



**ABTA response to the CAA consultation on the  
recovery of costs associated with obtaining planning permission  
for new runway capacity  
(CAP 1435)**

ABTA – The Travel Association - was founded in 1950 and is the largest travel trade association in the UK, with around 1,200 members and over 4,500 retail outlets and offices. Our Members range from small, specialist tour operators and independent travel agencies specialising in business and leisure travel, through to publicly listed companies and household names, from call centres to internet booking services to high street shops. ABTA's key focus is ensuring that Members can operate their businesses in a sustainable and successful manner, enabling their customers to travel with confidence.

The success of ABTA Members' businesses is directly reliant on the UK's aviation infrastructure; many of ABTA's larger Members are themselves part of groups that own airlines. ABTA Members provide 90% of the package holidays sold in the UK, with Members also selling millions of independent travel arrangements. Annually, ABTA Members' turnover is in excess of £32 billion. The business of our Members is the provision of quality, efficient and competitively priced passenger travel.

ABTA does not support the recovery of costs for planning purposes until the new runway is constructed and in service when passengers will receive the benefits funded from charges, paid for at that time by those passengers.

The CAA's suggestion that airports and airlines should agree the principle of risk sharing is fundamentally flawed. It is difficult to understand how airlines could be held accountable for risks associated with a failure to obtain planning consent through a Development Consent Order, over which they have no control whatsoever. Presenting a fully evidenced request for planning permission should be a core activity for the airport and requiring the airlines to accept 85% of the risk is unacceptable. If the airport is not successful then it should foot 100% of the cost for planning activities within its control. If the planning decision becomes subject to political factors then CAA resolution will be required to determine equitable risk sharing.

ABTA has reservations regarding the CAA's assumption that planning permission can be treated as an asset which attracts cost recovery. Most recoverable assets are those which benefit the users of the airport - a new terminal, extra facilities in the terminal, new landing lights, etc. Planning permission to build a new runway cannot fall into this category, and is simply an item which creates a potential future return for the owner. There can be no benefits attached to a planning consent and neither can value be attributed to a planning approval process until the asset comes into use.

Regarding the definition of Category B costs, ABTA believes that consultations around the National Policy Statement remain a Government responsibility and should not be paid for by the airlines.

It is premature to enter into any discussion regarding planning permission until the Government has taken a policy decision on the location of additional runway capacity. The CAA previously indicated in CAP 1332 that consultation on the treatment of planning costs would take place after a Government decision. ABTA can see no reason to revise this.

We would strongly urge the CAA to develop policy on the basis of evidence and therefore recommend that each of the identified options for handling planning costs undergo a robust analysis. In view of the primary duty to further the interests of passengers, each of the identified options needs to be assessed based on the extent to which it advances the interests of passengers. To retain consistency with CAP 1332, we would recommend launching an objective and evidence based consultation following the eventual government decision.

Thank you for taking our comments into consideration.

#### **Further information**

Susan Parsons, Manager, Trade Relations, ABTA – [sparsons@abta.co.uk](mailto:sparsons@abta.co.uk) or 020 3117 0524

15 September 2016