

Consumers and Markets Group

Carlton Brown
Chief Executive Officer
Heathrow West Limited
By email: Carlton.Brown@thearoragroup.com



21 July 2025

Dear Carlton

Re: Third runway expansion plan at London Heathrow Airport – cost recovery

Thank you for your letter to Selina Chadha of 4 July 2025 concerning the recovery of costs that Arora may incur in relation to capacity expansion at Heathrow airport and your request for a 'level playing field' with Heathrow Airport Limited (HAL) in this regard.

We intend to support the timely delivery of capacity expansion, and this will require a regulatory process which is both robust and agile. It is important that the regulatory framework, including the policy around recovery of early expansion costs, should be developed and subsequently implemented in a way that furthers the interests of consumers, including in respect of facilitating the timely and efficient delivery of expansion.

Issues around the recovery of early costs will be considered in this context and our consideration of early costs will extend to the recovery of costs incurred by HAL and any other potential promoters that may emerge in response to the Government's invitation for proposals.¹

We intend to consult on these matters in the first half of August 2025. To support this process and inform the development of the consultation it would be helpful to understand the costs related to capacity expansion that you have incurred on a month-by-month basis since the Government's announcement in January and on a similar basis the costs that you expect to incur over the remainder of this year.

Please provide this information on costs (which should include a description of the key deliverables) by 28 July 2025.

Your sincerely

AJ Walker

Andrew Walker
Chief Economist

¹ [Letter to potential promoters of Heathrow expansion - GOV.UK](#)

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