

Via E-Mail to:

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Dear Sir/Madam

## **CIVIL AVIATION AUTHORITY - ECONOMIC REGULATION OF CAPACITY EXPANSION AT HEATHROW: POLICY UPDATE AND CONSULTATION, CAP 1658**

Highways England welcomes the opportunity to respond to the CAA consultation on the economic regulation of the proposed expansion of Heathrow Airport. Highways England is a government owned company which operates, maintains and improves the strategic road network (SRN) as the strategic highway company appointed under the provisions of the Infrastructure Act 2015 in accordance with the [Licence](#) issued by the Secretary of State for Transport.

Highways England is a statutory consultee to the planning process. It has a specific remit to deliver economic growth through the provision of a safe and reliable SRN, in line with the provisions set out in [DfT Circular 02/2013: The strategic road network and the delivery of sustainable development](#). The Circular sets out how Highways England will work with developers to ensure that specific tests are met when promoting a scheme. This includes ensuring that the transport impact is understood, any mitigation (or other infrastructure) is designed in accordance with the relevant standards and that environmental impacts are appraised and mitigated accordingly.

The proposed expansion of Heathrow Airport has a significant impact on the SRN both during construction and operation and imposes constraints on its future development. Highways England is committed to working with Heathrow Airport Limited (HAL) in accordance with the Memorandum of Understanding signed between Highways England and HAL in January 2018 to ensure that this impact is appropriately mitigated by HAL as the scheme promoter.

Highways England has reviewed Chapter 7 of the CAA consultation which concerns Surface Access. Highways England notes that section 7.11 states "Our overarching view is that capacity expansion is in consumers' interests and that the necessary surface access provision to allow expansion is, therefore, also in consumers' interests". Section 7.12 states "we do not consider it is in consumers' interests for them to pay for surface access schemes, or enhancements and upgrades to schemes, that are not required for capacity expansion"

Highways England wishes to place on record the importance of HAL including appropriate provision for future proofing of the SRN as part of the proposed Airport Expansion works. This particularly includes, but may not be limited to, locations where HAL's proposals will place a constraint to any further enhancement in the future.

As has been made clear in previous Highways England correspondence with HAL, this future proofing is vital to the efficient and resilient operation of the SRN. Its inclusion is consistent with our statutory obligations under our Licence from the Secretary of State; namely, providing effective stewardship of the long-term operation and integrity of the strategic road network, including carrying out future proofing in planning the long-term development and improvement of the network.

Without future proofing, HAL's proposals would conflict with our ability to comply with our Licence by imposing a significantly greater constraint on our ability to add additional capacity to the network than currently exists. Highways England cannot acquiesce to proposals which would have this effect and breach our Licence obligations. Future proofing of the SRN therefore clearly fits into the definition in section 7.11 "necessary surface access provision to allow expansion".

The proposed works to the M25 in particular are essential core requirements of the proposed expansion project and not simply a surface access scheme. These works must include future proofing, as should any surface access schemes elsewhere on the SRN required to allow expansion.

The provision of all works, including future proofing, should be funded by HAL as promoter, developer and deliverer of the Heathrow Northwest Runway Scheme. This is consistent with the project being a private sector funded scheme, and with the position set out by the Secretary of State in the [Airports National Policy Statement](#).

Highways England also responded to HAL's recent non-statutory public consultation which closed on 28 March. As well as future proofing, the key issues for Highways England include agreeing a clear understanding of the traffic impacts of expansion and appropriate mitigation on the SRN to be funded by HAL. This must be informed by robust multi-modal traffic modelling, which Highways England will assure in line with its role as a statutory consultee and the provisions set out within DfT Circular 02/13.

Highways England welcomes the CAA's recognition of Highways England's Licence obligations in relation to future proofing, as referenced in Annex E of the CAA's published working paper – Economic regulation of capacity expansion at Heathrow: working paper on the cost of capital and incentives – Cap 1673. Should HAL's proposals fail to include future proofing, and confirmation that all of the works will be fully funded by HAL, we will ultimately not be able to support HAL's DCO. We will require HAL to insert the necessary protective provisions into the DCO. We wish to work with HAL to resolve this issue as soon as possible.

Yours sincerely



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