



Proposed Changes to CAA Scheme of Charges

Regulation of Airports Scheme Enclosure

1 INTRODUCTION

- 1.1 Details of revisions proposed to apply from 1 April 2019 are shown in red within this Enclosure. Current charges are shown in brackets where direct comparison is possible. Where no change to a price is proposed then the current charge will only be shown.

2 CHARGES PAYABLE

- 2.1 The operator of an airport in the United Kingdom shall, on the last day of each month, and invoiced by the CAA, pay to the CAA a charge of:
- in the case of an airport in respect of which a licence has been granted in accordance with Chapter 1 of the Civil Aviation Act 2012, **5.34 pence** (4.95 pence) pence for each arriving passenger at the airport during that month for which a licence is in force; or
 - in the case of an airport, other than an airport mentioned in paragraph 3.1 a), which in the twelve months ended 31 March immediately preceding the month to which the charge relates reported more than 500,000 arriving passengers, **1.58 pence** (1.47 pence) for each arriving passenger at the airport during that month.
- 2.2 The managing body of an airport shall on each occasion it makes an application to the CAA for a determination under regulations 9, 10, 11, 14 or 15 of the Airports (Groundhandling) Regulations 1997 (as amended by the Groundhandling (Amendment) Regulations 1998) pay a charge of **£1,066** (£1,041) followed by a further **£15,996** (£15,621) upon notification by, and an invoice from, the CAA payable on demand, that an oral hearing is to take place.

3 OTHER CAA COSTS (Amended and new charges)

3.1 London Heathrow Airport – Price Control Conditions (H7) and Additional Runway Capacity (R3) (Amended)

In seeking advice from internal and external advisers on and subsequently developing:

- the price control conditions which shall apply to Heathrow Airport Ltd from 1 January 2019 (referred to by the CAA as the 'H7' Review),
- a new regulatory approach and policy in respect of the regulation of additional runway capacity in South East England,

the following charges will be applied to Heathrow Airport Ltd. For the 12 month period ended 31 March 2020, the CAA will invoice the internal costs on a quarterly basis up to a maximum of **£803,000** (£785,000) and also invoice quarterly in arrears for recovery of the external adviser costs up to a maximum of **£4,246,000** (£2,988,000).

3.2 (Deleted)

(New Charge)

London Gatwick Airport – Future regulation (G7 Review)

In seeking advice from external advisers on the future regulation of Gatwick Airport as from 1 April 2021, the following charges will be applied to Gatwick Airport Ltd. For the 12-month period ended 31 March 2020, the CAA will invoice quarterly in arrears for the recovery of the external adviser costs up to a maximum of **£420,000**.

(New Charge)

Development Consent Order

Under the Planning Act 2008 (as amended), in order to develop a Nationally Significant Infrastructure Project (NSIP), an applicant is required to make an application to the Planning Inspectorate (PINS) to obtain a Development Consent Order (DCO). The CAA is a prescribed consultee to any DCO application which relates to airport development. In particular, any DCO application made in accordance with the Airports National Policy Statement (ANPS) will require the CAA to consider, on the information available to it at the time the DCO application is made, whether there are any impediments to the applicant's development proposals that relate to the areas where the CAA is the

regulator. If there are any impediments in those areas the CAA must be assured that they are capable of being properly managed by the DCO applicant. The CAA is also required to be consulted on the likely significant environmental impacts of an applicant's proposals.

The DCO application process is front-loaded and, generally, requires significant engagement by the applicant with prescribed consultees well in advance of any formal application for development consent. This engagement is necessary whether or not the potential applicant ultimately proceeds to apply for a DCO. As a result, charges will be payable for any work carried out by the CAA both during the pre-application stage and once any DCO application has been made.

On the CAA receiving confirmation from a party of their intention to submit a DCO application, the CAA will invoice the proposed DCO applicant to pay to the CAA, payable on demand, a charge of £50,000 before any work is undertaken. Thereafter, the CAA will invoice quarterly in arrears up to a maximum of £350,000 for any year, or part of the year, during which the CAA's work associated with a DCO application is carried out.

4 CAA INVOICE PAYMENT TERMS

All CAA invoices raised under this Scheme are payable on demand.

5 DEFINITIONS (Amended)

- a) For the purpose of this Scheme 'arriving passenger' means a passenger arriving at an airport on a flight for the purpose of commercial **air transport** or public transport of passengers but not including a passenger who arrives at and departs from an airport on the same aircraft as part of the same journey.
- b) 'CAA' means the Civil Aviation Authority.

6 COMMENCEMENT (Amended)

This Scheme will come into operation on 1 April **2019**.