



HEATHROW **COMMUNITY**  
ENGAGEMENT BOARD

The CAA

By email only: [economicregulation@caa.co.uk](mailto:economicregulation@caa.co.uk)

Wednesday, 21 August 2019

Dear Sirs,

**Re: Economic regulation of capacity expansion at Heathrow airport: consultation on early costs and regulatory timetable**

Thank you for the opportunity to comment on the above.

The steps recommended by CAA seem fairly sensible though it may have been prudent to have considered these steps sooner.

Whilst some of the increased B costs seem to be due to costs being moved from C to B, the fact the forecast has nevertheless doubled from £265m to £520m might create the impression that there is either a blank cheque and/or poor control of costs. There are some highly critical comments in document about HAL's ability to control costs (1.11 on page 19 and 1.17 on page 20)

Given that the sums mentioned for total costs of the project are in the region of £40 billion, a "variance" of £260m may seem immaterial, but the fact that forecasts have already proved 100% out so soon is concerning.

Within the review of B costs incurred we would like, in future to see a reduced focus on small items and an increased focus on larger items of expenditure.

Yours faithfully

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