



September 2025

AIRSPEED READ

NATS (En Route) Plc – Consultation
on changes to NERL License terms –
Closes on 1 October 2025

The Department for Transport (**DfT**) is proposing to modify the NATS (En Route) plc (**NERL**) licence to establish a UK airspace design service (**UKADS**) that will allow NERL to make, or develop with a view to making, an airspace change proposal to the CAA and sponsor those proposals through the CAA's airspace design process ([CAP 1616](#)).

The proposed amendments aim to modernise UK airspace and primarily enable:

- + The reduction of carbon emissions;
- + Improved efficiency;
- + Increased safety; and
- + An integration of new technologies, such as drones.

Both the DfT and Civil Aviation Authority (**CAA**) has long aspired toward airspace modernisation through the Airspace Modernisation Strategy (**AMS**, [CAP 1711 Part 1 AMS 2023-2040](#)). However, as airspace design is currently sponsored and carried out by individual airports and air navigation service providers, this has led to problems in the delivery of airspace change proposals (**ACPs**) given the multiple overlapping ACPs with separate sponsors, complicating and slowing progress in the area. The aim, therefore, is to provide a more holistic approach and primarily to make UKADS a function of NERL.

The DfT is seeking views on the proposed changes and you can have your say by visiting the Consultation page, [here](#). **The Consultation closes at 11:59pm on 1 October 2025.**

REASONS FOR THE DEVELOPMENT

There has been little to no development in the UK's airspace design for multiple decades despite huge technological advancements, a significant increase in passenger numbers and an industry with ambitious growth plans. As growth continues, it has become clear that the current system is simply not sustainable in the long-term and so it is imperative that airspace design development is now prioritised.

One of the functions of the CAA is to maintain and keep under review the AMS, the aim of which is to enable quicker, quieter, and cleaner journeys and greater capacity for the benefit of those who use and are impacted by UK airspace.

Under the current system, there is no single organisation within the UK that has full responsibility for airspace design. Instead, multiple organisations (airports and air navigation service providers), individually



sponsor and fund airspace change, which is unsuitable when dealing with complex airspace around London. Under the proposed changes NERL will be authorised to take responsibility for developing and sponsoring airspace changes for the CAA, the desire being that by creating a more streamlined, centralised and efficient process, change in airspace design may be implemented at a rate to keep pace with accelerating advancements and passenger footfall in the aviation industry. This proposed change will also bring the UK in line with most other countries.

The proposal is part of a wider review of the regulatory framework on UKADS, in which the CAA is also reviewing CAP 1616 – airspace change process, the airspace change masterplan, Air Navigation Guidance and Air Navigation Directions.

PROPOSED CHANGES TO NERL LICENSE

The modifications proposed are intended to provide authorisation for NERL to provide airspace design services and to specify the areas of UK airspace in respect of which they may be provided.

The proposed changes are as follows (with amendments highlighted in purple):

1. The Secretary of State, in exercise of the powers conferred by section 6 of the Transport Act 2000 (the “Act”) and of all other powers exercisable by ~~(him)~~ **the Secretary of State** for that purpose, hereby grants to NATS (En Route) plc (the “Licensee”) a licence authorising the Licensee:
 - a. to provide air traffic services, **except those set out in paragraph (c)**, in and in respect of the Licensed Area designated in Schedule 1 (“the En route (UK) Area”) from the date specified in paragraph 5 and for the period specified in paragraph 6, subject to the Conditions set out in Parts II and III of this Licence and the terms in Schedule 3; and
 - b. to provide air traffic services, **except those set out in paragraph (c)**, in and in respect of the Licensed Area designated in Schedule 2 (“the En route (Oceanic) Area”) from the date specified in paragraph 5 and for the period specified in paragraph 7, subject to the Conditions set out in Parts II and III of this Licence and the terms in Schedule 3; and
 - c. **to provide air traffic services in respect of making an airspace change proposal to the CAA, or developing such a proposal with a view to making it to the CAA as provided for in section 98(1)(f) of the Act, in and in respect of the London Flight Information Region, the London Upper Flight Information Region, the Scottish Flight Information Region, the Scottish Upper Flight Information Region and the En route (Oceanic) Area, for the period specified in paragraph 6, subject to the Conditions set out in Parts II and III of this Licence and the terms in Schedule 3.**

On analysis conducted by the DfT and CAA, it was concluded that NERL was the only organisation in the UK with the required level of resources and the design expertise to provide the UKADS at the required pace. A public consultation was then undertaken in autumn 2024 to gather views on the approach of tasking NERL to provide UKADS ([CAP3106](#)).

The majority of responses agreed with the proposal that NERL take on the initial UKADS task, it being described as best placed for the role, with the required experience and skills. However, some highlighted potential conflicts of interest related to NERL's structural setup, raising concerns that the proposal would give NATS a monopoly in airspace design. To address such concerns, the DfT and CAA will hold the NERL Board to account for the performance of the UKADS through a governance structure.

Whilst the new proposals will enable NERL to conduct modifications throughout UK airspace, the UK government initially envisages that the geographical scope for providing UKADS will be narrower – airspace re-design therefore initially being deployed in the London Terminal





Manoeuvring Area (**LTMA**, including LHR, LGW, LCY and LTN), given this shall likely be the most complex airspace area. This will allow the prioritisation where airspace modernisation can provide the greatest benefits, and is to be achieved alongside co-sponsors to the process.

We will be keeping an eye on further developments, and in particular the results of the Consultation, and so do look out for our future articles on the subject.

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