

Department for Transport  
CAA Call for Evidence  
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Via Email: CAAReviewTeam@dft.gov.uk

29 January 2023

## **HSPG response to the Consultation on the effectiveness and efficiency of the CAA**

### Background

This response is made by the Heathrow Strategic Planning Group (HSPG), a constituted grouping of 'willing' local authorities and local enterprise partnerships<sup>1</sup> committed to jointly leading a collaborative multi-agency approach on the future planning of 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, Government, neighbouring area interests (including the West London Alliance of London Boroughs) and other key stakeholders.

*[This response has been agreed at officer level across all HSPG members. HSPG have specifically discussed our response to this consultation with the Heathrow Area Transport Forum (HATF), and we echo many of the points made in their own submission.]*

### Consultation Response

HSPG have responded to the previous consultations concerning the CAA, specifically to highlight the critical need for decarbonisation to be fully and properly considered in the assessment framework being employed by the CAA when determining the adequacy and acceptability of the Heathrow Airport Business Plan.

Given the nature of HSPG many of the consultation questions are of limited relevance and so we have focused on a small number of issues which relate to the following questions:

Q13 – Overall strategy

Q14 – Environmental performance on those that it oversees

Q28 – Delivery of Net Zero and Government's Jet Zero strategy

### **Economic Regulation and Environmental Protection**

As an economic regulator the CAA uses a framework which takes a very limited view of consumer benefit. The CAA has a secondary duty to consider environmental outcomes, but these are focused on noise mitigation and air quality not on carbon reduction. Moreover, any associated expenditure is balanced against a primary duty to reduce costs for airlines and airport users.



CAA does not examine how its powers could be used strategically to work with the regulated company and other stakeholders to actively develop plans to address a critical policy outcome like Net Zero. Instead, it is reactive allowing the airport to say what it could do and then making case-by-case judgements on what is proposed.

This feels wholly inadequate given the scale of the climate emergency.

There are examples of what can be done. Other regulators are ahead of the CAA on decarbonisation, with explicit reference to net zero often a key or even core objective. What seems lacking is the will to follow suit.

## **Consumer interest and Net Zero**

CAA do not appear to have developed a proper appreciation or understanding of consumer opinion specifically on the relative importance placed on decarbonisation and the trade-offs with the cost of using airport services that achieving this objective may necessitate.

From an HSPG perspective it is frankly baffling that the main public transport gateways into the airport estate are excluded from the definition of an airport and so are not considered by the CAA in the application of their primary duty. This stands in stark - and telling - contrast to the inclusion of car parks and drop off zones.

This is further exacerbated by the fact that whilst nominally the surface access policy operated by the CAA allows for investment in public transport assets the associated assessment involves a very strict application of the user pays principle and the consumer interest test.

It is far from convincing to suggest that the case for investment in surface access has diminished given that expansion is no longer imminent. But it is a fact that under the current policy arrangements, without the framework provided by the ANPS it is far harder.

This needs to be addressed.

HSPG would argue that the overarching need to decarbonise transport (set out in the Department's own Transport Decarbonisation Plan) and to contribute towards the objectives of Jet Zero provide a solid basis in their own right for reviewing the adequacy of the airports' investment programme.

## **Importance of surface access to consumers**

Decarbonisation at pace is in the interest of airport users and will secure direct economic benefits.

In contrast, if there is insufficient investment in securing the technological fixes that will be needed for achieving net zero (as set out in the Jet Zero Strategy), measures will inevitably be introduced to curb demand to meet the required emission reduction trajectory.

That is severely sub-optimal in imposing avoidable negative local economic impacts and, by envisaging higher costs, also seems to be a breach of the CAA's primary duty to users.

This simply does not seem to be addressed within the current assessment framework.

## Environmental Sustainability Strategy

There are some signs that the issue of environmental sustainability is being given more attention: the CAA set up a new environmental sustainability panel and released an environmental strategy.

Yet the objectives of the current strategy are not sufficiently ambitious or specific. The achievement of net zero should be a key objective which informs all of CAA activities alongside safety and economic growth.

This needs to be addressed in the full CAA strategy so that supporting Net Zero is a key objective for the organisation including through economic regulation.

Heathrow may be the only regulated airport, but it is so significant that what happens there is both hugely symbolic and has significant effects – positive and negative.

## Conclusion

There is ambition from Government and the airport to take meaningful steps: the Net Zero Strategy, the draft Jet Zero strategy and the HAL's 'Heathrow 2.0' strategy.

Economic regulation is not helping. Indeed, it is currently hindering these efforts.

The CAA needs a far clearer focus on decarbonisation. It should be a primary duty for the organisation.

Achievement of Jet Zero and the Transport Decarbonisation Plan should be used as a framework to test the effectiveness of the airport's plans for reducing carbon emissions and specific carbon budgets drawn up across the next five years.

The whole passenger journey should be considered as part of that focus, and the surface access policy should be reviewed to ensure that it properly reflects the importance placed by airport users on having a high quality, reliable and sustainable option to access airport opportunities.

We would urge the CAA to take the lead in facilitating a 'flight plan' for achieving net-zero at the airport as soon as practicable, ultimately arbitrating and leading these discussions with a focus on delivering change on the ground as quickly as is possible.

Yours Sincerely,



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

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<sup>1</sup> Full Members of the HSPG (and signatories of an 'Accord') are: Elmbridge Borough Council, Royal Borough of Windsor and Maidenhead, Enterprise M3 Local Enterprise Partnership, London Borough of Ealing, London Borough of Hounslow, Runnymede Borough Council, Slough Borough Council, Spelthorne Borough Council, Surrey County Council, Thames Valley Berkshire Local Enterprise Partnership

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