

Drones policy spotlight

November 2026

Foreword

By Senior Partner & Managing Director, Scott Dodsworth

Welcome to the UK Drones Alliance's November 2026 drones policy spotlight. This is intended to provide our latest thinking and analysis on the political, policy and regulatory landscape affecting the drones sector. This spotlight takes a deeper dive into several key policy areas, going beyond recent developments to explore the wider policy context, the implications for businesses, and how the UK Drones Alliance is supporting the sector.

This spotlight also follows the UK Drones Alliance's inaugural event on 5 November, which brought together businesses from across the sector and the Department for Transport's Future of Flight team to discuss many of the themes explored in this briefing. The discussion highlighted both the significant opportunities for the UK drones sector and the challenges that continue to constrain its growth, particularly around the regulatory framework for Beyond Visual Line of Sight (BVLOS) operations. It also reinforced the importance of ensuring that businesses have opportunities to engage directly with policymakers and regulators as the government develops its approach to supporting the sector.

The coming year will be important for the UK drones industry. The Civil Aviation Authority (CAA) is working towards enabling routine BVLOS operations, while the government's new defence-led initiatives and proposed Regulation for Growth Bill will create further opportunities for innovation and commercialisation. However, the extent to which these developments translate into tangible benefits will depend on their implementation and whether the government focuses on supporting both military and commercial applications.

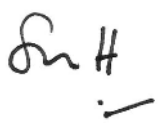
Defence has been a central priority for the Burnham government, including in its approach to drones. The government has committed to significant investment and announced new initiatives intended to accelerate the development and adoption of military drone technologies. While these developments present substantial opportunities for businesses, it is important that the government's growing emphasis on defence does not come at the expense of supporting civilian and commercial applications of drone technology. Ensuring that all parts of the industry are heard and supported is central to the Alliance's purpose, with our ambition to bring together the broadest possible coalition of businesses from across the sector.

The Burnham government's wider changes to the machinery of government will also have long-term implications for the industry. The abolition of the Department for Science, Innovation and Technology (DSIT) and distribution of its responsibilities across Whitehall risk reducing the prominence of drones within government policy. At the same time, the government's greater emphasis on the practical contribution of emerging technologies to economic growth presents opportunities for the sector to demonstrate its value. The Alliance will work to ensure that the economic and public service benefits of drone technologies are recognised by policymakers and reflected in the government's priorities.

The UK Drones Alliance will continue to work with businesses from across the sector to identify shared priorities and ensure that their views are reflected in the development of government policy. Through regular briefings, industry events and engagement with policymakers and regulators, we will provide members with the opportunity to contribute to shaping a supportive policy and regulatory environment.

We hope you find this spotlight interesting and enjoy reading our analysis. If there is any aspect of the briefing or the UK Drones Alliance that you would like to discuss further, please do not hesitate to get in touch.

With best wishes



Scott Dodsworth
Senior Partner & Managing Director



Defence investment and military drone innovation

At the autumn budget, the chancellor committed to increase defence spending from around 2.5% of GDP today to 3% by 2030 and 3.5% by 2035. However, he provided little clarity on how this increase will be financed. The Leader of the Opposition, Kemi Badenoch, argued that difficult decisions over spending priorities have effectively been deferred until the next Spending Review in autumn 2027, when ministers are expected to set out the full costs of the government's defence ambitions.

John Healey did, however, announce a series of measures designed to attract private investment into the defence sector. These include establishing a new Defence Financing Taskforce, negotiating treaties with Finland, Poland and the Netherlands to establish a Multilateral Defence Mechanism for joint procurement, and expanding opportunities for public-private partnerships. The National Wealth Fund and British Business Bank will also deploy up to £5 billion in investment across defence, dual-use and national security sectors over the next four years. This will increase the capital available to defence manufacturers to develop and scale new capabilities, including drones.

The budget also reaffirmed the government's commitment to investing in military drone technologies, highlighting previously announced plans to invest more than £5 billion in drones and autonomous systems over the next four years, including up to £400 million to equip the Army with new surveillance drones. The £400 million package is intended to accelerate the British Army's adoption of emerging drone technologies and support defence manufacturing in South West England alongside testing, evaluation and training capabilities in Wales.

Alongside increased investment, the government is seeking to remove regulatory barriers to the testing and development of autonomous technologies. The government also announced a new Ministry of Defence (MOD)-led drone regulation unit, which will work across the government to identify and remove regulatory barriers, creating clearer routes to test and develop uncrewed systems.

The new unit will be supported by the Regulation for Growth Bill, expected to be introduced next year. The Bill will give ministers powers to temporarily adapt regulations to enable the testing of innovative technologies, with successful trials potentially informing permanent regulatory changes. This represents a significant opportunity to remove barriers to the development and commercialisation of drone technologies, allowing businesses to test capabilities currently restricted by existing regulations. Although the initiative is being led by the MoD, its benefits may not be limited to defence applications. Some of the regulatory changes intended to support military drone operations will also enable new commercial and dual-use services. The Alliance will advocate for reforms that benefit the entire sector, ensuring that the government's focus on military innovation also supports wider commercial growth.

Regulatory innovation

Restrictions on routine BVLOS operations remain a major barrier to the commercial growth of the UK drones sector. Removing these restrictions is essential to unlocking the industry's economic potential which, according to PwC, could be worth £45 billion to the UK economy by 2030.



The UK has succeeded in funding and running trials of BVLOS operations, though these have yet to translate into a regulatory framework that enables routine operations at scale. In 2023, the CAA selected six projects, spanning use cases from the delivery of pathology samples between hospital laboratories in London to infrastructure inspection. These trials have begun to pave the way for increased BVLOS operations, with additional London hospitals joining an expanded drone delivery service in early 2026. Operational data from the initial trial showed cost savings of 28% and a 98.4% reduction in CO_2 emissions per delivery compared with conventional courier methods.

Securing BVLOS authorisation under UK SORA remains a costly and time-consuming process, particularly for businesses seeking to operate across multiple routes or locations. Although the publication of a SORA general operations template in August 2026 has standardised application documentation, operators must still develop detailed operational procedures and supporting evidence. The current approach therefore continues to constrain the commercial scalability of BVLOS services.

There is a clear ambition across government and the CAA to enable routine BVLOS operations. The Regulatory Innovation Office (RIO) has been working with the Department for Transport (DfT), the Health and Safety Executive (HSE) and the CAA to address regulatory barriers to BVLOS operations. The CAA has streamlined SORA applications to reduce approval times for complex operations; the CAA is developing a two-year pathway for airspace changes (up from the previous 90-day period); and its Atypical Air Environment policy has been expanded to enable more operations in low-traffic environments, such as around power lines. While these changes operate within the existing system of approvals for individual operations, they represent incremental steps towards making BVLOS flights easier and more commercially viable.

To further scale BVLOS operations, the CAA has set out a roadmap, adopting a 'learn and evolve' approach that progressively integrates drones into shared airspace. It identifies three routes to commercial deployment: operations in Atypical Air Environments, low-level urban BVLOS operations and fully integrated BVLOS. The CAA aims to enable operations in controlled airspace by 2027, followed by uncontrolled airspace in 2028.

While this is a positive signal that the CAA wants to break down this regulatory barrier, it is important for the drone sector to engage closely with both the CAA and the government to ensure that the roadmap is delivered. It will be important to build greater awareness among parliamentarians of the economic benefits of drones, which will lead to greater scrutiny of the CAA's progress and apply further pressure on the government and the CAA to ensure that routine and scalable BVLOS operations are enabled. The Alliance will provide a platform for the sector to demonstrate the benefits of drone technology and advocate for action to tackle the regulatory barriers constraining the sector's growth.

Machinery of government

One of Andy Burnham's changes to the machinery of government was to abolish the Department for Science, Innovation and Technology (DSIT) and distribute its responsibilities across Whitehall. The move reflects a broader belief that science, innovation and technology should be embedded

across government rather than concentrated within a standalone department, with the aim of aligning policy more closely with the government's economic priorities. Digital transformation, telecoms, digital inclusion and online harms have now moved into an expanded Department for Culture, Media and Sport (DCMS), while responsibility for innovation, cyber and regulation sits within the newly formed Department for Business, Innovation, Science and Trade (BIST). AI policy is now shared between BIST and the Cabinet Office, given that AI is both an economic opportunity and a strategic national capability.

For the drones sector, these changes risk reducing the government's focus on supporting the development and commercial adoption of drone technologies. Previously, drones benefited from being considered alongside AI, robotics and autonomous systems as part of DSIT's emerging technologies agenda. However, the integration of these responsibilities into BIST's broader remit risks reducing the prominence of drones within government policy, as the sector competes with a wider range of industries for ministerial attention. This increases the importance of coordinated industry engagement to ensure that drones remain a government priority.

The reforms also point to a change in how the government intends to approach emerging technologies. Rather than focusing primarily on supporting innovation in its own right, Burnham's approach places greater emphasis on the contribution technology can make to the government's economic objectives. For the drones sector, this means demonstrating how autonomous systems can improve productivity, support major infrastructure projects and make public services more efficient. Demonstrating these benefits will be increasingly important in securing government support. The Alliance will help the sector make a stronger case for investment and regulatory reform by showing how drone technologies contribute to the government's economic priorities.

Government as a customer of drones

One of the themes explored at the inaugural UK Drones Alliance event was how the government is increasingly becoming a customer of drones. During his presentation, Kamil Faltynowski, the policy team leader in the DfT's Future of Flight team, highlighted his team's objective of encouraging greater government adoption of drone technology. His team is designing policy around real-world use cases, encouraging public bodies to adopt drones in order to save time, and developing a framework for drone procurement. This represents an important opportunity for the sector, as the government can play a significant role in stimulating demand for drone technologies.

Public bodies are already adopting drone technologies across a range of services. Police forces use drones for incident response and surveillance, the NHS is using drones to make deliveries between hospitals, and Network Rail uses drones to inspect railway infrastructure. Procurement arrangements for drone technologies are also developing, with Network Rail operating a framework of approved drone suppliers alongside its own trained pilots. YPO, a public sector procurement organisation, has also developed the Drones and Associated Services Dynamic Purchasing System, which provides public bodies with a route to procure drone equipment and services. These frameworks demonstrate that public sector organisations are increasingly recognising the value of drone technologies and developing procurement mechanisms.



However, there are several barriers to achieving the wider adoption of drone services within the public sector. Restrictions on BVLOS operations continue to constrain the commercial viability of many applications, while public bodies may lack the funding, expertise or confidence needed to commission drone services. As a result, businesses can face difficulties securing contracts at the scale needed to support wider commercial adoption.

The government's growing focus on improving public sector productivity and efficiency provides an important opportunity to address these barriers. Greater coordination between public bodies, facilitated by the work currently being undertaken by the DfT's Future of Flight team, will help accelerate the adoption of drone technologies across public services. This will support the government's wider objectives around improving service delivery, while providing businesses with opportunities to scale their operations.

The UK Drones Alliance will work to ensure that the benefits of drone technologies are recognised by policymakers and public sector organisations, advocating for greater adoption across public services and procurement arrangements that support the growth of the industry. A particular focus will be on helping to bridge the gap between successful trials and routine commercial deployment, ensuring that government becomes an increasingly important customer for the UK drones sector.

Contact Information

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