

Official Record Series 5

**United Kingdom
Civil Aviation Authority**



CAA Scheme of Charges	No:	424
(Regulation of Airports)	Publication Date:	18 March 2024
	Commencement Date:	01 April 2024

The Civil Aviation Authority (the CAA), pursuant to Section 11 of the Civil Aviation Act 1982 and after consulting with persons likely, in its opinion, to be affected by the charges and with the Secretary of State, hereby makes a Scheme in respect of the charges to be paid to the CAA in connection with the performance of the CAA functions to which this Scheme applies being those functions set out in:

- a) the Airports Act 1986,
- b) the Airports (Northern Ireland) Order 1994,
- c) the Airports (Groundhandling) Regulations 1997,
- d) the Civil Aviation (Access to Air Travel for Disabled Persons and Persons of Reduced Mobility) Regulations 2014,
- e) the Airport Charges Regulations 2011,
- f) the Civil Aviation Act 2012,
- g) the Planning Act 2008 and the Infrastructure Planning (Applications, Prescribed Forms and Procedures) Regulations 2009,

and the CAA's economic regulatory functions under the Single European Sky (National Supervisory Authority) Regulations 2013.

1 REVOCATION

- 1.1 The Scheme of Charges published by the CAA on 31 May 2023, determining the charges to be paid to the CAA in connection with the performance by the CAA of the aforesaid functions is hereby revoked.
- 1.2 Section 16(1) of the Interpretation Act 1978 (which relates to the effect of repeals) shall apply to this Scheme as if this Scheme were an Act of Parliament and as if the Scheme of 31 May 2023 revoked by sub-paragraph 1.1 above was an Act of Parliament thereby repealed.

2 CHARGES PAYABLE

2.1 The operator of an airport in the United Kingdom shall, on the last day of each month, and when invoiced by the CAA, pay to the CAA a charge of:

- a) 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, a charge as specified in Table 1 for each arriving passenger at the airport during that month for which a licence is in force; or

Table 1

Airport	Charge per arriving passenger
Column 1	Column 2
Heathrow Airport Limited	8.00 pence
Gatwick Airport Limited	3.12 pence

- b) in the case of an airport, other than an airport mentioned in paragraph 2.1 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, 1.85 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 and the Airports (Groundhandling) (Amendment) (EU Exit) Regulations 2018/1088) pay to the CAA a charge of £1,246 followed by a further £18,684 upon notification by, and an invoice from, the CAA payable on demand, that an oral hearing is to take place.

3 OTHER CAA COSTS

3.1 **London Heathrow Airport Ltd – Price Control Conditions (H7&H8) and Additional Runway Capacity (R3)**

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

- a) the price control conditions which shall apply to Heathrow Airport Ltd from 1 January 2022 (referred to by the CAA as the 'H7' Review) and from 1 January 2027 (referred to as the 'H8' review),
- b) a new regulatory approach and policy in respect of the regulation of additional runway capacity in Southeast England,
- c) any subsequent appeals made by Heathrow Airport Ltd on the price control conditions,

the following charges will be applied to Heathrow Airport Ltd. For the 12-month period ended 31 March 2025, the CAA will invoice the internal costs on a quarterly basis up to a maximum cost of £939,276 and also invoice quarterly in arrears for recovery of the external adviser costs up to a maximum value of £2,369,250, payable in both cases on invoice and payable on demand to the CAA.

3.2 **Heathrow West Ltd**

Should Heathrow West Ltd be granted permission to build an independent terminal and associated infrastructure at London Heathrow Airport as part of capacity expansion, such an approach would be subject to economic regulation under the Civil Aviation Act 2012 (CAA12). This work would include the possible conduct of market power and operator determinations under CAA12 and considering the grant of a licence in respect of Heathrow West Ltd in due course.

For the 12-month period ended 31 March 2025, for the CAA work in preparing to develop a potential regulatory framework for Heathrow West Ltd, the Heathrow West Ltd must pay the

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CAA's internal costs on a quarterly basis in arrears up to a maximum amount of £233,766 and must also pay quarterly in arrears the CAA's external advisers' costs up to a maximum amount of £1,051,947, payable in both cases on invoice payable on demand to the CAA.

3.3 London Gatwick Airport Ltd – Future Regulation (G7 Review)

In seeking advice from internal and external advisers on the future regulation of Gatwick Airport, the following charges will be applied to Gatwick Airport Ltd.

For the 12-month period ended 31 March 2025, the CAA will invoice the internal costs on a quarterly basis up to a maximum cost of £127,413 and also invoice quarterly in arrears for the recovery of the external adviser costs up to a maximum of £280,098, payable in both cases on invoice payable on demand to the CAA.

3.4 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 prepare and submit a DCO application, the CAA will invoice the proposed DCO applicant to pay to the CAA, payable on demand, a charge of £29,231 before any work is undertaken. Thereafter, the CAA will invoice quarterly in arrears up to a maximum of £584,415 for any year, or part of the year, during which the CAA's work associated with a DCO application is carried out.

3.5 Market Power Determination (MPD)

Where an investigation is initiated requiring the CAA to undertake an assessment and determination on whether an airport operator meets the market power test, in accordance with section 6 of the Civil Aviation Act 2012, the costs incurred by the CAA will be recovered in line with the following principles.

- a) An initial application fee is payable on application by the requesting party (if any) of £58,442.
- b) Recovery of the remaining costs will be spread across large UK airport operators, which will vary dependent on the final outcome of whether the airport operator subject to the investigation is found to meet the market power test;
 - 75% costs will be recovered from the airport operator that is the subject of the MPD where the CAA determines that the airport operator meets the market power test, with the other 25% spread evenly across other large UK airport operators
 - 25% of the costs will be recovered from the airport operator that is the subject of the MPD where the CAA determines that the airport operator does not meet

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the market power test, with the remaining 75% spread evenly across other large UK airport operators.

- c) The CAA defines large airports as airports serving more than 5 million passengers per annum.
- d) Large UK airports will be assessed in proportion to their passenger volumes from prior years to determine charges for the current financial year. If the passenger volumes in prior years have been significantly impacted by events so as to make the passenger volumes in that given year an unreliable basis on which to set an appropriate charge, the CAA will consider the most recent year of data which represents a reasonable estimate for the current financial year, or will arrive at an estimated passenger volume level which represents a fair charge for the current financial year.
- e) Initial cost recovery will be at a 50:50 split between the airport that is the subject of the MPD and remaining large UK airport operators as work progresses, to be invoiced in arrears based on actual costs incurred. Upon completion of work and once a determination has been made as to whether the airport in question meets the market power test, invoices and credit notes will be raised accordingly to align charges with the split outlined above.

4 CAA INVOICE PAYMENT TERMS

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

5 DEFINITIONS

- 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

(This note is not part of the Scheme.)

Reference to the CAA Refund Policy may be made at www.caa.co.uk/ors5

The latest version of this document is available in electronic format at www.caa.co.uk/ors5, where you may also register for e-mail notification of amendments. Details for purchasing paper copy can be found at the same web address.