

CAA Economic Regulation Team  
Sent via email to [economicregulation@caa.co.uk](mailto:economicregulation@caa.co.uk)

10<sup>th</sup> September 2025

Dear CAA Economic Regulation Team

**HSPG response to CAP3149 Heathrow Capacity Expansion – consultation on regulatory policy on early costs**

Background

This response is made by the Heathrow Strategic Planning Group (HSPG), a constituted grouping of 'willing' local authorities<sup>1</sup> committed to delivering sustainable growth across the functional economic area surrounding Heathrow Airport.

The Group was formed in late 2015. It is independent of, but constructively engages with, Heathrow Airport Ltd (HAL). The Group collaborates on interventions that could improve the area around the airport and acts as a conduit between the members and Heathrow Airport Limited, regional and national Government, and other key stakeholders.

This response has been prepared by the partnership's secretariat, based on discussions in our Local Authority officer working groups.

Consultation Response

HSPG's initial views on the central questions in the consultation are as follows:

- We agree that efficiently incurred early costs should be reimbursed for all promoters putting forward propositions for expansion that have been assessed as credible and appropriately mature
- We agree with the initial view of the CAA to focus on options (1b) and (3), depending on which of the promoters' proposals are assessed to be credible and appropriately mature
- The definition of early costs must include reimbursement of costs that have been incurred by local authorities in respect of the propositions for expansion. This applies to both the immediate host authorities and to neighbouring authorities that will be affected by the changes being proposed, including all those authorities which are members of HSPG. It is possible that other mechanisms for reimbursement of these costs may be developed following recent legislation but in the absence of such other mechanisms, these costs should be considered as falling within Category B for the purposes of the arrangements set out in this consultation. Certainty that costs will be reimbursed is critical for all authorities, particularly given the huge financial pressures they are facing, and will give them (and collaborative structures such as HSPG) confidence to gear up for the extensive work, including specialist work, that will be required
- We doubt the credibility of the huge divergence in the assessed scale of early costs put forward by HAL and Arora. We assume that the CAA will be undertaking significant further work to interrogate these cost estimates which suggest both the potential for over and under estimation. The treatment of costs borne by local authorities must either be consistent between promoters or any differences should be clearly explained and borne out in the costs which are incurred in practice

- As regards the interface between controlling pass through of early costs and the formal procedural questions around the planning process and the development of increasingly detailed plans by promoters, HSPG is particularly interested in the suggestion made at various points in the consultation paper that an agreed and coordinated approach to making DCO application(s) could be facilitated to avoid duplication and unnecessary early costs for land purchase and site preparation. The paper suggests that this would still leave open the final decision on the developer. HSPG would welcome further clarification from the CAA about how such an agreed approach could be achieved particularly given that the Government would need to play a significant role in achieving it.

As a representative body of local planning authorities we welcome the opportunity to put forward our views into this important discussion that will have significant impacts on our members' resources for the next few years.

We hope your team can facilitate a meeting in the new year to discuss some of these points in more detail to improve mutual understanding on key issues.

Yours faithfully,



Mark Frost, Associate Director Heathrow Strategic Planning Group  
On Behalf of HSPG members

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<sup>i</sup> Full Members of the HSPG (and signatories of an 'Accord') are: Elmbridge Borough Council, London Borough of Ealing, London Borough of Hounslow, Runnymede Borough Council, Slough Borough Council, Spelthorne Borough Council, Surrey County Council, Royal Borough of Windsor & Maidenhead.

Other organisations have 'Observer' status and participate in some activities, including: various Government agencies, National Highways and the West London Alliance (of London Boroughs) and London Borough of Hillingdon, The Group works closely with Heathrow and airport stakeholder groups such as Council for Independent Scrutiny of Heathrow Airport and Heathrow Area Transport Forum.