# UK government launches £20 million funding initiative for drone and flying taxi technology



The UK government has announced a significant funding initiative aimed at advancing drone and flying taxi technologies, with over £20 million allocated to facilitate the commercialisation of these emerging aviation services. The announcement was made by Aviation Minister Mike Kane during a conference focused on the country's future aviation advancements.

This funding package is intended to eliminate barriers to growth within the sector, a core objective of the government’s Plan for Change. It aims to maximise opportunities for enhanced and more economical public services while simultaneously reducing carbon emissions. The funding is specifically designed to improve aviation technologies that will support various sectors, including healthcare for the NHS, policing, infrastructure inspections, and delivery services for businesses and local communities across the country.

Speaking to BusinessCloud, Minister Kane expressed his ambition for the UK to establish the most advanced aviation technology ecosystem globally. He stated, “That means creating a nimble regulatory environment and a culture of innovation so everyone can benefit from cutting-edge transport while tackling emissions, traffic and potentially saving lives.” He emphasised that this initiative, along with the formation of the Future of Flight industry group, is aimed at uniting technology experts, drone operators, manufacturers, and local communities to pinpoint the areas in need of transformation.

Science Minister Lord Vallance also highlighted the significance of regulatory reforms in enhancing the safety of drone operations. He remarked that new regulations requiring all aircraft to share their location would accelerate approvals for drones, enabling their usage near airports and simplifying the delivery of essential medical supplies. Vallance described these measures as practical steps to “cut red tape” and contribute towards the UK’s leadership in emerging technologies, thereby bolstering economic growth as envisaged in the Plan for Change.

Plans to simplify regulations also include authorising 2-year airspace changes for drone operations. This reform will enable operators to fly safely and efficiently while gathering data to inform future services. Other regulatory changes are set to assist emergency services, such as firefighters and paramedics, in utilising drone capabilities, alongside provisions for noise exemptions in drone trials within the Airspace Change Process.

The funding structure allocates £16.5 million to the Civil Aviation Authority (CAA) for the years 2025-2026 to develop a regulatory programme supporting the safe operation of drones beyond visual line of sight (BVLOS) and facilitating the routine use of air taxis (eVTOLs) in UK airspace. Additionally, up to £5 million will be directed towards the Future Flight Challenge, which is supported by the Department for Transport and Innovate UK, aiding the industry in commercialising these new technologies and fostering growth that benefits communities.

The government intends to bring together regulators, drone operators, flying vehicle innovators, and local authorities through the Future of Flight industry group. This collaborative effort aims to guide the government in transforming aviation technology, unlocking the potential benefits of future innovations, and working towards reducing carbon emissions in line with the country’s broader sustainability goals.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.marketscreener.com/quote/stock/AMAZON-COM-INC-12864605/news/New-GBP20-million-funding-to-help-launch-drones-and-flying-taxis-49489885/> - Corroborates the UK government's announcement of over £20 million funding for drone and flying taxi technologies, highlighting their aim to enhance aviation and reduce emissions.
* <https://thxnews.com/2025/03/31/uk-government-invests-20-million-in-drone-and-flying-taxi-technologies/> - Supports the funding initiative to commercialize drones and flying taxis, emphasizing regulatory streamlining and potential applications in healthcare, policing, and delivery services.
* <https://www.gov.uk/government/organisations/civil-aviation-authority> - Provides information on the Civil Aviation Authority (CAA), which is allocated £16.5 million for developing drone regulations in the UK.
* <https://www.innovateuk.ukri.org/> - Highlights Innovate UK's role in supporting the Future Flight Challenge, which aids in commercializing new aviation technologies.
* <https://www.gov.uk/government/organisations/department-for-transport> - Mentions the Department for Transport's involvement in drone regulatory reforms, supporting the development of advanced aviation technologies in the UK.
* <https://www.parliament.uk/business/committees/committees-a-z/commons-select/science-and-technology-committee/> - Supports the broader context of UK governmental efforts in science and technology, which includes advancements in aviation technologies like drones and flying taxis.