONIC CONSPICUITY DEVICES GRANT
SCHEME 2020 / 2021**

This Grant Funding Agreement is made on X September 2020

Between:

- (1) The DEPARTMENT FOR TRANSPORT (DfT), acting on behalf of the Crown whose principal address is at Great Minster House, 33 Horseferry Road, London, SW1P 4DR (the “**Authority**”)
- (2) The CIVIL AVIATION AUTHORITY (CAA) whose principal address is at Aviation House, Crawley, West Sussex, RH6 0YR, (the “**Grant Recipient**”).

In relation to a grant scheme for Electronic Conspicuity (EC) devices in the 2020 / 2021 financial year.

Project Name: EC Device Grant Scheme

1. INTRODUCTION

- 1.1. This Grant Funding Agreement sets out the conditions which apply to the Grant Recipient receiving the Grant from the Authority up to the Maximum Sum.
- 1.2. The Authority and the Grant Recipient have agreed that the Authority will provide the Grant up to the Maximum Sum as long as the Grant Recipient uses the Grant in accordance with this Grant Funding Agreement.
- 1.3. The Authority makes the Grant to the Grant Recipient on the basis of a letter of X September 2020 from DfT to the CAA.

2. DEFINITIONS AND INTERPRETATION

- 2.1. Where they appear in these Conditions:

Annex means the annexes attached to these Conditions which form part of the Funding Agreement;

Asset means any assets that are to be purchased or developed using the Grant including equipment or any other assets which may be a Fixed Asset as appropriate in the relevant context, and **Assets** will be construed accordingly;

Asset Owning Period means the period during which the Assets are recorded as Assets in Grant Recipient's accounts;

Authority Personal Data means any Personal Data supplied for the purposes of, or in connection with, the Funding Agreement by the Authority to the Grant Recipient;

Bribery Act means the Bribery Act 2010 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning this legislation;

Capital Grant means the sum or sums of money provided by a grant making body to a grant recipient for items such as buildings, equipment, land or machinery;

Commencement Date means the date on which the Funding Agreement comes into effect, being the X September 2020.

Confidential Information means any information (however conveyed, recorded or preserved) disclosed by a Party or its personnel to another Party (and/or that Party's personnel) whether before or after the date of the Funding Agreement, including but not limited to:

- (a) any information that ought reasonably to be considered to be confidential (whether or not it is so marked) relating to:
 - (i) the business, affairs, customers, clients, suppliers or plans of the disclosing Party;
 - and
 - (ii) the operations, processes, product information, know-how, designs, trade secrets or software of the disclosing Party; and
- (b) any information developed by the Parties in the course of delivering the Funded Activities;
- (c) the Authority Personal Data;
- (d) any information derived from any of the above.

Confidential Information shall not include information which:

- (a) was public knowledge at the time of disclosure (otherwise than by breach of paragraph 11 of these Conditions);
- (b) was in the possession of the receiving Party, without restriction as to its disclosure, before receiving it from the disclosing Party;
- (c) is received from a Third Party (who lawfully acquired it) without restriction as to its disclosure; or
- (d) is independently developed without access to the Confidential Information.

Contracting Authority means any contracting authority (other than the Authority) as defined in regulation 2 of the Public Contracts Regulations 2015 (as amended);

Controller and Processor take the meaning given in the GDPR;

Change of Control means the sale of all or substantially all the assets of a Party; any merger, consolidation or acquisition of a party with, by or into another corporation, entity or person, or any change in the ownership of more than fifty percent (50%) of the voting capital stock of a party in one or more related transaction;

Crown Body means the government of the United Kingdom (including the Northern Ireland Assembly and Executive Committee, the Scottish Executive and the National Assembly for Wales), including, but not limited to, government ministers and government departments and particular bodies, persons, commissions or agencies from time to time carrying out functions on its behalf;

Disposal means the disposal, sale, transfer of the Grant or any interest in any Asset and includes any contract for disposal;

Data Protection Legislation means (i) the GDPR, and any applicable national implementing Law as amended from time to time, (ii) the Data Protection Act 2018 to the extent that it relates to the processing of Personal Data and privacy, and (iii) all applicable Law about the processing of Personal Data and privacy;

DPA 2018 means the Data Protection Act 2018;

Domestic Law means an applicable law, statute, bye-law, regulation, order, regulatory policy, guidance or industry code, judgment of a relevant court of law, or directives or requirements of any regulatory body, delegated or subordinate legislation which replaces EU law as a consequence of the UK leaving the European Union;

Domestic Successor means:

- (a) a body that takes over the functions of the EU Commission in the UK on the date the UK withdraws from the European Union; or
- (b) the relevant courts in England which take over the functions of the Court of Justice of the European Union in England on the date the UK withdraws from the European Union;

Duplicate Funding means funding provided by a Third Party to the Grant Recipient which is for the same purpose as the Grant, but has not been declared to the Authority;

Eligibility Criteria mean the Authority's selection criteria used to determine who should be grant recipients including the Grant Recipient;

Eligible Expenditure means the payments made by the Grant Recipient during the Funding Period for the purposes of delivering the Funded Activities which comply in all respects with the eligibility rules set out in paragraph 5 of these Conditions;

EIR means the Environmental Information Regulations 2004;

Event of Default means an event or circumstance as defined by paragraph 18.3;

Financial Year means from 1 April to 31 March;

Fixed Assets means any Asset which consists of land, buildings, plant and equipment acquired, developed, enhanced, constructed in connection with the Funded Activities;

FOIA means the Freedom of Information Act 2000 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation;

Funded Activity means the activities set out in Annex 2 of these Conditions;

Funding Period means the period for which the Grant is awarded starting on the Commencement Date and ending date.

General Data Protection Regulations and GDPR means Regulation (EU) 2016/679;

Grant means the sum or sums the Authority will pay to the Grant Recipient in accordance with paragraph 4 of these Conditions.

Grant Claim means the payment request submitted in writing by the Grant Recipient to the Authority for payment of the Grant;

Grant Funding Agreement means these Conditions together with its annexes and schedules including but not limited to the Annex 1 Grant Funding Letter;

Grant Funding Letter means the letter the Authority issued to the Grant Recipient dated **X** September 2020.

Grant Manager means the individual who has been nominated by the Authority to be the single point of contact for the Grant Recipient in relation to the Grant;

HRA means the Human Rights Act 1998 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation;

Ineligible Expenditure means expenditure which is not Eligible Expenditure and as set out in paragraph 5 of these Conditions;

Information Acts means the Data Protection Legislation, FOIA and the EIR, as amended from time to time;

Law mean any applicable law, statute, bye-law, regulation, order, regulatory policy, guidance or industry code, judgment of a relevant court of law, or directives or requirements of any regulatory body, delegated or subordinate legislation;

Maximum Sum means the maximum amount of the Grant the Authority will provide to the Grant Recipient for the Funded Activities;

Party means the Authority or Grant Recipient and **Parties** shall be each Party together;

Personal Data has the meaning given to it in the Data Protection Legislation as amended from time to time;

Procurement Regulations means the Public Contracts Regulations 2015, Concession Contracts Regulations 2016, Defence Security Public Contracts Regulations 2011 and the Utilities Contracts Regulations 2016 together with their amendments, updates and replacements from time to time;

Prohibited Act means:

- (a) directly or indirectly offering, giving or agreeing to give to any servant of the Authority or the Crown any gift or consideration of any kind as an inducement or reward for:
 - (i) doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of the Funding Agreement; or
 - (ii) showing or not showing favour or disfavour to any person in relation to the Funding Agreement;
- (b) committing any offence:
 - (iii) under the Bribery Act;
 - (iv) under legislation creating offences in respect of fraudulent acts; or
 - (v) at common law in respect of fraudulent acts in relation to the Funding Agreement; or
- (c) defrauding or attempting to defraud or conspiring to defraud the Authority or the Crown;

Remedial Action Plan means the plan of action submitted by the Grant Recipient to the Authority following an Event of Default.

Representatives means any of the Parties' duly authorised directors, employees, officers, agents, professional advisors and consultants;

Special Payments means ex gratia expenditure by the Grant Recipient to a third party where no legal obligations exist for the payment and/or other extra-contractual expenditure. Special Payments may include, but are not limited to, out-of-court settlements, compensation or additional severance payments to the Grant Recipient's employees;

Working Day means any day from Monday to Friday (inclusive) which is not specified or proclaimed as a bank holiday in England and Wales pursuant to section 1 of the Banking and Financial Dealings Act 1971 including Christmas Day and Good Friday

2.2. In these Conditions, unless the context otherwise requires:

- (1) the singular includes the plural and vice versa;
- (2) reference to a gender includes the other gender and the neuter;
- (3) references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Crown Body;
- (4) a reference to any Law includes a reference to that Law as amended, extended, consolidated or re-enacted from time to time;
- (5) the words "including", "other", "in particular", "for example" and similar words will not limit the generality of the preceding words and will be construed as if they were immediately followed by the words "without limitation";
- (6) references to "writing" include typing, printing, lithography, photography, display on a screen, electronic and facsimile transmission and other modes of representing or reproducing words in a visible form, and expressions referring to writing will be construed accordingly;
- (7) references to "representations" will be construed as references to present facts, to "warranties" as references to present and future facts and to "undertakings" as references to obligations under the Grant Funding Agreement;
- (8) references to "paragraphs" and "Annexes" are, unless otherwise provided, references to the paragraphs and annexes of these Conditions and references in any Annex to parts, paragraphs and tables are, unless otherwise provided, references to the parts, paragraphs and tables of the Annex in which these references appear; and
- (9) the headings in these Conditions are for ease of reference only and will not affect the interpretation or construction of these Conditions.

2.3. Where there is any conflict between the documents that make up this Grant Funding Agreement the conflict shall be resolved in accordance with the following order of precedence:

- 2.3.1. the Conditions set out within this Grant Funding Agreement;
- 2.3.2. Schedule 1 – The Authority's Grant Award Letter;

CONDITIONS

3. DURATION AND PURPOSE OF THE GRANT

- 3.1. The Funding Period starts on **X September 2020** (the **Commencement Date**) and ends on 31 March 2021 unless terminated earlier in accordance with this Grant Funding Agreement.
- 3.2. Only equipment purchased on or after **01 October 2020** and before 1 March 2021 will be eligible for inclusion. Should funding be exhausted before March 2020 an earlier closure date will be agreed and announced.

- 3.3. The Grant Recipient shall use the Grant solely for the delivery of the Funded Activities. The Grant Recipient may not make any changes to the Funded Activities.
- 3.4. If the Authority wants to make a change to the Funded Activities (including for example reducing the Grant or removing some of the Funded Activities from the Grant) it may do so on written notice to the Grant Recipient.

4. PAYMENT OF GRANT

- 4.1. Subject to the remainder of this paragraph 4 the Authority shall pay the Grant Recipient an amount not exceeding **£2,500,000 (Two million, five hundred thousand pounds)**. The Authority shall pay the Grant in pound sterling (GBP).
- 4.2. The signatory must be the CFO or someone with proper delegated authority. Any change of bank details must be notified immediately on the same form, signed by an approved signatory. Any change of signatory must be notified to the Authority for approval, as soon as known.
- 4.3. The Grant represents the Maximum Sum the Authority will pay to the Grant Recipient under the Funding Agreement. The Maximum Sum will not be increased in the event of any overspend by the Grant Recipient in its delivery of the Funded Activities.
- 4.4. **The Authority will only pay the Grant to the Grant Recipient once the Authority is satisfied that the Grant Recipient has provided a sufficient level of assurance to demonstrate that the Grant will be used for Eligible Expenditure.**
- 4.5. The Grant Recipient will provide the Authority with evidence of the costs/payments, which are classified as Eligible Expenditure which may include (but will not be limited to) receipts and invoices or any other documentary evidence specified by the Authority.
- 4.6. The Grant Recipient shall declare to the Authority any Match Funding which been approved or received, before the Commencement Date. If the Grant Recipient intends to apply for, is offered or receives any further Match Funding during the Funding Period, the Grant Recipient shall notify the Authority before accepting or using any such Match Funding. On notifying the Authority of the Match Funding the Grant Recipient shall confirm the amount, purpose and source of the Match Funding and the Authority shall confirm whether it is agreeable to the Grant Recipient accepting the Match Funding. If the Authority does not agree to the use of Match Funding the Authority shall be entitled to terminate the Grant Funding Agreement and where applicable, require all or part of the Grant to be repaid.
- 4.7. The Grant Recipient agrees that:
- 4.7.1. it will not apply for or obtain Duplicate Funding in respect of any part of the Funded Activity which have been paid for in full using the Grant;
- 4.7.2. The Authority will not make the first payment of the Grant and/or any subsequent payments of the Grant unless or until, the Authority is satisfied that:
- (i) The Grant Recipient will use the Grant payment for Eligible Expenditure only; and
 - (ii) if applicable, any previous Grant payments have been used for the Funded Activities or, where there are Unspent Monies, have been repaid to the Authority.
- 4.8. The Grant Recipient shall submit by the **last** Working Day of the month following the end of the relevant Instalment Period the Grant Claim and any other documentation as prescribed by the Authority, from time to time.

- 4.9. DfT will reimburse funding claimed in a timely manner.
- 4.10. The Authority will have no liability to the Grant Recipient for any Losses caused by a delay in the payment of a Grant Claim howsoever arising.
- 4.11. The Authority reserves the right not to pay any Grant Claims not submitted within the period set out in paragraph 4.8 or Grant Claims which are incomplete, incorrect or submitted without the full supporting documentation.
- 4.12. The Grant Recipient shall promptly notify and repay immediately to the Authority any money incorrectly paid to it either as a result of an administrative error or otherwise. This includes (without limitation) situations where the Grant Recipient is paid in error before it has complied with its obligations under the Grant Funding Agreement. Any sum which falls due under this paragraph 4.12, shall fall due immediately. If the Grant Recipient fails to repay the due sum immediately the sum will be recoverable summarily as a civil debt.
- 4.13. Where the Grant Recipient enters into a contract with a Third Party in connection with the Funded Activities, the Grant Recipient will remain responsible for paying that Third Party. The Authority has no responsibility for paying Third Party invoices.
- 4.14. Onward payment of the Grant and the use of sub-contractors shall not relieve the Grant Recipient of any of its obligations under the Grant Funding Agreement, including any obligation to repay the Grant.
- 4.15. The Grant Recipient may not retain any Unspent Monies without the Authority's prior written permission.
- 4.16. If at the end of the relevant Financial Year there are Unspent Monies, the Grant Recipient shall repay such Unspent Monies to the Authority within no later than 30 days of the Authority's request for repayment.

5. ELIGIBLE AND INELIGIBLE EXPENDITURE

- 5.1. The Authority will only pay the Grant in respect of Eligible Expenditure incurred by the Grant Recipient to deliver the Funded Activities, and the Grant Recipient will use the Grant solely for delivery of the Funded Activities.
- 5.2. The following costs/payments will be classified as Eligible Expenditure if incurred for the purposes of the Funded Activity:
 - 5.2.1. Fees charged or to be charged to the Grant Recipient by the external auditors/accountants for reporting/certifying that the grant paid was applied for its intended purposes.
 - 5.2.2. giving evidence to Parliamentary Select Committees;
 - 5.2.3. attending meetings with government ministers or civil servants to discuss the progress of a taxpayer funded grant scheme;
 - 5.2.4. responding to public consultations, where the topic is relevant to the objectives of the Funded Activities. To avoid doubt, Eligible Expenditure does not include the Grant Recipient spending the Grant on lobbying other people to respond to any such consultation (unless explicitly permitted in the Grant Funding Agreement);

- 5.2.5. providing independent, evidence based policy recommendations to local government, departments or government ministers, where that is the objective of a taxpayer funded grant scheme, for example, 'What Works Centres'; and
 - 5.2.6. providing independent evidence-based advice to local or national government as part of the general policy debate, where that is in line with the objectives of the Grant.
- 5.3. The Grant Recipient may not in any circumstance claim the following non-exhaustive list as Eligible Expenditure. The list below does not override activities which are deemed eligible in these Conditions:
- 5.3.1. Paid-for lobbying, which means using the Grant to fund lobbying (via an external firm or in-house staff) in order to undertake activities intended to influence or attempt to influence Parliament, government or political activity; or attempting to influence legislative or regulatory action;
 - 5.3.2. using the Grant to directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the grant;
 - 5.3.3. using the Grant to petition for additional funding;
 - 5.3.4. expenses such as for entertaining, specifically aimed at exerting undue influence to change government policy;
 - 5.3.5. input VAT reclaimable by the grant recipient from HMRC;
 - 5.3.6. payments for activities of a political or exclusively religious nature;
- 5.4. Other examples of expenditure which are prohibited include the following:
- 5.4.1. contributions in kind;
 - 5.4.2. interest payments or service charge payments for finance leases;
 - 5.4.3. gifts;
 - 5.4.4. statutory fines, criminal fines or penalties civil penalties, damages or any associated legal costs;
 - 5.4.5. payments for works or activities which the grant recipient, or any member of their Partnership has a statutory duty to undertake, or that are fully funded by other sources;
 - 5.4.6. bad debts to related parties;
 - 5.4.7. payments for unfair dismissal or other compensation;
 - 5.4.8. depreciation, amortisation or impairment of assets owned by the Grant Recipient;
 - 5.4.9. the acquisition or improvement of Assets by the Grant Recipient (unless the Grant is explicitly for capital use – this will be stipulated in the Grant Offer Letter); and
 - 5.4.10. liabilities incurred before the commencement of the Grant Funding Agreement unless agreed in writing by the Authority.

6. ANNUAL GRANT REVIEW

- 6.1. The Authority will review the Grant after the end of 2020 /21 financial year. It will take into account the Grant Recipient's delivery of the Funded Activities against the agreed outputs of this Grant Funding Agreement. As part of the annual review the Authority will review the reports produced by the Grant Recipient in accordance with paragraph 7 of these Conditions.

- 6.2. Each annual review may result in the Authority deciding that (for example a non-exclusive list includes):
- 6.2.1. the Funded Activities and the Grant Funding Agreement should continue in line with existing plans;
 - 6.2.2. there should be an increase or decrease in the Grant for the subsequent Financial Year;
 - 6.2.3. the outputs should be re-defined and agreed;
 - 6.2.4. the Grant Recipient should provide the Authority with a draft remedial action plan setting out the steps the Grant Recipient will take to improve delivery of the Funded Activities;
 - 6.2.5. the Authority should recover any Unspent Monies;
 - 6.2.6. the grant be terminated.
- 6.3. The Grant Recipient may make representations to the Authority regarding the Authority's decision made in accordance with paragraph 6.2.

7. MONITORING AND REPORTING

- 7.1. The Grant Recipient shall closely monitor the delivery and success of the Funded Activity throughout the Funding Period to ensure that the aims and objectives of the Funded Activities are achieved.
- 7.2. The Grant Recipient shall provide the Authority with all reasonable assistance and co-operation in relation to any ad hoc information, explanations and documents as the Authority may require, from time to time, so the Authority may establish whether the Grant Recipient has used the Grant in accordance with the Grant Funding Agreement. The Grant Recipient shall also provide the Authority with a quarterly report, or report at intervals to be determined by the Authority, on:
- 7.2.1. the progress made towards achieving the agreed outputs and the defined longer term outcomes set out in this Grant Funding Agreement. Where possible, the report will quantify what has been achieved by reference to the Funded Activities' targets; and
 - 7.2.2. if relevant, provide details of any Assets either acquired or improved using the Grant.
- 7.3. The Grant Recipient will permit any person authorised by the Authority reasonable access, with or without notice, to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Grant Recipient's fulfilment of its obligations under the Grant Funding Agreement and will, if so required, provide appropriate oral or written explanations to such authorised persons as required during the Funding Period.
- 7.4. The Grant Recipient will record in its financial reports the amount of Match Funding it receives together with details of what it has used that Match Funding for.
- 7.5. The Grant Recipient will notify the Authority as soon as reasonably practicable of:
- 7.5.1. any actual or potential failure to comply with any of its obligations under the Grant Funding Agreement, which includes those caused by any administrative, financial or managerial difficulties; and

- 7.5.2. actual or potential variations to the Eligible Expenditure of these Conditions and/or any event which materially affects the continued accuracy of such information.
- 7.6. The Grant Recipient represents and undertakes (and shall repeat such representations on delivery of its quarterly or periodic report):
 - 7.6.1. that the reports and information it gives pursuant to this paragraph 7 are accurate;
 - 7.6.2. that it has diligently made full and proper enquiry of the matter pertaining to the reports and information given; and
 - 7.6.3. that any data it provided pursuant to an application for the Grant may be shared within the powers conferred by legislation with other organisations for the purpose of preventing or detecting crime.

8. AUDITING AND ASSURANCE

- 8.1. The Authority may, at any time during and up to seven years after the end of the Grant Funding Agreement, conduct additional audits or ascertain additional information where the Authority considers it necessary. The Grant Recipient agrees to grant the Authority or its Representatives access, as required, to all Funded Activity sites and relevant records. The Grant Recipient will ensure that necessary information and access rights are explicitly included within all arrangements with and sub-contractors.
- 8.2. If the Authority requires further information, explanations and documents, in order for the Authority to establish that the Grant has been used properly in accordance with the Grant Funding Agreement, the Grant Recipient will, within 5 Working Days of a request by the Authority, provide the Authority, free of charge, with the requested information.
- 8.3. The Grant Recipient shall:
 - 8.3.1. nominate an independent auditor to verify the final statement of expenditure and income submitted to the Authority;
 - 8.3.2. identify separately the value and purpose of the Grant Funding in its audited accounts and its annual report; and
 - 8.3.3. maintain a record of internal financial controls and procedures and provide the Authority with a copy if requested.

Retention of documents

- 8.4. The Grant Recipient shall retain all invoices, receipts, accounting records and any other documentation (including but not limited to correspondence) relating to the Eligible Expenditure and all income generated by the Funded Activity during the Funding Period, and retain all accounting records relating to that expenditure and income for a period of 2 years from the date on which the Funding Period ends.
- 8.5. The Grant Recipient shall ensure that all its sub-contractors retain each record, item of data and document relating to the Funded Activity for a period of 2 years from the date on which the Funding Period ends.
- 8.6. The Grant Recipient will promptly provide revised forecasts of income and expenditure:
 - 8.6.1. when these forecasts increase or decrease by more than 10% of the original expenditure forecasts; and/or

8.6.2. at the request of the Authority.

9. FINANCIAL MANAGEMENT AND PREVENTION OF BRIBERY, CORRUPTION, FRAUD AND OTHER IRREGULARITY

- 9.1. The Grant Recipient will at all times comply with all applicable laws, statutes and regulations relating to anti-bribery and anti-corruption, including but not limited to the Bribery Act.
- 9.2. The Grant Recipient must have a sound administration and audit process, including internal financial controls to safeguard against fraud, theft, money laundering, counter terrorist financing or any other impropriety, or mismanagement in connection with the administration of the Grant. The Grant Recipient shall require that the internal and external auditors report on the adequacy or otherwise of that system.
- 9.3. All cases of fraud or theft (whether proven or suspected) relating to the Funded Activities must be notified to the Authority as soon as they are identified and explain to the Authority what steps are being taken to investigate the irregularity and keep the Authority informed about the progress of such investigation. The Authority may then request their referral (which the Grant Recipient is obliged to carry out) to external auditors or other third parties as required.
- 9.4. The Authority will have the right, at its absolute discretion, to insist that Grant Recipient take additional steps to address any actual or suspected fraud, theft or other financial irregularity and/or to suspend future payment of the Grant to the Grant Recipient. Any grounds for suspecting financial irregularity include those that the Grant Recipient, acting with due care, should have suspected, as well as what is actually proven.
- 9.5. The Grant Recipient agrees and accepts that it may become ineligible for grant support and be required to repay all or part of the Grant if it engages in tax evasion or aggressive tax avoidance in the opinion of HMRC.
- 9.6. For the purposes of paragraph 9.4 "financial irregularity" includes (but is not limited to) potential fraud or other impropriety, mismanagement, and the use of the Grant for any purposes other than those stipulated in the Grant Funding Agreement. The Grant Recipient may be required to provide statements and evidence to the Authority or the appropriate organisation as part of pursuing sanctions, criminal or civil proceedings.

10. CONFLICTS OF INTEREST

- 10.1. Neither the Grant Recipient nor its Representatives shall engage in any personal, business or professional activity which conflicts or could conflict with any of their obligations in relation to the Grant Funding Agreement.
- 10.2. The Grant Recipient must have and will keep in place adequate procedures to manage and monitor any actual or perceived bias or conflicts of interest.

11. CONFIDENTIALITY

- 11.1. Except to the extent set out in this paragraph 11 or where disclosure is expressly permitted, the Grant Recipient shall treat all Confidential Information belonging to the Authority as confidential and shall not disclose any Confidential Information belonging to the Authority to any other person without the prior written consent of the Authority, except to such persons who are directly involved in the provision of the Funded Activities and who need to know the information.

- 11.2. The Grant Recipient gives its consent for the Authority to publish the Grant Funding Agreement in any medium in its entirety (but with any information which is Confidential Information belonging to the Authority or the Grant Recipient redacted), including from time to time agreed changes to the Grant Funding Agreement.
- 11.3. Nothing in this paragraph 11 shall prevent the Authority disclosing any Confidential Information obtained from the Grant Recipient:
- 11.3.1. for the purpose of the examination and certification of the Authority's accounts; or pursuant to section 6(1) of the National Audit Act 1983, of the economy, efficiency and effectiveness with which the Authority has used its resources; or
 - 11.3.2. to any government department, consultant, contractor or other person engaged by the Authority, provided that in disclosing information under the Authority only discloses the information which is necessary for the purpose concerned and requests that the information is treated in confidence and that a confidentiality undertaking is given where appropriate;
 - 11.3.3. where disclosure is required by Law, including under the Information Acts.
- 11.4. Nothing in this paragraph 11 shall prevent either Party from using any techniques, ideas or know-how gained during the performance of its obligations under the Grant Funding Agreement in the course of its normal business, to the extent that this does not result in a disclosure of the other Party's Confidential Information or an infringement of the other Party's Intellectual Property Rights.

12. TRANSPARENCY

- 12.1. The Authority and the Grant Recipient acknowledge that, except for any information which is exempt from disclosure in accordance with the provisions of the Information Acts, the content of the Grant Funding Agreement is not confidential.

13. STATUTORY DUTIES

- 13.1. The Grant Recipient agrees to adhere to its obligations under the Law not limited to the Information Acts and the HRA.
- 13.2. The Grant Recipient hereby acknowledges that the Authority is subject to requirements under the Information Acts. Where requested by the Authority, the Grant Recipient will provide reasonable assistance and cooperation to the Authority to assist the Authority's compliance with its information disclosure obligations.
- 13.3. On request from the Authority, the Grant Recipient will provide the Authority with all such relevant documents and information relating to the Grant Recipient's data protection policies and procedures as the Authority may reasonably require.
- 13.4. The Grant Recipient acknowledges that the Authority, acting in accordance with the codes of practice issued and revised from time to time under the Information Acts, may disclose information concerning the Grant Recipient and the Grant Funding Agreement without consulting the Grant Recipient.
- 13.5. The Authority will take reasonable steps to notify the Grant Recipient of a request for information to the extent that it is permissible and reasonably practicable for it to do so. Notwithstanding any other provision in the Grant Funding Agreement, the Authority will be responsible for

determining in its absolute discretion whether any information is exempt from disclosure in accordance with the Information Acts.

14. SPENDING CONTROLS – MARKETING, ADVERTISING, COMMUNICATIONS AND CONSULTANCY

- 14.1. The Grant Recipient must seek permission from the Authority prior to any proposed expenditure on advertising, communications, consultancy or marketing either in connection with, or using the Grant.
- 14.2. The Grant Recipient should provide evidence that any marketing, advertising, communications and consultancy expenditure carried out in connection with, or using the Grant will deliver measurable outcomes that meet government objective to secure value for money.

15. LOSSES, GIFTS AND SPECIAL PAYMENTS

- 15.1. The Grant Recipient must obtain prior written consent from the Authority before:
 - 15.1.1. writing off any debts or liabilities;
 - 15.1.2. offering to make any Special Payments; and
 - 15.1.3. giving any gifts.in connection with this Grant Funding Agreement.
- 15.2. The Grant Recipient will keep a record of all gifts, both given and received, in connection with the Grant or any Funded Activity.

16. PUBLICITY

- 16.1. The Grant Recipient gives consent to the Authority to publicise in the press or any other medium the Grant and details of the Funded Activity or any monitoring reports submitted to the Authority in accordance with paragraph 7.2 of these Conditions.
- 16.2. The Grant Recipient will comply with all reasonable requests from the Authority to facilitate visits, provide reports, statistics, photographs and case studies that will assist the Authority in its promotional and fundraising activities relating to the Funded Activities.

17. CHANGES TO THE AUTHORITY'S REQUIREMENTS

- 17.1. The Authority will notify the Grant Recipient of any changes to its activities which are supported by the Grant.
- 17.2. The Grant Recipient will accommodate any changes to the Authority's needs and requirements under these Conditions.

18. CLAWBACK, EVENTS OF DEFAULT, TERMINATION AND RIGHTS RESERVED FOR BREACH AND TERMINATION

- 18.1. Without prejudice to the Authority's other rights and remedies, if the Grant Recipient fails to comply with any of its obligations in the Grant Funding Agreement, the Authority may in

preference to the standard notice period set out in paragraph 18.16 and at its discretion, reduce, suspend, or terminate payments of the Grant, or require any part or all of the Grant to be repaid.

- 18.2. Where the Authority requires any part or all of the Grant to be repaid in accordance with paragraph 18.1 above, the Grant Recipient shall repay this amount no later than 30 days from the date it received the demand for repayment.
- 18.3. The Authority may exercise its rights set out in paragraph 20 if, in particular, any of the following events occurs:
- 18.3.1. the Grant Recipient uses the Grant for a purpose other than the Funded Activities or fails to comply with any of the other obligations of the Grant Funding Agreement;
 - 18.3.2. the delivery of the Funded Activity does not start within three (3) months of the Commencement Date and the Grant Recipient has failed to provide the Authority with a satisfactory explanation for the delay, or failed to agree a new Commencement Date with the Authority;
 - 18.3.3. the Grant Recipient uses the Grant for ineligible expenditure;
 - 18.3.4. the Grant Recipient fails, in the Authority's opinion, to make satisfactory progress with the Funded Activity and, in particular, with meeting the Agreed Outputs set out in Annex 3 of these Conditions and has failed;
 - 18.3.5. the Grant Recipient fails to:
 - (i) submit an adequate Remedial Action Plan to the Authority following a request by the Authority pursuant to paragraph 6.2.4; or
 - (ii) improve delivery of the Funded Activity in accordance with the Remedial Action Plan approved by the Authority;
 - 18.3.6. the Grant Recipient is, in the opinion of the Authority, delivering the Funded Activities in a negligent manner (in this context negligence includes but is not limited to failing to prevent or report actual or anticipated fraud or corruption);
 - 18.3.7. the Grant Recipient fails to declare Duplicate Funding;
 - 18.3.8. the Grant Recipient obtains Match Funding or funding from a Third Party which, in the opinion of the Authority, undertakes activities that are likely to bring the reputation of the Funded Activities or the Authority into disrepute;
 - 18.3.9. the Grant Recipient provides the Authority with any materially misleading or inaccurate information and/or information any of the information provided in their grant application or in any subsequent supporting correspondence is found to be incorrect or incomplete to an extent which the Authority considers to be significant;
 - 18.3.10. the Grant Recipient commits or committed a Prohibited Act or fails to report a Prohibited Act to the Authority, whether committed by the Grant Recipient or a Third Party, as soon as they become aware of it;
 - 18.3.11. the Authority determines (acting reasonably) that any director or employee of the Grant Recipient:
 - (i) has acted dishonestly or negligently at any time during the term of the Grant Funding Agreement and to the detriment of the Authority;
 - (ii) has taken any actions which unfairly bring or are likely to unfairly bring the Authority's name or reputation and/or the Authority into disrepute. Actions include omissions in this context;
 - (iii) transfers, assigns or novates the Grant to any Third Party without the Authority's consent;
 - (iv) cease to operate for any reason, or passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation);
 - (v) becomes insolvent as defined by section 123 of the Insolvency Act 1986, or is declared bankrupt, or is placed into receivership, administration or liquidation, or a petition has been presented for the winding up of the Grant Recipient, or it enters

- into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due;
 - (vi) has incurred expenditure on activities that breach the Law;
 - (vii) the European Commission (or a Domestic Successor) or the Court of Justice of the European Union (or Domestic Successor) requires any Grant paid to be recovered by reason of a breach of State Aid Law or the Grant Recipient fails to comply with the provisions of the exemption or scheme under State Aid Law that applies to the Funded Activity and the Grant;
- 18.3.12. The Grant Recipient breaches the Code of Conduct for Grant Recipients ([the Code of Conduct](#)) and/or fails to report an actual or suspected breach of the Code of Conduct by the Grant Recipient or its Representatives.

Rights reserved for the Authority in relation to an Event of Default

- 18.4. Where the Authority determines that an Event of Default has or may have occurred, the Authority may by written notice to the Grant Recipient take any one or more of the following actions:
- 18.4.1. suspend the payment of the Grant for such period as the Authority shall determine; and/or
 - 18.4.2. reduce the Maximum Sum, in which case the payment of the Grant shall thereafter be made in accordance with the reduction and notified to the Grant Recipient; and/or
 - 18.4.3. cease to make payments of the Grant to the Grant Recipient under the Grant Funding Agreement and (in addition) require the Grant Recipient to repay the Authority the whole or any part of the amount of the Grant previously paid to the Grant Recipient. Such sums shall be recovered as a civil debt; and/or
 - 18.4.4. terminate the Grant Funding Agreement.

Opportunity for the Grant Recipient to remedy an Event of Default

- 18.5. If the Authority gives written notice to the Grant Recipient pursuant to paragraph 20 to suspend payment of the Grant, such notice shall specify the relevant Event of Default and give the Grant Recipient an opportunity to rectify the relevant Event of Default by submitting a Draft Remedial Action Plan for approval by the Authority.
- 18.6. Where the Grant Recipient is required to submit a draft Remedial Action Plan in accordance with paragraph 6.2.4, the draft Remedial Action Plan shall be submitted to the Authority for approval within 5 Working Days of the Grant Recipient receiving notice from the Authority.
- 18.7. The draft Remedial Action Plan shall set out:
- 18.7.1. full details of the Event of Default; and
 - 18.7.2. the steps which the Grant Recipient proposes to take to rectify the Event of Default including timescales for such steps.
- 18.8. On receipt of the draft Remedial Action Plan and as soon as reasonably practicable, the Authority will submit its comments on the draft Remedial Action Plan to the Grant Recipient.
- 18.9. The Authority shall have the right to accept or reject the draft Remedial Action Plan. If the Authority rejects the draft Remedial Action Plan, the Authority shall confirm, in writing, the reasons why they have rejected the draft Remedial Action Plan and will confirm whether the Grant Recipient is required to submit an amended Remedial Action Plan to the Authority.
- 18.10. If the Authority directs the Grant Recipient to submit an amended draft Remedial Action Plan, the Parties shall agree a timescale for the Grant Recipient to amend the draft Remedial Action Plan to take into account the Authority's comments.

- 18.11. If the Authority does not approve the draft Remedial Action Plan the Authority may at its absolute discretion terminate the Grant Funding Agreement.
- 18.12. The Authority shall not by reason of the occurrence of an Event of Default which is, in the opinion of the Authority, capable of remedy, exercise its rights under either paragraph 18.4 unless the Grant Recipient has failed to rectify the default to the satisfaction of the Authority.

Change of Control

- 18.13. The Grant Recipient shall notify the Authority immediately in writing and as soon as the Grant Recipient is aware (or ought reasonably to be aware) that it is anticipating, undergoing, undergoes or has undergone a Change of Control and provided such notification does not contravene any Law.
- 18.14. The Grant Recipient shall ensure that any notification made pursuant to paragraph 18.13 shall set out full details of the Change of Control including the circumstances suggesting and/or explaining the Change of Control.
- 18.15. If the Authority, acting reasonably, considers that:
- 18.15.1. the Change of Control will be materially detrimental to the Funded Activities; and/or
 - 18.15.2. the new body corporate cannot continue to receive the Grant because it does not meet the Eligibility Criteria used to award the Grant to the Grant Recipient;
 - 18.15.3. the Authority believes that the Change of Control would raise national security concerns;
 - 18.15.4. the new body corporate intends to make fundamental changes to the purpose for which the Grant was given;

the Authority shall be entitled to exercise its rights to reduce, suspend, or terminate payments of Grant, require any part or all of the Grant to be repaid, and/or terminate the Grant Funding Agreement by providing the Grant Recipient with notification of its proposed action in writing within three (3) months of:

- (i) being notified in writing that a Change of Control is anticipated or is in contemplation or has occurred; or
- (ii) where no notification has been made, the date that the Authority becomes aware that a Change of Control is anticipated or is in contemplation or has occurred.

General Termination rights

- 18.16. Notwithstanding the Authority's right to terminate the Grant Funding Agreement pursuant to paragraph 18 above, either Party may terminate the Grant Funding Agreement at any time by giving written notice of at least 3 months or a timescale proportionate to the Funding Period, whichever is the shorter, to the other Party.
- 18.17. If applicable, all Unspent Monies (other than those irrevocably committed in good faith before the date of termination, in line with the Grant Funding Agreement and approved by the Authority as being required to finalise the Funded Activities) shall be returned to the Authority within 30 days of the date of receipt of a written notice of termination from the Authority.
- 18.18. If the Authority terminates the Grant Funding Agreement the Authority may choose to pay the Grant Recipient's reasonable costs in respect of the delivery of the Funded Activities performed up to the termination date. Reasonable costs will be identified by the Grant Recipient and will be subject to the Grant Recipient demonstrating that they have taken adequate steps to mitigate

their costs. For the avoidance of doubt, the amount of reasonable costs payable will be determined solely by the Authority.

- 18.19. The Authority will not be liable to pay any of the Grant Recipient's costs or those of any contractor/supplier of the Grant Recipient related to any transfer or termination of employment of any employees engaged in the provision of the Funded Activities.

19. EXIT PLAN

- 19.1. Where the Authority requires the Grant Recipient to prepare an Exit Plan to allow the cessation or seamless transfer of the Funded Activities, the Grant Recipient shall prepare the Exit Plan within three (3) months of the signing of the Grant Funding Agreement and shall comply with the exit provisions set out in Annex 5 of these Conditions.

20. DISPUTE RESOLUTION

- 20.1. The Parties will use all reasonable endeavours to negotiate in good faith, and settle amicably, any dispute that arises during the continuance of the Grant Funding Agreement.
- 20.2. All disputes and complaints (except for those which relate to the Authority's right to withhold funds or terminate the Grant Funding Agreement) shall be referred in the first instance to the Parties' Representatives.
- 20.3. If the dispute cannot be resolved between the Parties' Representatives within a maximum of 3 months, then the matter will be escalated to formal meeting between the Authority and the Grant Recipient's chief executive (or equivalent).

21. LIMITATION OF LIABILITY

- 21.1. The Authority accepts no liability for any consequences, whether direct or indirect, that may come about from the Grant Recipient running the Funded Activities, the use of the Grant, or from withdrawal, withholding or suspension of the Grant. The Recipient shall indemnify and hold harmless the Authority, its Representatives with respect to all actions, claims, charges, demands, Losses and proceedings arising from or incurred by reason of the actions and/or omissions of the Grant Recipient in relation to the Funded Activities, the non-fulfilment of obligations of the Grant Recipient under this Grant Funding Agreement or its obligations to Third Parties.
- 21.2. Subject to this paragraph 21, the Authority's liability under this Grant Funding Agreement is limited to the amount of Grant outstanding.

22. CODE OF CONDUCT FOR GRANT RECIPIENTS

- 22.1. The Grant Recipient acknowledges that by signing the Grant Funding Agreement it agrees to take account of the Code of Conduct for Grant Recipients ([the Code of Conduct](#)) and that it will ensure that its Representatives undertake their duties in a manner consistent with the principles set out in the Code of Conduct.
- 22.2. The Grant Recipient shall immediately notify the Authority if it becomes aware of any actual or suspected breaches of the principles outlined in the Code of Conduct.
- 22.3. The Grant Recipient acknowledges that a failure to notify the Authority of an actual or suspected breach of the Code of Conduct may result in the Authority immediately suspending the Grant

funding, terminating the Grant Funding Agreement and taking action to recover some or all of the funds paid to the Grant Recipient.

23. NOTICES

- 23.1. All notices and other communications in relation to this Grant Funding Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, e-mailed, or mailed (first class postage prepaid) to the address of the relevant party, as referred to in Annex 4 or otherwise notified in writing. All notices and other communications must be marked for the attention of the contact specified in Annex 4 (Contact Details). If personally delivered or if e-mailed all such communications shall be deemed to have been given when received (except that if received on a non-working day or after 5.00 pm on any Working Day they shall be deemed received on the next Working Day) and if mailed all such communications shall be deemed to have been given and received on the second Working Day following such mailing.

24. GOVERNING LAW

- 24.1. These Conditions will be governed by and construed in accordance with the law of England and the Parties irrevocably submit to the exclusive jurisdiction of the English courts.

SIGNED by:

.....
Signature


for and on behalf of the
Department for Transport

.....
Title

.....
Date

SIGNED by

.....
Signature

*[insert authorised
signatory's
name]*

.....
Title

for and on behalf of Civil
Aviation Authority

.....
Date

ANNEX 1 – Grant letter

To be added

Draft

ANNEX 2 –THE FUNDED ACTIVITIES

1. Background/purpose of the Grant

1.1. Background

- The Government supports the adoption of Electronic Conspicuity (EC) equipment in aviation. The purpose of the grant scheme is to assist General Aviation pilots to purchase this equipment.

1.2. Aims and objectives of the Funded Activity

- At present not all General Aviation pilots registered with the CAA use EC equipment. The purpose of the grant fund is to reduce the number of pilots not using this equipment and increase awareness within the GA community of EC technology.

2. Funded Activities

- Operation of a grant fund scheme to allow the partial reimbursement of funds for EC devices purchases as set out in the Grant letter.

3. Payment Schedule

- DfT will reimburse the CAA on a monthly basis in arrears subject to receipt of evidence of the number of applications processed and grant funding paid.

ANNEX 3 – AGREED OUTPUTS AND LONG TERM OUTCOMES

The Grant Recipient is required to achieve the following milestones and performance measures in connection with the Grant:

Agreed Outputs

1. CAA to operate a grant fund scheme from **1 October** 2020 to 31 March 2021 or until the funding available is fully used if earlier.
2. Funding to support the reimbursement of EC devices as set out in the criteria at Annex A of the Grant letter.
3. CAA to collect information through the online Grant rebate system on whether applicants already use EC equipment and the types of devices purchased, to be shared with DfT in an anonymous format.

ANNEX 4 – CONTACT DETAILS

The main departmental contact in connection with the Grant is:

Name of contact –	
Position in organisation –	
Email address –	[REDACTED]@dft.gov.uk
Telephone number –	
Postal address – Aviation Directorate, Great Minister House, 33 Horseferry Road, London, SW1P 4DR.	

This information is correct at the date of the Grant Funding Agreement. The Authority will send you a revised contact sheet if any of the details changes.

The Grant Recipient's main contact in connection with the Grant Funding Agreement is:

Reference	
Organisation	[REDACTED]
Name of contact	[REDACTED]
Position in organisation	[REDACTED]
Email address	[REDACTED]
Telephone number	[REDACTED]
Fax number	[REDACTED]
Postal address	[REDACTED]

Please inform the Authority if the Grant Recipient's main contact changes.

ANNEX 5 - EXIT

1. The following definitions shall apply in addition to the definitions contained in paragraph 2.1 of these Conditions (Definitions):

“Exit Plan” means the plan prepared and submitted by the Grant Recipient to the Authority to enable the smooth closure or transfer of the Funded Activities to the Authority or successor of the Grant Recipient.

General

2. The Grant Recipient will prepare an Exit Plan within the first three months of this Grant Funding Agreement to allow the smooth closure of the Funded Activities.
3. Where the Authority intends to continue the operation of the Funded Activities in broadly the same way after expiry or termination of the Grant Funding Agreement, either by performing them itself or by means of a successor, the Grant Recipient shall endeavour to ensure the smooth and orderly transition of the Funded Activities and shall co-operate with the Authority or the successor, as the case may be, in order to achieve such transition.
4. When such endeavours and co-operation are outside the scope of the Grant, the Grant Recipient shall provide quotations for reasonable charges associated with providing such assistance and the Authority shall pay such reasonable charges.
5. The Grant Recipient will comply with any reasonable request of the Authority for information relating to the performance of the Funded Activities.

Exit Planning

6. The Grant Recipient will, in conjunction with the Authority, maintain, and as necessary update, the Exit Plan throughout the Funding Period so that it can be implemented immediately, if required. From time to time either the Authority or the Grant Recipient may instigate a review of the Exit Plan.
7. The Grant Recipient will co-operate with all reasonable requests made by either the Authority or a successor body relating to exit transition arrangements for the Funded Activities.

Assistance

8. The Grant Recipient will use all reasonable endeavours to ensure that a transition of responsibility for the delivery of the Funded Activities to the successor body or the Authority, as the case may be, minimises any detrimental effect on the delivery of the Funded Activities, and the Authority will use all reasonable endeavours to co-operate in such transfer.

Assets Register

9. The Grant Recipient shall maintain throughout the exit period of this Grant an Asset register in accordance with the Terms and Conditions of the Grant Funding Agreement.
10. The Grant Recipient shall not change the status of any Asset without the prior written consent of the Department where such a change would either be viewed as a major

change or would require repayment in accordance with the Terms and Conditions of the Grant Funding Agreement.

Documentation and Access

11. The Grant Recipient shall provide the Authority on request with information and documentation reasonably necessary to assist with the transfer of the Funded Activities to the Authority or to a successor body, including any documentation required to support any bidding process for the provision of the Funded Activities. This includes full details of:
 - a) the work programme, objectives/targets, and other services delivered by the Grant Recipient under this Grant Funding Agreement;
 - b) any software, including Third Party software and any hardware used in connection with the delivery of the Funded Activities;
 - c) software and supply agreements used to deliver any services associated with delivery of the Funded Activities, including the agreements relating to any Third Party software identified by name of supplier, term of Grant, and charges payable under the Grant; and
 - d) any employees used by the Grant Recipient to help deliver the Funded Activities who are essential to this delivery; this information shall be provided under conditions of confidentiality reasonably acceptable to the Grant Recipient.
12. The Authority may make the documentation available to suppliers who wish to bid for the provision of the activities. The Grant Recipient shall respond expediently and in full to any reasonable questions by the Authority or the suppliers and shall co-operate with any reasonable due diligence activities carried out by suppliers.

Transfer Support Activities

13. The Grant Recipient shall co-operate with all reasonable requests made by either the Authority or a successor relating to the Funded Activities transition arrangements. The Authority and the Grant Recipient shall discuss the implementation plan for the transition of the activities to either the Authority or a Successor body.



Department for Transport

Tim Johnson
Policy Director,
Civil Aviation Authority
Aviation House
Crawley
West Sussex,
RH6 0YR

[REDACTED]
[REDACTED]
[REDACTED] DfT
Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: [REDACTED]

29/04/2020

Dear Tim,

General Aviation Programme- Electronic Conspicuity Grant for IT Solution

1. In accordance with the Secretary of State's powers under section 12(1) of the Civil Aviation Act 1982, the Department for Transport will provide funding to the CAA in 2020/21, to complete work on an IT system, which when completed will allow pilots to apply for Electronic Conspicuity equipment online, have their entitlement confirmed, and be subsequently reimbursed for the equipment they purchase. The CAA are expected to commence work on the project from 30 April 2020. The total sum of funding is £378,559. A break-down of the budget is as follows:
 - £307,440 for the Project including any operational costs;
 - £71,119 for the development costs including design and website testing.
2. The Department will arrange for the payment of funds in arrears to be made on receipt of an invoice and supporting evidence of work having been undertaken towards meeting the key performance indicators listed in the table below. A maximum of one payment per calendar month may be claimed unless otherwise agreed with the Department.
3. The IT system developed should be as described in Annex A as the 'Recommended solution' and should be ready to process applications for grant funding from 1 September 2020. The system will be used for an Electronic Conspicuity aircraft device grant scheme, however as noted in Annex A will also be suitable for use in alternative or additional grant schemes operated by the CAA. The precise criteria for the aircraft device grant scheme will be set out in a further letter.

4. The CAA is directed to use this budget only as detailed above and is therefore required to provide evidence on a monthly basis, to demonstrate, that the KPIs have been met and the budget has been spent on relevant activity.
5. The CAA is also expected to keep a record of the expenses it incurs, and if it appears that there will be a shortfall in the funding, the CAA should contact the DfT promptly to agree remedial options, including the possible request of an additional grant or a reduction in agreed activities.
6. Conversely if it appears that there will be an underspend then the DfT must be informed promptly as the resource could be used to offset overspends elsewhere in the programme.

List of eligible expenditure

7. This grant will cover the following types of expenditure and costs associated with:
 - Recruitment and employment of staff, including job advertisement.
 - Consultancy and hiring consultants.
 - The purchase of equipment previously agreed with the Department to be necessary for the IT solution.

2020 /21 KPIs

KPI	Completion date
The CAA to develop a robust online system able to securely process applications for grant funding.	<ul style="list-style-type: none"> • System able to process applications by 1 September 2020.
System able to process as a minimum 10,000 applications per annum.	<ul style="list-style-type: none"> • CAA should monitor system performance on an ongoing basis.
Online system to adhere to the Public Sector Bodies (websites and mobile applications) Accessibility Regulations 2018.	<ul style="list-style-type: none"> • CAA should monitor on an ongoing basis.
The system should be able to provide an efficient and clear user experience to applicants.	<ul style="list-style-type: none"> • On an ongoing basis, CAA to monitor, identify and rectify faults. • The CAA should record all formal complaints received regarding the system and make this available to DfT on request.
The CAA to provide on a monthly basis information on progress in the project including spending and risk mitigation.	<ul style="list-style-type: none"> • Information to be provided by the 10th working day of each month in regard to the previous month, to those named at paragraph 9 below.

The CAA will not exceed the budget for the 2020/21 financial year.	<ul style="list-style-type: none"> • 31 March 2021.
DfT will agree with the CAA the criteria for grant schemes processed through the portal.	<ul style="list-style-type: none"> • Ongoing.

8. As with all CAA funding we will review grants over the course of the coming year and reserve the right to revisit future sums, which are subject to wider decisions on government spending and departmental budgets.

9. The details of this letter can be modified in writing by mutual consent. Please direct any queries in first instance to [REDACTED]
[REDACTED] and [REDACTED]
[REDACTED].

Yours sincerely,

[REDACTED]

[REDACTED]
[REDACTED] DfT

Annex A – CAA Electronic Conspicuity Rebate Proposal v.2 document dated 10 March 2020.

Extract from Board Paper Doc 2020-63, Monthly report by the Chief Executive to the Board, 16 September 2020

Electronic conspicuity update

9. Over the summer, we have continued with the actions we agreed with the Board in June. We are waiting to hear what our peers the FAA and CASA (Australian CAA) think about our proposals and have had further engagement with airspace and General Aviation (GA) representatives. This included a valuable session with [REDACTED]
[REDACTED] was clear that some parts of the GA sector are likely to be supportive of our approach, particularly the more commercial end of the sector. However, the lighter leisure end of the sector didn't understand the rationale for a national EC mandate and its timing and thought that any mandate would be disproportionate given the low risk and often remote locations in which their activity takes place.
10. In parallel, we have had a series of discussions with DfT officials. These have focussed on the nature and scale of the problem we're trying to address, the case for action now, the balance of policy objectives and the range of options for meeting these objectives. We have also started to look in more detail at what our 'next best' solution might be if our 'minded to' position of a full national mandate doesn't have DfT support. This package might include establishment of some recommended standards, expansion of mandated surveillance zones in areas of higher drone activity and a package of incentives to encourage users to meet the recommended standards (e.g. an equipment scrappage scheme). The case of a full national mandate could then be kept under review.

Caveat text:

- **Application not complete**
- **Avoka form tech coming**
- **Claimant will receive an email once Avoka up and running**
- **Once DfT decide on launch date. Date to be placed here**

Introduction

The Civil Aviation Authority (CAA) has received funding from the Department of Transport (DfT) to encourage the adoption of Electronic Conspicuity (EC) within the General Aviation (GA) community.

The request from DfT is to administer a rebate scheme targeting the GA sector to incentivise the purchase and carriage of an EC device. The scheme will provide to qualifying applicants producing a valid proof of purchase receipt, a 50% rebate of purchase cost (including VAT) to a maximum of £250.00 per applicant.

It is hoped that the rebate scheme will target up to 10,000 General Aviation Pilots actively flying within the UK. The level of funding and its availability is limited we would therefore recommend an early application if you wish to avail of the scheme.

What is Electronic Conspicuity

EC is an umbrella term for technologies that can help airspace users and air traffic services (ATS) be more aware of the contributing aircraft operating in the same piece of airspace, strengthening the principle of 'see and avoid' with the ability to 'detect and be detected'. The phrase 'EC solutions' refers to the devices, systems and infrastructure that bring these technologies to market and ensure they are interoperable. Airborne transponders, transceivers, moving map displays, air traffic data displays, ground-based antennas and satellite surveillance services are all examples of EC solutions. The information generated by EC solutions can be presented to pilots and ATS visually, audibly or both. Full adoption of EC solutions means 100% of users operating in a designated block of airspace can be detected electronically.

The intention of the funding scheme is to focus on the Airborne elements of equipage amongst the General Aviation community.

Why the CAA is looking at Electronic Conspicuity

In line with its Airspace Modernisation Strategy (AMS), EC can play a vital role in three key areas:

1. Enabling the on-going modernisation of the UK's airspace structure and route network in line with other key AMS initiatives.
2. Helping to mitigate the risk of mid-air collisions in Class G, and infringements into controlled airspace.

3. Enabling the safe and efficient integration of UAS (Unmanned Aircraft System) operations with conventional air traffic.

Whilst this strategy and the technical equipment to deliver it are being developed, the CAA has recently published an AIC [AIC2019Y141](#) setting out the steps that can be made to enable 'ADS-B out' throughout the General Aviation fleet to reflect recent changes and developments from EASA and the CAA's own work.

The CAA and DfT recognise that there are a range of EC solutions on the market which manufacturers and the GA community have developed suitable for their own flying needs. The use of these technologies provides several benefits to the airspace user, however there is a need to understand the limitations of such sub-systems and who they can interact with. In parallel to the grant scheme work will continue on a long term strategy for EC. Surveillance technology will develop quickly, both in the short and longer term. We are open to exploring and embracing new technologies.

Equipment eligible

Equipment able to be used on an aircraft for EC purposes currently available for sale including equipment types and manufacturers listed below:

- ADS-B out transponder certified GPS
- ADS-B out transponder uncertified (Sil 0)
- Flarm
- Pilot Aware
- Sky Echo
- Applications for alternative or newly developed equipment should be considered for inclusion on a case by case basis by the CAA.

The inclusion of equipment in this list does not constitute CAA or Government endorsement of a product. Applicants are advised to consider the technical specifications of any product and the type of flying they undertake before making a purchase.

Applicants eligible

Those holding the outlined licences below will be eligible to apply;

- Private Pilot Licence (PPL)
- National Private Pilot's Licence PPL (NPPL)
- Sailplane Pilot Licence (SPL)
- Balloon Pilot Licence (BPL)
- Light Aircraft Pilot Licence (LAPL)
- Commercial Pilot Licence

- Active members of the British Hang Gliding and Paragliding Association (BHPA) and British Gliding Association (BGA) who do not hold pilot licences will be eligible, subject to the CAA agreeing a robust means of ensuring eligibility with these associations.
- Unmanned Aircraft operators holding permissions in the Specific and Certified categories are eligible.

Time period

- Only equipment purchased between **01 October 2020 and 28 February 2021** will be eligible for a grant award from capital allocated to the CAA for the 2020/21 financial year.
- Only one payment per individual claimant can be made within the 2020/21 financial year.

Electronic Conspicuity Aircraft Device grant fund 2020 /21

Q – How can I find out more about EC?

A – Information on EC may be found on the CAA website. In addition, manufacturers are able to offer information about their products.

Q – How should I choose between different equipment which is available?

A – There are a range of manufacturers offering devices which can be covered by the scheme. The cost, technical specifications and suitability for specific aircraft differs by equipment manufacturer. You are strongly advised to consider carefully the type of equipment most suitable for your type of aircraft and flying activity before making a purchase.

Q – Does this scheme change any legislation or Aviation regulation?

A – The scheme makes no change to any existing legislation, regulations or guidance issued by the CAA, Military Aviation Authority or other regulator. Pilots should continue to acquaint themselves with and follow the Rules of the air relevant to their flying activity and the airspace they are flying in.

Q – Will using EC equipment provide me with greater access to controlled airspace?

A – Existing regulations remain in place. Our ambition is that EC equipage as a part of the Airspace Modernisation Programme will enable greater flexibility in the control of airspace where the safety of doing so can be demonstrated.

Q – Who has decided the scope of the scheme?

A – The Department for Transport has directed the CAA to undertake the grant scheme including by setting the funding level, scope and time period for which it will run.

Q – I manufacture or sell EC equipment; how do I participate in the scheme?

A – Individuals should purchase products in the normal way. Subject to providing the CAA with evidence of the purchase and demonstrating their eligibility they will receive a partial rebate of the purchase costs. No funding is provided through this scheme directly to manufacturers or retailers.

Q – Why is the scheme limited in duration?

A – DfT has decided to undertake a time limited grant scheme and funding is only being provided to the CAA within 2020/21. In the event the scheme is extended this will be communicated to the aviation community at the earliest possible opportunity. DfT does not guarantee any additional funding will be provided within or beyond the 2020/21 financial year.

Q – Could the scheme close early?

A – Yes, DfT is providing a limited budget to the CAA within the 2020/21 financial year, this should support up to 10,000 eligible rebate claims, once the budget is exhausted the scheme will close and no further funding provided to applicants. Should the scheme be nearing its budget limit this will be communicated through the CAA website. Any applications received after notification of an earlier closing date will only be reimbursed if funding is available and considered in date order of

submission. Those considering using the scheme are strongly advised to apply early and check the scheme remains open before purchasing equipment.

Q – How do I provide feedback or raise a complaint about the scheme or its operation?

A – Questions around the operation of the scheme should be raised in the first instance with the CAA via **X**. If you wish to provide feedback on the policy of using grant funding for these purposes please send these to DfT via **X**. In the event that you are not satisfied with any response received you may utilise the established complaints procedures which are outlined on the CAA and DfT's respective websites.

Stevens Mark

From: Johnson Tim
Sent: 29 September 2020 17:13
To: Hillier Stephen; Moriarty Richard
Cc: Bishton Rob; Staples Kate; [REDACTED]
Subject: EC - approach to the DfT rebate scheme - official sensitive policy
Attachments: web page for funding launch 24 sept.docx; Section 12 letter EC Grant Scheme August 2020 (003) TJ3.docx

Importance: High

Stephen, Richard

DfT's rebate scheme to fund an uptake of existing EC devices is due to launch next week. We will be administering the scheme at DfT's behest and have the necessary on line portal ready to go. Applicants will be able claim 50% of the purchase price of new equipment up to £250. DfT will refund any payments we make. The DfT's letter to us setting out the terms of the scheme, and which reflects our input, is attached.

A key issue is what we say on our online portal about the devices on which refunds are claimed. There are three options:

- i. Make no comment about the EC devices or their levels of interoperability. This option would be of least benefit to users who may want or benefit from information about the different devices available on the market but would be the most neutral stance about the different devices and technologies on the market at present;
- ii. Recommend that users buy only certified products that meet ICAO standards for conspicuity (eg ADS-B signal, aeronautical spectrum use, etc) whilst being clear that all the listed devices qualify for a rebate.
[REDACTED]
- iii. Make no recommendation to users about which devices to buy, but to include some factual information about the levels of interoperability between the different devices on which rebates could be made (see table in the attached document). This would help users make informed decisions about the devices they are buying and how they should use them, and raise the profile of the interoperability challenge in a factual way. It may help encourage the move to greater interoperability. It may also, however, draw some adverse comment from manufacturers who don't consider this shows their equipment in the most favourable light relative to others.

The current draft of that webpage funding is based on option iii – which reflects our current view on the best way forward in the context we find ourselves in.

Next steps:

- We have shared the draft webpage text with DfT officials who have indicated that they are broadly content;
- We plan to send the table to the device manufacturers for fact checking and to avoid the risk that we publish incorrect information;
- Then consider any feedback we receive and decide whether we need to change the approach.

Are you content with our planned approach to this issue described above?

@Staples Kate/@Bishton Rob – we spoke on Friday about this so please add anything further you think I haven't addressed.

Separately we are considering how best to take this the wider EC question forward – particularly whether it would be better to consider this in the context of a wider lower airspace strategy over a longer period of time.

Tim

Tim Johnson

Director of Strategy and Policy
Civil Aviation Authority
5th Floor 11 Westferry Circus
London
E14 4HD

T: [REDACTED]
M: [REDACTED]
E: [REDACTED]@caa.co.uk

CAA website: caa.co.uk and Twitter: [@UK_CAA](https://twitter.com/UK_CAA)



Department for Transport

Tim Johnson
Policy Director,
Civil Aviation Authority
Aviation House
Crawley
West Sussex,
RH6 0YR

[REDACTED]
Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: [REDACTED]

X September 2020

Dear Tim,

Electronic Conspicuity Devices Grant Fund Scheme

1. Until 31 March 2021 the Department for Transport will fund, under S12(1) of the Civil Aviation Act 1982, the CAA's costs of operating a grant funding scheme to encourage General Aviation and UAS pilots to utilise equipment to enable their aircraft to be conspicuous electronically.
2. This letter should be read alongside the Grant agreement at Annex B and is in addition to a letter from DfT of 29 April 2020 titled, 'General Aviation Programme- Electronic Conspicuity Grant for IT Solution', a copy of which is provided at Annex C.

Background

- The Government supports the use by General Aviation (GA) and UAS pilots of systems which allow aircraft to be more electronically conspicuous to improve their situational awareness. As all devices on the market are not currently interoperable, it will be important that all pilots are well aware of the benefits, limitations of using such devices, and this should be a part of the communications campaign. This scheme will build on previous efforts by the CAA to raise awareness about Electronic Conspicuity (EC), and the way in which such devices should be responsibly used. In establishing the scheme, we do not expect the CAA to make any specific recommendations about the devices users should or should not purchase.
3. The scheme will allow pilots registered with the CAA to claim a rebate of 50%, up to £250 per applicant, for equipment purchased in the 2020/21 financial year. Our aim is to support up to 10,000 claims.
 4. The CAA and DfT will continue to work in parallel on long term options to deliver more consistent safety and airspace access benefits for all airspace users, including potential additional financial measures to support the implementation of that strategy. DfT will notify the CAA as early as possible should funding be available to maintain the scheme into the 2021/22 financial year.

Task deliverable

- The CAA will deliver a grant scheme aimed at reducing the number of GA aircraft registered in the UK operating without any form of EC capability. The grant scheme should be open to receive applications from **5 October 2020 to 1 March 2021** to reimburse (in part) the costs of equipment purchased by applicants between **1 October 2020 and 28 February 2021** or earlier once all available funding is claimed. This funding is to allow pilots registered with the CAA to claim a rebate of 50% on equipment purchased, up to a maximum of £250 per claim. Should the scheme need to close early, due to funding being exhausted, DfT and the CAA will agree a revised date for closure and communicate this in advance to the GA sector.
- DfT will provide up to £2,500,000 of capital funding which pilots will be able to claim through the CAA. The administration costs of operating the scheme are provided through the letter of 29 April 2020.
- The CAA should monitor the number of claims submitted, claims approved, claims rejected, funding issued and types of equipment claimed for. This information should be shared with DfT in an aggregate and anonymous format on a monthly basis. The CAA should not share any personal details of applicants with the DfT.

Criteria

The criteria outlined at Annex A will be the equipment eligible for grants under the scheme.

Funding available

	2020/21
Maximum grant fund budget – Capital	£2,500,000

The CAA will keep a record of the expenses it incurs. If it appears that there will be a shortfall in the funding, the CAA will contact the DfT General Aviation team promptly to agree remedial options, including the possible request of an additional grant or a reduction in programmed activities. Conversely if it appears that there will be an underspend then the DfT must be informed promptly. In any case, all funding spent by the CAA out of this grant, up to the grant total of £2,500,000 for 20/21, must be spent by 31 March 2021. If the CAA is unable to meet this requirement it should inform the DfT as soon as possible.

DfT will provide payment on a monthly basis in arrears to the CAA when the CAA have provided a breakdown of applications for the scheme. The CAA will provide written updates on a monthly basis. In the event that the number of applicants is such that the payout rate puts significant additional pressure on CAA's cashflow, the DfT and CAA will consider whether advance rather than arrears payment from the DfT is appropriate.

No funding is provided through this letter for spending on the accompanying communication activity that will be important to raise awareness of the scheme and to improve pilots awareness of the benefits and limitations of such devices. DfT and the CAA will mutually agree a communications plan for the launch of the grant fund and any funding provided through a separate agreement.

The details in this letter may be modified by written mutual consent.

Draft

Annex A

EC Grant scheme criteria

Equipment eligible

Equipment able to be used on an aircraft for EC purposes currently available for sale including a range of certified and non-certified equipment types and manufacturers listed below:

- ADS-B Out via a transponder (Certified GPS)ADS-B out transponder uncertified (Sil 0)
- Flarm
- Pilot Aware
- Sky Echo
- Applications for alternative or newly developed equipment should be considered for inclusion on a case by case basis by the CAA. Decisions on further inclusion will be made by the CAA.

Applicants eligible

Those holding the outlined UK licences below will be eligible to apply;

- Private Pilot Licence (PPL)
- National Private Pilot's Licence PPL (NPPL)
- Sailplane Pilot Licence (SPL)
- Balloon Pilot Licence (BPL)
- Light Aircraft Pilot Licence (LAPL)
- Commercial Pilot Licence
- Active members of the British Hang Gliding and Paragliding Association (BHPA) and British Gliding Association (BGA) who do not hold pilot licences will be eligible, subject to the CAA agreeing a robust means of ensuring eligibility with these associations.
- Unmanned Aircraft operators holding permissions in the Specific and Certified categories are eligible.

Time period

- Only equipment purchased between **01 October 2020 and 28 February 2021** will be eligible for a grant award from capital allocated to the CAA for the 2020/21 financial year.
- Only one payment per individual claimant can be made within the 2020/21 financial year.

Evidence

- Applicants should provide evidence of i) having purchased eligible equipment ii) the purchase having taken place within the timeframe of the scheme and iii) their

eligibility as a license holder or other permitted person. The CAA should not make payments for any applications where this evidence is not provided.

Draft

Draft web text for EC rebate launch

The Department for Transport (DfT) has made available significant funding to encourage the adoption of Electronic Conspicuity (EC) within the UK's General Aviation (GA) and Unmanned Aircraft Systems (UAS) communities. The CAA is distributing these funds via a rebate scheme.

The scheme will open to applications from the 5th October 2020 until 31 March 2021 (or until the funding is used). Those meeting the requirements can claim a 50% rebate of the purchase cost of an EC device to a maximum of £250.00 (including VAT) per applicant. We anticipate up to 10,000 rebates will be available.

What are the requirements to apply?

- Funding is for carry-on or aircraft-fitted devices only. Ground systems are not able to be funded from this scheme
- Applicants can claim a single rebate of 50% - up to £250 - on EC equipment purchased
- Only equipment purchased from 1st October 2020 until 28 February 2021 will be eligible for a rebate
- You must produce a proof of purchase receipt
- UAS operators must be UK registered and hold an authorisation issued specifically to them by the CAA (i.e. a permission, exemption or 'operational authorisation').
***Note:** 'General' exemptions, permissions or authorisations, which are aimed at a wider and non-specific group of operators, are not included*

For other applicants you must hold one of the following UK issued pilot licences:

- Private Pilot's Licence (PPL)
- Commercial Pilot's Licence (CPL)
- National PPL (NPPL)
- Sailplane Pilot's Licence (SPL)
- Balloon Pilot's licence (BPL)
- Light Aircraft Pilot's Licence (LAPL)

Or be a registered member of either the British Hand Gliding and Paragliding Association (BHPA) or the British Gliding Association (BGA).

What equipment is in scope of this rebate scheme?

We recognise that there are a range of EC solutions on the market that manufacturers and communities have developed for their own needs.

The main equipment able to be used on an aircraft for EC purposes currently available (and that a refund can be claimed against) includes:

- ADS-B Out capable transponder inclusive of GNSS position source (Mode S ES Enabled)
- ADS-B Out capable transponder without GNSS position source (Mode S ES)
- Certified GNSS source for Mode S ES transponders
- Flarm
- Pilot Aware
- Sky Echo

We will consider requests from device manufacturers for alternative or newly developed equipment to be added on a case by case basis.

What do I need to consider before purchasing and using EC equipment?

'See and avoid' is the foundation for Visual Flight Rules flying in the UK. EC devices can improve situational awareness for pilots but do not replace the fundamental role of 'see and avoid'. Pilots using EC devices should be aware of their functionality and what they can, and cannot, do. Devices are not always interoperable with each other. This means that users of one type of device may or may not be electronically visible to each other, may have different standards of reliability and accuracy, and may use different parts of the radio spectrum for transmitting signals.

The DfT and CAA are not recommending any specific device to pilots but do recommend that all pilots understand and consider the functional benefits, and limitations, of any EC device so they make informed decisions on the level of reliance that can be placed on the information provided to them.

While not a definitive list the table below describes the currently most used EC technologies, a high-level understanding of the interoperability between them and which are certified.

Conspicuity beacons ↓	Which traffic receivers can see them?					
	Pilot Aware	Sky Echo 2	ADS-B in Rx	ADS-B-in devices (certified)	Airborne Collision Awareness Systems (ACAS)	FLARM
ADS-B Out transponder certified GPS	YES	YES	YES	YES	YES	NO*4
ADS-B out transponder uncertified GPS (Surveillance Integrity Level (SIL) 0)	YES	YES	Variable*5	NO*2	YES	NO*4
FLARM Classic	NO*1	YES*3	NO	NO	NO	YES
Pilot Aware Rosetta (PAW)	YES	NO	NO	NO	NO	NO
Sky Echo (SIL-1 Device) CAA CAP	YES	YES	YES	YES	NO	NO*4

1391 approved						
*1) Dependent on proximity to ground infrastructure						
*2) Certified Traffic receivers normally exclude reports from transponders & beacons set to SIL 0						
*3) New development requires Sky Demon with FLARM decode licence						
*4) ADS-B in is an additional cost option to Power FLARM						
*5) Transponders or beacons with a non-certified GPS (source integrity level 0) may not be detected by a certified ADS-B in device. Source integrity level 1 and above can be seen.						
In the above table, the term certified means a device that has been tested for meeting ICAO standards and operates in the aviation spectrum.						

In parallel to the grant scheme work will continue on a long-term strategy for EC in the UK. Surveillance technology will continue to develop quickly and, together with the DfT, we are open to exploring and embracing new technologies. Applicants should be aware that in common with other technologies in any sector, any device purchased today is not necessarily guaranteed to meet any future EC requirements.

How to apply

Applications can be made via our online stakeholder portal from 5 October 2020. Please return to this page from that date for a direct link to apply.

NEW PAGE

Electronic Conspicuity

Electronic Conspicuity (EC) is an umbrella term for the technology that can help pilots, unmanned aircraft users and air traffic services be more aware of what is operating in airspace. EC includes the devices fitted to aircraft and unmanned system that send out the information and the supporting infrastructure to help them work together. Airborne transponders, air traffic data displays, ground-based antennas and satellite surveillance services are all examples of EC. The information generated by these can be presented to pilots and air traffic services visually, audibly or both to provide them with information on other traffic nearby. This strengthens the principle of 'see and avoid' by adding the ability to 'detect and be detected'. To be most effective it needs 100% of users operating in a designated block of airspace using EC devices and be able to be detected.

EC can play a vital role in three key areas to support the UK's Airspace Modernisation Strategy (AMS):

1. Enabling the on-going modernisation of the UK's airspace structure and route network
2. Helping to mitigate the risk of mid-air collisions in Class G, and infringements into controlled airspace
3. Enabling the safe and efficient integration of unmanned aircraft

More information

- [Airspace Modernisation Strategy](#)
- Information on EC devices www.caa.co.uk/cap1391
- [AIC2019Y141](#): the steps that can be made to enable 'ADS-B out' throughout the General Aviation fleet to reflect recent changes and developments from EASA

CONFIDENTIAL

Stevens Mark

From: Bishton Rob
Sent: 30 September 2020 08:33
To: Johnson Tim; Hillier Stephen; Moriarty Richard
Cc: Staples Kate; [REDACTED]
Subject: Re: EC - approach to the DfT rebate scheme - official sensitive policy

Tim

All covered based on our conversation -

And just to confirm, as I said, the safety pieces will be extracted and kept up-to-date via our normal channels as the initial communication piece can't stand alone.

As an aside -

During the winter period with the associated reduction in GA flying we need to think about our comms approach to use of TDAs for UAS activity, before next summer.

Best,

Rob

Get [Outlook for iOS](#)

From: Johnson Tim [REDACTED]@caa.co.uk>
Sent: Tuesday, September 29, 2020 5:13:21 PM
To: Hillier Stephen [REDACTED]@caa.co.uk>; Moriarty Richard [REDACTED]@caa.co.uk>
Cc: Bishton Rob [REDACTED]@caa.co.uk>; Staples Kate [REDACTED]@caa.co.uk>; [REDACTED]
[REDACTED]@caa.co.uk>
Subject: EC - approach to the DfT rebate scheme - official sensitive policy

Stephen, Richard

DfT's rebate scheme to fund an uptake of existing EC devices is due to launch next week. We will be administering the scheme at DfT's behest and have the necessary on line portal ready to go. Applicants will be able claim 50% of the purchase price of new equipment up to £250. DfT will refund any payments we make. The DfT's letter to us setting out the terms of the scheme, and which reflects our input, is attached.

A key issue is what we say on our online portal about the devices on which refunds are claimed. There are three options:

- i. Make no comment about the EC devices or their levels of interoperability. This option would be of least benefit to users who may want or benefit from information about the different devices available on the market but would be the most neutral stance about the different devices and technologies on the market at present;
 - ii. Recommend that users buy only certified products that meet ICAO standards for conspicuity (eg ADS-B signal, aeronautical spectrum use, etc) whilst being clear that all the listed devices qualify for a rebate.
- [REDACTED]

- iii. Make no recommendation to users about which devices to buy, but to include some factual information about the levels of interoperability between the different devices on which rebates could be made (see table in the attached document). This would help users make informed decisions about the devices they are buying and how they should use them, and raise the profile of the interoperability challenge in a factual way. It may help encourage the move to greater interoperability. It may also, however, draw some adverse comment from manufacturers who don't consider this shows their equipment in the most favourable light relative to others.

The current draft of that webpage funding is based on option iii – which reflects our current view on the best way forward in the context we find ourselves in.

Next steps:

- We have shared the draft webpage text with DfT officials who have indicated that they are broadly content;
- We plan to send the table to the device manufacturers for fact checking and to avoid the risk that we publish incorrect information;
- Then consider any feedback we receive and decide whether we need to change the approach.

Are you content with our planned approach to this issue described above?

[@Staples Kate](#)/[@Bishton Rob](#) – we spoke on Friday about this so please add anything further you think I haven't addressed.

Separately we are considering how best to take this the wider EC question forward – particularly whether it would be better to consider this in the context of a wider lower airspace strategy over a longer period of time.

Tim

Tim Johnson

Director of Strategy and Policy
Civil Aviation Authority
5th Floor 11 Westferry Circus
London
E14 4HD

T: [REDACTED]
M: [REDACTED]
E: [REDACTED]@caa.co.uk

CAA website: caa.co.uk and Twitter: [@UK_CAA](https://twitter.com/UK_CAA)

Stevens Mark

From: [REDACTED]@dft.gov.uk>
Sent: 06 October 2020 13:07
To: Johnson Tim
Cc: [REDACTED]; [REDACTED]; [REDACTED]
Subject: EC devices rebate scheme S.12 letter
Attachments: Section 12 letter EC Grant Scheme 6 October 2020.pdf

Hi Tim,

Great to see the EC Rebate scheme is up and running. Thanks to all in the CAA for work on this.

Please find attached a signed version of the S.12 grant letter, this should be as the draft circulated last month with purely the agreed criteria clarifications changed.

Regards,

[REDACTED]



Department for Transport

[REDACTED], Aviation Directorate
Great Minster House
33 Horseferry Road, London, SW1P 4DR
[REDACTED]

The information in this email may be confidential or otherwise protected by law. If you received it in error, please let us know by return e-mail and then delete it immediately, without printing or passing it on to anybody else. Incoming and outgoing e-mail messages are routinely monitored for compliance with our policy on the use of electronic communications and for other lawful purposes.



Department for Transport

Tim Johnson
Policy Director,
Civil Aviation Authority
Aviation House
Crawley
West Sussex,
RH6 0YR

[REDACTED]
Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: [REDACTED]

6 October 2020

Dear Tim,

Electronic Conspicuity Devices Grant Fund Scheme

1. Until 31 March 2021 the Department for Transport will fund, under S12(1) of the Civil Aviation Act 1982, the CAA's costs of operating a grant funding scheme to encourage General Aviation and UAS pilots to utilise equipment to enable their aircraft to be conspicuous electronically.
2. This letter should be read alongside the Grant agreement at Annex B and is in addition to a letter from DfT of 29 April 2020 titled, 'General Aviation Programme-Electronic Conspicuity Grant for IT Solution', a copy of which is provided at Annex C.

Background

- The Government supports the use by General Aviation (GA) and UAS pilots of systems which allow aircraft to be more electronically conspicuous to improve their situational awareness. As all devices on the market are not currently interoperable, it will be important that all pilots are well aware of the benefits, limitations of using such devices, and this should be a part of the communications campaign. This scheme will build on previous efforts by the CAA to raise awareness about Electronic Conspicuity (EC), and the way in which such devices should be responsibly used. In establishing the scheme, we do not expect the CAA to make any specific recommendations about the devices users should or should not purchase.
3. The scheme will allow pilots registered with the CAA to claim a rebate of 50%, up to £250 per applicant, for equipment purchased in the 2020/21 financial year. Our aim is to support up to 10,000 claims.
 4. The CAA and DfT will continue to work in parallel on long term options to deliver more consistent safety and airspace access benefits for all airspace users, including potential additional financial measures to support the implementation of that strategy. DfT will notify the CAA as early as possible should funding be available to maintain the scheme into the 2021/22 financial year.

Task deliverable

- The CAA will deliver a grant scheme aimed at reducing the number of GA aircraft registered in the UK operating without any form of EC capability. The grant scheme should be open to receive applications from 5 October 2020 to 1 March 2021 to reimburse (in part) the costs of equipment purchased by applicants between 1

October 2020 and 28 February 2021 or earlier once all available funding is claimed. This funding is to allow pilots registered with the CAA to claim a rebate of 50% on equipment purchased, up to a maximum of £250 per claim. Should the scheme need to close early, due to funding being exhausted, DfT and the CAA will agree a revised date for closure and communicate this in advance to the GA sector.

- DfT will provide up to £2,500,000 of capital funding which pilots will be able to claim through the CAA. The administration costs of operating the scheme are provided through the letter of 29 April 2020.
- The CAA should monitor the number of claims submitted, claims approved, claims rejected, funding issued and types of equipment claimed for. This information should be shared with DfT in an aggregate and anonymous format on a monthly basis. The CAA should not share any personal details of applicants with the DfT.

Criteria

The criteria outlined at Annex A will be the equipment eligible for grants under the scheme.

Funding available

	2020/21
Maximum grant fund budget – Capital	£2,500,000

The CAA will keep a record of the expenses it incurs. If it appears that there will be a shortfall in the funding, the CAA will contact the DfT General Aviation team promptly to agree remedial options, including the possible request of an additional grant or a reduction in programmed activities. Conversely if it appears that there will be an underspend then the DfT must be informed promptly. In any case, all funding spent by the CAA out of this grant, up to the grant total of £2,500,000 for 20/21, must be spent by 31 March 2021. If the CAA is unable to meet this requirement it should inform the DfT as soon as possible.

DfT will provide payment on a monthly basis in arrears to the CAA when the CAA have provided a breakdown of applications for the scheme. The CAA will provide written updates on a monthly basis. In the event that the number of applicants is such that the payout rate puts significant additional pressure on CAA's cashflow, the DfT and CAA will consider whether advance rather than arrears payment from the DfT is appropriate.

No funding is provided through this letter for spending on the accompanying communication activity that will be important to raise awareness of the scheme and to improve pilots awareness of the benefits and limitations of such devices. DfT and the CAA will mutually agree a communications plan for the launch of the grant fund and any funding provided through a separate agreement.

The details in this letter may be modified by written mutual consent.

[Redacted signature block]

[Redacted signature block]

[Redacted signature block]

[Redacted signature block] DfT

Annex A - EC Grant scheme criteria

Equipment eligible

Equipment able to be used on an aircraft for EC purposes currently available for sale including a range of certified and non-certified equipment types and manufacturers listed below:

- ADS-B Out capable transponder inclusive of GNSS position source (Mode S ES Enabled).
- ADS-B Out capable transponder without GNSS position source (Mode S ES)
- Certified GNSS source for Mode S ES transponders (Including a GNSS position sources in line with the recently published AIC2019Y141, example being Trig TN72)
- Power Flarm
- Pilot Aware Rosetta
- Sky Echo 2

Applications for alternative or newly developed equipment should be considered for inclusion on a case by case basis by the CAA. Decisions on further inclusion will be made by the CAA.

Applicants eligible

Those holding the outlined UK licences below will be eligible to apply;

- Private Pilot Licence (PPL)
 - National Private Pilot's Licence PPL (NPPL)
 - Sailplane Pilot Licence (SPL)
 - Balloon Pilot Licence (BPL)
 - Light Aircraft Pilot Licence (LAPL)
 - Commercial Pilot Licence
-
- Active members of the British Hang Gliding and Paragliding Association (BHPA) and British Gliding Association (BGA) who do not hold pilot licences will be eligible, subject to the CAA agreeing a robust means of ensuring eligibility with these associations.
 - Unmanned Aircraft operators holding permissions in the Specific and Certified categories are eligible.

Time period

- Only equipment purchased between 01 October 2020 and 28 February 2021 will be eligible for a grant award from capital allocated to the CAA for the 2020/21 financial year.
- Only one payment per individual claimant can be made within the 2020/21 financial year.

Evidence

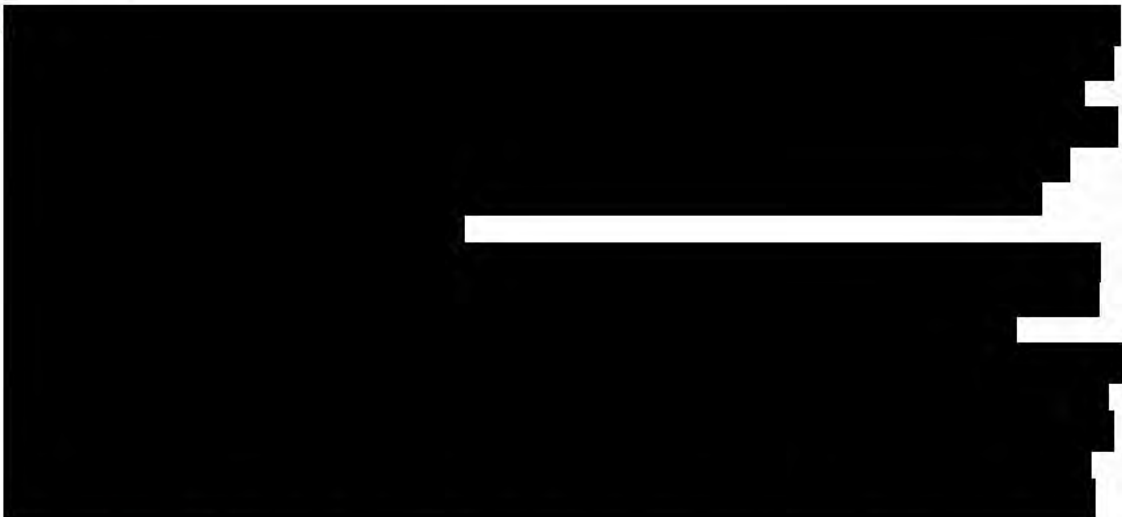
- Applicants should provide evidence of i) having purchased eligible equipment ii) the purchase having taken place within the timeframe of the scheme and iii) their eligibility as a license holder or other permitted person. The CAA should not make payments for any applications where this evidence is not provided.

Extract from Board Paper Doc 2020-84, 'Chairs Introduction', 21 October 2020

Beyond these headlines, I would also highlight the EC update with the CEO's report, which covers how we have progressed from the discussion at the Board in June. There are many strands to this, which I'm sure that we will discuss further during the Board, but the essence from my perspective is that we now have a way forward agreed with the DfT, one which enhances EC from the current baseline and allows us to start accruing early safety benefits.

Extract from Board Paper Doc 2020-74, Monthly Report by the Chief Executive to the Board, 21 October 2020

Electronic conspicuity (EC)

16. Since our September Board meeting, there have been a number of developments on electronic conspicuity. We will update the Board in more detail orally at the meeting
17. First, Stephen Hillier, Rob Bishton and Tim Johnson met the Secretary of State (SoS) and the Aviation Minister on 21 September. There was welcome alignment between the DfT and CAA about the objectives for EC including: mitigating mid-air collision risk in the context of the increasing long-term trend of risk bearing airproxes; integrating drone activity; and reducing the need for increased segregation, particularly outside controlled airspace.
18. 
19. Second, the DfT issued us with a formal request to administer the EC equipment rebate scheme. This has been long in development, but precise funding arrangements have taken longer than anticipated to settle. This scheme allows applicants to claim a refund of up to 50% of the cost of new equipment EC purchased after 5 October 2020. DfT is funding both the CAA's administration costs and the refunded sums. Consistent with a steer given a while ago from the Board, we did include in the publicity material important information about the levels of interoperability between the different devices so users can better understand their benefits and limitations (especially in terms of the degree of partial coverage). Though these devices have been available for many years, this is the first time we have published such information. We considered it important to share this safety critical information and will be promulgating it through a formal safety notice.
20. Third, we are planning how to move the EC debate forward. We plan to let the EC rebate programme become established and get a better sense of its benefits and risks, and also consider the outcomes of the peer reviews we sought on our original strategy by our American and Australian counterparts. In parallel, we are also planning to establish a Lower Airspace Strategy tiger team, who would more actively work with stakeholders to explore the problems and solutions than we have done to date that relate to EC, but also a set of related lower airspace issues. Once these have been done, we will review our longer-term strategy for EC to ensure it can continue to support safety, drone integration and airspace modernisation. This will likely be in 2021 rather than 2020.

Extract from MINUTES OF THE 546th BOARD MEETING HELD ON WEDNESDAY 21 OCTOBER 2020, 10:00, on Microsoft Teams

19. Electronic conspicuity (EC): Mr Moriarty commented that it had become apparent that there wasn't sufficient stakeholder support for mandating electronic conspicuity. We had agreed an approach with Government that would start with achieving incremental safety benefits through the recently launched EC device rebate scheme, which the CAA was running with Government financial support. There has been good early interest in the scheme. As part of the communication material accompanying the scheme, we had included information about the level of inter-operability between the different devices on the market. At present, not all devices available on the market can reliably see each other and so see and avoid remained the primary safety barrier. This was the first time we had put such comparative information into the public domain and would improve awareness within the pilot community more generally about the benefits and limitations of using such devices. The Board agreed this was a positive development and AVM Ian Gale confirmed the scheme had been well received by those he had spoken to.