Heathrow Airport Limited
The Compass Centre, Nelson Road,
Hounslow, Middlesex TW6 2GW
W: heathrow.com

29 October 2026

Dear airline customers

Decision - 2027 Airport Charges and Conditions of Use

Thank you for your participation in the 2027 Heathrow Airport Charges Consultation and for your comprehensive feedback on our proposals. As you will see below, your feedback has been carefully considered and has helped shape our final position on 2027 airport tariffs.

2027 marks a pivotal year for Heathrow as the first year of the H8 regulatory period. The decisions set out in this document establish the charging framework that will support our joint operations, investment plans and growth ambitions through to 2031. They have been developed to support the delivery of improved operational resilience, sustainable growth and the long-term competitiveness of UK aviation.

The aviation industry continues to operate in a challenging and uncertain environment, shaped by geopolitical tensions, economic volatility, inflationary pressures, supply chain disruption, fuel price fluctuations and the ongoing impacts of policies such as Justified Non-Use of Slots (JNUS). Despite these challenges, demand for connectivity through Heathrow remains strong. As the UK's only hub airport, Heathrow continues to connect passengers, businesses and trade with global markets, supporting economic growth across the UK. This success reflects a collective achievement across the Heathrow community, underpinned by the continued partnership between Heathrow and its airline customers in delivering connectivity, resilience and service for passengers.

Passengers have been able to choose from over 230 destinations served in 2026, including over 100 long haul routes and 68 that no other UK airport serves. Summer 2026 has seen continued developments to Heathrow's network, with six new routes launched and three new airlines joining Heathrow, providing even greater choice and connectivity for passengers.

Working closely as an integrated team, Heathrow – alongside airline and other operational partners – delivered strong operational performance during a busy summer and retains its position as Europe's most punctual hub airport. As the busiest two runway airport in the world, Heathrow continues to maximise the use of existing infrastructure and topped previous records with the busiest day ever on the 2nd of August, serving 272,000 passengers. Cargo volumes continue to grow, reinforcing Heathrow's unique role as the UK's most valuable port.

Expanding Heathrow is critical for our joint future success. Expansion would increase capacity, improve operational resilience, strengthen the UK's global connectivity and support economic growth across the country. Heathrow's expansion would unlock at least 30 new destinations, serving up to 150 million passengers on up to 756,000 flights each year.

As we enter the H8 period, Heathrow remains focused on the priorities consistently identified by airline customers through formal consultations, bilateral engagement and ongoing collaboration. In their alternative business plan, airline customers have highlighted five key priorities for the next

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quinquennium: affordability, resilience, infrastructure and capacity, sustainability, and a high-quality passenger experience. These priorities have directly informed Heathrow's H8 Business Plan and the charging decisions set out in this document.

The decisions adopted for 2027 seek to balance these priorities by supporting growth and connectivity, encouraging the efficient use of Heathrow's constrained infrastructure and continuing to support aviation decarbonisation.

Summary of charges

The context set out above drives the changes outlined below which acknowledges this landscape whilst reflecting the appropriate balance of charges to achieve our charging objectives of continuing to maximise growth, champion sustainable aviation and drive the efficient use of the airport.

I am pleased to publish Heathrow's decision document on 2027 airport charges and the Conditions of Use. Effective from 1 January 2027, Heathrow will:

- Recover the full forecast maximum allowable yield for 2027 of £28.658 per passenger;
- Adjust the proportions of the maximum allowable yield recovered across the component elements by increasing Aircraft Landing and Take-off fees to 60% (from 58%) and decreasing movement charges to 35% (from 37%);
- Introduce a New Route Credit for eligible new direct non-stop scheduled passenger services;
- Increase SAF premium assumption to £1,400 per tonne (£700 per tonne incentive);
- Introduce a SAF mid-year review to reallocate incentivised SAF as required;
- Introduce new free parking allowance following return from designated maintenance stands; and
- Increase the remote stand rebate from £6.15 to £7.60.

The remainder of this decision document is structured as follows:

Appendix 1 details our final decision and responds to questions posed by airlines and the airline representative bodies during the consultation process.

A. Calculation of Maximum Allowable Yield;
B. Demand Outlook;
C. Structure of aeronautical charges.

Appendix 2 sets out the consultation process we have followed.

Appendix 3 sets out the final prices effective from 1 January 2027.

Appendix 4 provides a summary of airline responses to the proposed changes to the 2027 Conditions of Use and details our final decision.

I look forward to our continued partnership delivering sustainable growth at Heathrow in 2027 and beyond.



Ross Baker - Chief Customer Officer, Heathrow Airport Limited

Appendix 1: Heathrow Airport charges decision

A. Calculation of the 2027 forecast Maximum Allowable Yield

In September 2026, the CAA published CAP3308, its decision in relation to a holding cap for 2027. This decision follows a consultation on the holding cap achieved through CAP3279 to which Heathrow and other stakeholders responded. The CAA's decision on the 2027 holding cap sets the charge Heathrow is permitted to recover.

From August to October 2026, we consulted with airline customers to present our proposed application of the holding cap developed by the CAA, and to gather feedback on the proposed MAY estimated at £28.398 in CAP3279. Following the publication of CAP3308 we amended the MAY to **£28.658** to reflect the CAA's decision on the 2027 holding cap. We published an addendum to our consultation document setting out this change, so that airline customers had the most up-to-date information when responding to our airport charges consultation.

We have noted the CAA's requirement to provide forecasts for AC_{2027}, T_{2027}, TDO_{2027} and TRS_{2027} within one month of the publication of the H8 Final Decision.
In line with our response to CAP3279, the CAA invited[1] us to share more insight with our customers on our approach to K_{2027} which is the only driver of the difference between the yield on which the CAA consulted initially and the one that will be used in 2027 as per CAP3308.

The calculation of K_{2027} is built on the formula below, as set out in our Licence[2]:

$$K_t = \frac{1}{Q_t} \times (R_{t-2} - Q_{t-2} \times M_{t-2}) \times \left(1 + \frac{I_{t-2}}{100}\right)^2$$

Additionally, M_{2025} is calculated with in accordance with the below formula as per our Licence[3]:

$$M_t = Y_{t-1} \times (1 + CPI_t + X_t + B_{t-2}) + \frac{AC_t}{Q_t} - \frac{T_t}{Q_t} + \frac{TDO_t}{Q_t} + \frac{TRS_t}{Q_t} - AK_t + H7_t$$

[1] CAP3308, paragraph 1.34
[2] Economic Licence granted to HAL by the CAA, September version, condition C1.6
[3] Economic Licence granted to HAL by the CAA, September version, paraph C1.5

Table 1: Details of calculations of K_{2027}

Terms	Description	Value
Qt (Q_{2027})	Defined by the CAA in CAP3308, paragraph 1.13	85,900k
R_{t-2} (R_{2025})	As per Heathrow's 2025 Regulatory Accounts[4]	£2,245k
Q_{t-2} (Q_{2025})	As per Heathrow's 2025 Regulatory Accounts[5]	84,506k
M_{t-2} (M_{2025})	See below calculations	£26.179
I_{t-2} (I_{2025})	Average of 3-months Treasury Bill discount rate as Licence C1.24[6]	4.004%
K_{2027}	1/85,900,000 x (2,245,000,000 – 84,506,000 x 26.179) x 1.04004%	**£0.356**

Table 2: Details of calculations of M_{2025}

Terms	Description	Value
Y_{2024}	Defined in H7 Licence (C1.6)	£26.04
CPI_{2025}	Source ONS (D7BT)[7]	3.37%
X_{2025}	Defined in H7 Licence	-0.00%
B_{2023}	As per consultation document[8] for MAY_{2025}	0.134%
AC_{2025}	Higher Capital Expenditure incurred than the CAA forecast	£10,106k
T_{2025}	Trigger payments owed for T2A FCC and TTS projects	£862k
TDO_{2025}	Actual outturn revenue above CAA's view in the FD as outlined in regulatory accounts[9]	£-762k
TRS_{2025}	Traffic Risk Sharing factor detailed as C1.20 of our Licence	£-11,436k
AK_{2025}	As per consultation document for MAY_{2025}	£0.726
K_{2025}	Correction factor detailed as C1.24 of our Licence.	£-0.772
Q_{2025}	As per Heathrow's 2025 regulatory accounts[8]	84,506k
M_{2025}	Calculation of M_{2025} as per the above formula	**£26.179**

[4] HAL Regulatory Accounts 2025, paragraph 3
[5] HAL Regulatory Accounts 2025, paragraph 2
[6] Economic Licence granted to HAL by the CAA, September 2024 version, paragraph 1.24
[7] Office of National Statistics, CPI
[8] Airport Charges 2025 Consultation document, Heathrow Airport
[9] HAL Regulatory accounts, paragraph 3.2

Decision

In line with the CAA's decision on the 2027 holding cap, the final 2027 MAY is **£28.658**. The formula and table below show how each term contributes to the value of the 2027 MAY (M_{2027}).

$$Forecast\ M_{2027} = Y_{2026}\ x\ (1 + CPIH_{2027} + X_{2027}) + Y_{2026}\ x\ B_{2025} - K_{2027}$$

$$\boldsymbol{Forecast\ M_{2027}} = £28.951 + £0.063 - £0.356 = £\mathbf{28.658}$$

Table 3: Individual values for terms composing the MAY 2027

Term	Description	Value / Impact	Comments
Y_{2026}	Forecast average revenue yield per passenger	£27.532	Defined by CAA in CAP3279 (paragraph 2.22).
$+CPIH_{2027}$	Percentage change in inflation between 2027 and 2026	2.1107%	Calculated using the ONS L522 series . Defined by the CAA in CAP3279 (paragraph 2.24).
X_{2027}	Price profiling factor for 2027	3.043%	Defined by the CAA in CAP3279 (paragraph 2.25).
B_{2025}	Bonus factor for 2025	0.230%	Reflects MTI performance in 2025.
Q_{2027}	Number of passengers in 2027	85,900 k	2027 passenger outlook defined in CAA H8 Initials Proposals (CAP3232) and used in the holding cap decision CAP3308.
$- K_{2027}$	Correction factor for 2027	- £0.356	Negative adjustment due to 2025 over recovery.

B. Demand outlook

Airport charges were calculated in our consultation document using a forecast for 2027 of 85.9m passengers and 474.2k passenger movements, based on the CAA's shocked base forecast[10] (CAP3232A).

Whilst the overall outlook is consistent with the CAA forecast, the underlying market and passenger mix reflects Heathrow's own forecasting methodology. This is derived from a bottom-up, Heathrow-specific capacity supply model that considers the key drivers of passenger demand, such as levels of flying (number of flights), aircraft capacity (number of seats), seat factors and transfer passenger share.

The methodology takes account of Heathrow's annual 480,000 limit on ATMs, current slot utilisation rules, historic flight schedules, flights on sale, future fleet (including densification and upgauging), market maturity and airline growth aspirations, ultimately focusing on the growth potential through passengers per movement.

The forecast has been developed using the most relevant and reliable information available at the time of preparation and reflects Heathrow's assessment of likely market outcomes under the current operating environment.

Feedback

Airline customer feedback suggested that the forecast for movements was too conservative, considering recent performance and expected growth.

Decision

While airline customer feedback suggested that the 2027 passenger movements forecast was too conservative, Heathrow has retained the passenger demand outlook used in the consultation document. For the purposes of this pricing consultation, Heathrow has aligned with the CAA's proposed forecast of 85.9m passengers and 474.2k passenger movements to ensure consistency with the demand assumptions underpinning the H8 holding-cap framework and associated charge calculations. Heathrow's central view of passenger demand in 2027 remains different from the CAA's recommended forecast.

Whilst the overall passenger volume remains unchanged from the consultation, we have updated the underlying passenger mix assumptions used in the calculation of Aircraft Landing and Take-off charges to reflect the best available information. This included the latest Winter 2026 schedule information, Summer 2027 schedule and booking data, and current geopolitical developments. The resulting forecast reflects a shift in passenger mix and a reduction in overall departing passengers compared with the assumptions used in the consultation, including a lower proportion of departing passengers travelling to Other Destinations and a higher proportion of departing passengers travelling to Domestic, Common Travel Area and European destinations. These changes have been reflected in the final charges set out in this document.

[10] CAA's shocked base forecast set out in the H8 Initial Proposals (CAP3232A H8 Initial Proposals Section 1 Consumer Engagement, Passenger Forecasts And Service Quality)

C. Charges structure

Consultation Proposals

1. Charge Recovery Structure

In the consultation document, Heathrow proposed to maintain the existing proportions through which the Maximum Allowable Yield (MAY) is recovered in 2027, with 58% recovered through Aircraft Landing and Take-off Fees, 37% through Movement Charges and 5% through Parking Charges.

As part of the consultation, Heathrow invited airline feedback on the current balance of Aircraft Landing and Take-off Fees, Movement Charges and Parking Charges, and whether an alternative balance of recovery would better support airline operations, growth and investment decisions at Heathrow.

Heathrow expressed the view that if a change to the current balance were to be considered, a 2-percentage point shift in revenue recovery from Movement Charges to Aircraft Landing and Take-off Fees may be an appropriate means of mitigating increases in movement charges.

Feedback

There was a range of feedback from airline customers regarding the proposed charging structure. Key themes included:

- Support for a rebalancing of revenue recovery away from Movement Charges and towards Aircraft Landing and Take-off Fees, with some airlines considering Heathrow's indicative 2 percentage point shift insufficient and advocating a 4-percentage point shift instead.
- Support for measures to keep increases in Movement Charges broadly aligned with overall increases in the MAY. Some airlines expressed concerns about the overall increase in noise charges, with others noting that noise charges have increased more rapidly than the MAY, can disproportionately impact operators with limited fleet replacement options, and the application of increases across all noise categories.
- Concerns from some airlines that a greater reliance on passenger related charges (i.e. Aircraft Landing and Take-off Fees) could increase costs for certain passenger segments and widebody operations.
- Requests for greater stability, predictability and transparency in Heathrow's charging structure and future charge-setting approach.

Decision

We have decided to implement a 2-percentage point shift in revenue recovery from Movement Charges to Aircraft Landing and Take-off Fees for 2027.

This decision reflects the feedback received through the consultation in support of a rebalancing of revenue recovery and that increases in Movement Charges should remain proportionate and broadly aligned with the overall increase in the MAY. Whilst some respondents advocated for a 4-percentage point shift, we consider that a 2-percentage point adjustment strikes an appropriate balance between responding to airline feedback, maintaining stability within the charging framework and avoiding

material changes to the overall structure of airport charges in a single year. In addition, Heathrow notes that the proposed 2-percentage point shift will moderate increases in Movement Charges. Heathrow considers that this is a proportionate response to consultation feedback and one that supports continued investment, operational efficiency and connectivity across the airport network.

Heathrow also recognises concerns raised by a number of airlines that continued increases in Movement Charges may impact airline connectivity, frequency and network development decisions. We therefore intend to engage with airline customers ahead of the development of the 2028 charges framework to explore whether a more sustainable long-term approach to Movement Charges can be developed, with the objective of improving predictability and stability whilst continuing to support Heathrow's connectivity, operational and environmental objectives.

2. New Route Credit

As the UK's hub airport, Heathrow plays a critical role in connecting passengers, businesses and communities to destinations around the world. Maintaining and enhancing connectivity remains a key priority for Heathrow, airlines and consumers.

While Heathrow has recently been recognised by OAG's Megahubs report as the world's most connected airport, it ranked second globally in the most recent assessment based on OAG's multifaceted connectivity criteria. The most recent data shows other major international hub airports continue to expand their networks and destination offering and currently serve more destinations than Heathrow as outlined in table 4. We therefore consider it important that Heathrow continues to support route development opportunities where these can enhance connectivity and deliver benefits for consumers.

Table 4: Destinations served by major international hub airports (OAG Megahubs 2026[11])

Hub Airport	Destinations Served
Amsterdam (AMS)	281
Paris (CDG)	295
Frankfurt (FRA)	310
Istanbul (IST)	337
London Heathrow (LHR)	**227**

[11] Megahubs 2026 | Most Connected Airports in the World | OAG

In previous consultation responses, a number of airlines noted that, without targeted support, many potentially valuable routes, particularly to emerging or underserved markets, would be more commercially difficult to justify. Heathrow has also identified a number of unserved markets with significant passenger demand from London where passengers currently travel via connecting hubs rather than through a direct Heathrow service. In some cases, annual passenger volumes are substantial despite the absence of a direct Heathrow route, suggesting that while demand exists, the commercial case for launching a new service may remain challenging without targeted support. We therefore consider that a targeted credit scheme can assist and encourage the development of sustainable new services from Heathrow.

For 2027, we consulted on the introduction of a New Route Credit for qualifying new direct long-haul destinations. Heathrow proposed that the costs associated with the scheme would be recovered through its aeronautical charging framework in the year the credit is applied. The proposed structure would have provided support over a two-year period by applying credits against the relevant airline's Aircraft Landing and Take-off Fees, subject to specified eligibility requirements being met.

Feedback

Several respondents supported the introduction of a new route credit in principle, but raised concerns about the proposed scope or other aspects of the scheme including:

- The proposed scheme is too narrowly focused on long-haul destinations and the credit should be expanded to cover both short-haul and long-haul services because both can deliver connectivity benefits, generate transfer traffic and support the development of Heathrow's wider route network. Some respondents expressed the view that short-haul services provide feeder traffic for long-haul routes and benefit passengers by improving destination choice and competition on point to point routes.
- Suggestions from some respondents that extending the eligibility criteria should be expanded to apply to seasonal services, new routes which have been launched recently and new frequencies on existing long-haul routes.
- Suggestions from some respondents that incentive periods should be assessed from the route launch date or based on IATA season rather than a fixed calendar year. One respondent suggested the scheme should function as an upfront discount rather than retrospective credit.
- Requests for greater transparency regarding the governance and funding of the scheme, including eligibility criteria, the calculation of credits including for direct versus transfer passengers, the total cost of the scheme and recovery from future charges.
- Suggestions from some respondents that the definition of metropolitan areas should be based on IATA city codes.
- Suggestions from some respondents that Heathrow should consider introducing an appropriate cap or control mechanism to provide greater certainty regarding the overall cost of the scheme.
- One respondent expressed support for the scheme but referred to other barriers to launching new routes.

Some respondents expressed concerns regarding the structure of the scheme, challenging passenger benefits and noting benefits do not accrue to cargo operators. Some respondents also expressed a preference for reduced charges for all airlines rather than a credit scheme.

Decision

Having reviewed the consultation responses, we have decided to introduce a New Route Credit for eligible new direct non-stop scheduled passenger services launched at Heathrow from 1 January 2027, subject to a number of amendments to the proposal consulted upon.

The New Route Credit will be applied retrospectively once Heathrow has verified that an airline has met the scheme requirements. Feedback received queried whether a blanket reduction in charges would be more effective than targeted interventions. Heathrow considers a targeted credit-based scheme is more proportionate to the size of the proposed incentive and the specificity of individual routes.

We do not consider an upfront discount to be appropriate at this stage. Such an approach would require Heathrow to recover the estimated cost of the scheme through 2027 airport charges before it is known how many airlines will participate or whether qualifying routes will ultimately be operated. A retrospective credit ensures that support is only provided where the eligibility requirements have been met and allows Heathrow to recover the actual cost of the scheme in a proportionate and transparent manner.

As proposed in the consultation, the costs of the scheme will be recovered through Heathrow's aeronautical charging framework. As credits will only be applied after an eligible route has successfully operated for the relevant qualifying period, any new routes launched in 2027 will be eligible for a first credit in 2028.

The approach to recovering these costs will be consulted upon as part of the 2028 charges framework. Heathrow's current working assumption is that recovery would be through Aircraft Landing and Take-off Fees, reflecting the charging element against which the credit is applied.

We note that some airlines suggested Heathrow should consider introducing a cap on the scheme. We do not currently consider a cap for 2027 is necessary given our assessment of the number of foreseeable qualifying routes and the early stage of the scheme. However, we will review uptake and scheme performance during 2027 and consider whether any additional controls or limits are appropriate as part of the development of the 2028 charges framework.

In direct response to consultation feedback, we have broadened the scope of the scheme so that it applies to any new direct non-stop scheduled passenger destinations rather than limiting eligibility to new long-haul routes. We consider this approach recognises airline feedback, better reflects the connectivity benefits delivered by new routes and recognises the contribution that short haul services including domestic can make through both direct demand and transfer traffic.

Airline feedback noted a request for further evidence of the wider benefits of the scheme. Heathrow continues to believe that targeted support for new route development is justified given the benefits that new services can deliver for passengers, connectivity and Heathrow's overall route network.

Analysis of transfer traffic from a recently launched long-haul route shows that the majority of connecting passengers continued onwards to short-haul destinations. Nearly nine in ten transfer passengers connected to domestic, European and regional destinations, demonstrating how additional connectivity can support passenger demand across Heathrow's wider network, with benefits extending beyond the direct market and airline serving the route.

We note that some respondents supported extending the scheme to seasonal services, recently launched routes and additional frequencies on existing routes. We do not propose to extend the scheme in this way for 2027. The objective of the New Route Credit is to support the development of new and sustainable connectivity from Heathrow, and we consider that this objective and the associated connectivity benefits, are best achieved by applying the scheme only to new year-round routes. Extending the scheme to seasonal routes would increase the risk of the incentive supporting short-term or temporary services rather than the long-term route development the scheme is intended to encourage. Maintaining a focus on new year-round routes also helps ensure the scheme remains appropriately targeted and reduces the need for additional controls or caps during the initial years of operation. In addition, we do not consider it appropriate to apply the New Route Credit retrospectively to recently launched routes, as the Conditions of Use did not provide for the scheme in previous years.

The New Route Credit has been designed to support the development of new passenger connectivity from Heathrow. The scheme as proposed reflects alignment between its funding arrangements and the associated passenger-related charge revenues, and as such we deem it appropriate the scheme is specifically targeted at passenger routes. We will however monitor the impact of the scheme during 2027 and consider whether any changes to eligibility, including the inclusion of cargo services, may be appropriate as part of the development of the 2028 charges framework.

As proposed in the consultation, eligibility is assessed by reference to the route launch date rather than a calendar-year basis. This ensures that airlines launching eligible routes at any point during 2027 receive the full benefit of the scheme.

To provide greater clarity and transparency and in line with requests for clarity in consultation feedback, destination eligibility will be assessed at the relevant IATA city code level[12] . Airports within the same IATA city code will be treated as a single destination for the purposes of the scheme. We consider this to be an objective, transparent and internationally recognised framework for assessing eligibility.

The scheme will apply only to eligible new direct non-stop scheduled passenger services launched between 1 January 2027 and 31 December 2027 to destinations that, assessed at the relevant IATA city code level, have not had direct non-stop scheduled passenger services from Heathrow during the two-year period preceding 1 January 2027.

Subject to satisfying the eligibility requirements, airlines will receive:

- a credit equivalent to 50% of applicable Aircraft Landing and Take-off Fees incurred during the first 12 months of operation; and

[12] IATA - Codes - Airline and Airport Codes Search

- a credit equivalent to 25% of applicable Aircraft Landing and Take-off Fees incurred during the subsequent 12 months of operation.

For the avoidance of doubt, the New Route Credit will be calculated by reference to all applicable Aircraft Landing and Take-off Fees incurred by the qualifying service, including fees incurred in respect of Embarking Passengers, Transfer Passengers and Transit Passengers.

To qualify for the New Route Credit, an airline must:

- obtain confirmation of eligibility prior to commencing operations;
- operate a direct non-stop scheduled passenger service;
- make the service publicly available for sale;
- operate a minimum of three scheduled passenger services per week throughout the qualifying period, subject to approved slot alleviation arrangements;
- maintain operation of the route throughout the applicable qualifying period; and
- comply with all other requirements related to the New Route Credit set out in Heathrow's Conditions of Use.

Routes withdrawn or failing to meet the eligibility requirements at any point during a qualifying period will not receive a credit for that period.

Following verification of compliance with the scheme, Heathrow will write to qualifying airlines confirming the value of any New Route Credit earned. The credit will be calculated by reference to the applicable Aircraft Landing and Take-off Fees incurred during the relevant qualifying period and will be applied to the airline's Heathrow airport charges account.

The New Route Credit will be administered in accordance with Heathrow's Conditions of Use, which set out the eligibility criteria, verification requirements and credit process.

We consider that these amendments improve the effectiveness of the scheme, broaden the connectivity benefits that can be delivered and provide a more transparent and equitable framework for supporting new route development at Heathrow.

3. SAF Incentive Scheme – Revised SAF Premium and Mid-Year Review

Sustainable Aviation Fuel (SAF) remains one of the most important measures available to support aviation decarbonisation and is expected to play a significant role in achieving both industry and UK net-zero objectives. Heathrow therefore proposed maintaining the core structure of the existing SAF Incentive Scheme for 2027.

Heathrow proposed in the consultation retaining support for voluntary SAF volumes above the UK SAF Mandate, maintaining the voluntary uplift threshold at 2% above the mandate and retaining the SAF Premium assumption at £1,300 per tonne, with Heathrow contributing 50% of the SAF Premium (£650 per tonne incentive).

Heathrow also proposed introducing a structured mid-year reallocation process to maximise utilisation of the incentive pot and provide participating airlines with greater flexibility to manage SAF procurement requirements throughout the year.

Feedback

Heathrow received a range of feedback on the proposed SAF Incentive Scheme. Key themes included:

- Airline responses were mixed. While some were supportive of the proposal, others expressed 'in principle' issues with the scheme itself, challenging the environmental benefits and Heathrow's role in the broader response to global sustainability issues.
- Of those respondents which were supportive, most agreed that the incentive should apply only to voluntary SAF volumes above the UK SAF Mandate.
- Of those respondents which provided feedback on the mid-year reallocation proposal, majority were supportive, with some airlines requesting a broader mid-year review mechanism of recalibrating SAF premium assumptions, supported volumes and contribution levels if market conditions change.
- Requests from a number of airlines to increase the SAF Premium assumption or increase Heathrow's contribution to cover 60% of the cost of SAF.
- Requests to broaden SAF Incentive Scheme eligibility beyond DfT mandate requirements to include PtL SAF that meets recognised international standards, noting that this would support the development, scale-up and delivery of innovative SAF pathways amid expected supply constraints.

Decision

Having reviewed consultation feedback and the latest independent SAF market forecasts, we have decided to retain the existing objective of supporting SAF uptake at 2% above the UK SAF Mandate, while increasing the SAF Premium assumption from £1,300 per tonne to £1,400 per tonne for 2027.

As a result, Heathrow's contribution towards eligible SAF volumes will increase from £650 per tonne to £700 per tonne, whilst maintaining the existing 50% cost-sharing approach. This decision responds directly to feedback from participating airlines regarding the increasing difficulty of supporting voluntary SAF purchases. Heathrow considers retaining the current 50% cost-sharing approach to be appropriate for maintaining the scheme in its current form and a key factor underpinning the scheme's success to date.

The revised SAF Premium assumption is supported by independent market forecasts indicating SAF premiums are likely to increase during 2027. We consider that increasing support to £700 per tonne strikes an appropriate balance between responding to airline feedback, supporting continued voluntary SAF uptake and maintaining affordability within the overall charging framework.

In response to airline feedback, Heathrow has broadened the eligibility criteria for PtL SAF under the 2027 SAF Incentive Scheme. In addition to PtL SAF that meets the relevant DfT requirements, Heathrow will also recognise PtL SAF that meets internationally recognised standards. This approach is intended to support the development, scale-up and deployment of PtL technology during a period of expected supply constraints. Further details will be included in Heathrow's SAF Incentive Guidance Document.

We have also decided to proceed with the proposed mid-year SAF review as consulted upon. The process will enable participating airlines to voluntarily return unused SAF allocations and allow Heathrow to reallocate available volumes to airlines seeking additional SAF uptake. We consider this

approach will maximise utilisation of the incentive pot whilst providing greater operational and commercial flexibility for airlines.

Under this approach:

- Heathrow would write to participating airlines in June 2027 to initiate the reallocation process.
- Airlines would be invited to voluntarily return up to 50% of their SAF allocation that they no longer expect to utilise.
- Returned allocations would be pooled centrally.
- Airlines wishing to access additional SAF allocations would be invited to submit requests during the reallocation window.
- Heathrow would reallocate available volumes using the transparent process set out in the SAF Incentive Guidance Document.
- No penalty would apply to airlines voluntarily returning allocations.

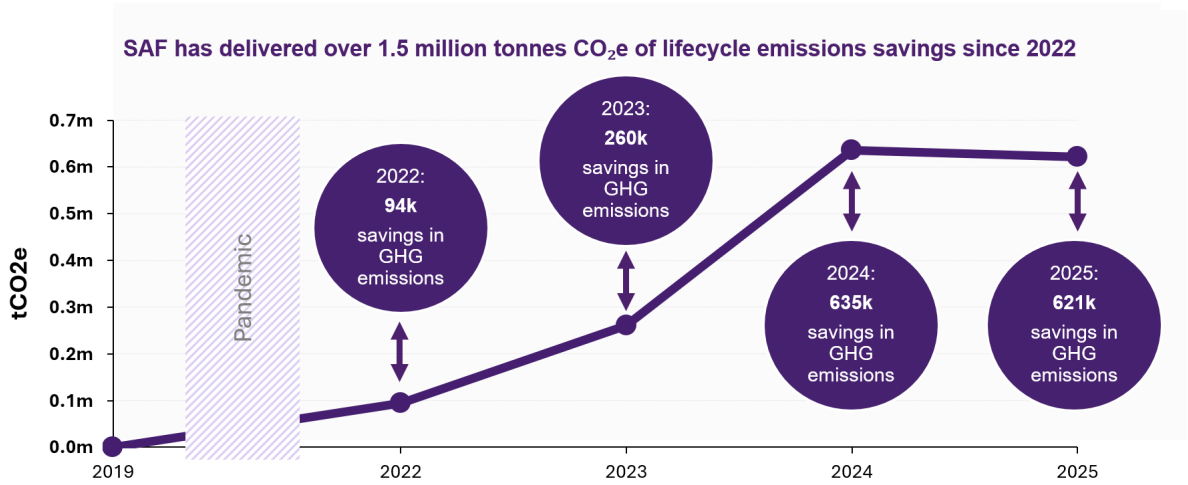
The SAF incentive scheme in 2027 is expected to support up to 116,000 tonnes of voluntary SAF, equivalent to approximately 2% above the UK SAF Mandate and a total potential SAF mix of approximately 7.2%. The incentive pot for 2027 will be £81.24 million, including the residual balance of £7m carried forward from the 2025 scheme.

This decision reflects a careful balance between airline feedback, evolving SAF market conditions and Heathrow's sustainability ambitions. We continue to believe that targeted support for voluntary SAF uptake above mandated levels can play an important role in accelerating aviation decarbonisation whilst supporting wider industry objectives.

The scheme has been fully subscribed in each year it has operated and has contributed to increased SAF uptake at Heathrow. By increasing the level of support available through the scheme, whilst maintaining the existing structure and eligibility requirements, we aim to preserve its effectiveness and encourage continued airline participation during a period of increasing regulatory obligations and market uncertainty.

The graph below highlights the CO2e savings achieved from SAF at Heathrow between 2022 and 2025.

Figure 1 – Savings from SAF on lifecycle aircraft emissions 2022 – 2025[13]



The incentive pot will continue to be apportioned between passenger airlines using Revenue Passenger Kilometres (RPK) and cargo airlines using Freight Tonne Kilometres (FTK), using 12 months of operational data. We consider these to be fair and transparent allocation methodologies which are consistent with the principles of the existing scheme and support efficient utilisation of aircraft capacity.

We note airline feedback regarding broader participation opportunities. Whilst we consider the existing allocation methodology remains appropriate, we will continue to monitor participation levels and consider whether any changes may be required in future years.

The passenger incentive pot will be recovered through the Aircraft Landing and Take-off fees. The cargo SAF incentive pot will continue to operate separately from the passenger incentive pot and will continue to be recovered through the Cargo Minimum Departure Charge, reflecting the different operating characteristics of cargo services.

We will publish an updated SAF Incentive Guidance Document by 30 October 2026, setting out the eligibility requirements, allocation process and timetable for the 2027 scheme. The updated guidance will also provide further detail about the mid-year reopener process.

We will continue to monitor developments in SAF market pricing and welcome airline feedback on the future evolution of the scheme.

[13] Heathrow Sustainability Report 2025

Table 5 - SAF incentive evolution

	2022	2023	2024	2025	2026	2027
Incentive Applies Only to SAF Above UK Mandate				No	Yes	Yes
Heathrow SAF Mix	0.5%	1.5%	2.5%	3%	2%	2%
UK SAF Mandate				2%	3.6%	5.2%
Maximum mix potential	0.5%	1.5%	2.5%	3%	**5.6%**	**7.2%**
Passenger Incentive Pot	£10m	£37m	£71m	£85.8m	£80.6m	£81.24m
Cargo Incentive Pot		£0.62m	£0.45m	£0.32m	£0.38m	£0.41m
SAF Premium	£920	£920	£920	£920	£1,300	£1,400
Contribution	50%	50%	50%	50%	50%	50%

4. Parking Charge Treatment for Maintenance Movements

Heathrow proposed in consultation that aircraft movements to designated Heathrow maintenance areas would be treated as ending a parking period for charging purposes. Upon return to any operational stand, including pier-served and remote stands, a new free parking allowance would commence.

Heathrow considered this change would better align parking charges with actual use of operational stand capacity, reflect the release of stand capacity during maintenance activity and create a clearer distinction between operational parking and aircraft maintenance activity.

Feedback

The respondents which commented on this proposal expressed strong support. Key themes included:

- Support for ending the existing parking period when an aircraft enters a designated Heathrow maintenance area and commencing a new parking period upon return to an operational stand.
- Agreement that maintenance activity should be distinguished from operational stand occupancy for charging purposes.
- Views that the proposal better aligns parking charges with actual stand utilisation.

Decision

Having reviewed consultation feedback, Heathrow has decided to implement the proposal as consulted upon.

All other aspects of the parking charge methodology will remain unchanged. The change will apply only to designated Heathrow maintenance areas, which are identified within Heathrow's Conditions of Use.

5. Remote Stand Rebate

Heathrow has increased the Remote Stand Rebate on a number of occasions in recent years, from £4.00 per passenger in 2023 to £6.15 per passenger in 2026. For 2027, Heathrow consulted on maintaining the rebate at £6.15 per passenger whilst seeking additional feedback and evidence from airlines regarding the current costs associated with remote stand operations.

Feedback

Heathrow received significant feedback on the Remote Stand Rebate proposal. All respondents commenting on the proposal supported an increase in the rebate, noting that the current level no longer reflects the full costs borne by airlines when remote stands are used. Key themes included:

- Concerns that the current rebate no longer fully reflects the additional costs associated with remote stand operations, including bussing, staffing, ground handling, equipment, towing and operational inefficiencies.
- Airlines proposed increasing the rebate to £7.60 per passenger and provided evidence to support this cost.
- Requests for the rebate to be indexed in future years to maintain its value over time.

Decision

Having reviewed airline feedback and the evidence provided by airlines, we have decided to increase the Remote Stand Rebate from £6.15 per passenger to £7.60 per passenger for 2027.

We recognise that remote stand operations can result in additional costs for airlines. Consultation responses highlighted a range of operational costs associated with remote stand usage, including bussing, staffing and ground handling requirements.

The increase to £7.60 per passenger directly responds to consultation feedback and aligns with the level supported by a number of airlines.

We have also noted airline feedback regarding future indexation of the rebate. We consider future inflation linked indexation to be appropriate and we intend to use this as a basis for setting the Remote Stand Rebate from 2028 onwards.

Other items raised by airline customers within the consultation feedback

1. Charges During Operational Disruption

A small number of respondents noted that airlines should not incur additional parking or night movement charges where delays or operational disruption arise from factors outside their control, including airport infrastructure issues, air traffic control restrictions or wider operational disruption.

Decision

Having reviewed the feedback received, we have decided not to introduce a rebate or exemption mechanism for operational disruption at this time.

Whilst we recognise airline concerns, Heathrow's charging framework is designed to recover costs and apply charges consistently across airport users. Heathrow also notes that whilst disruption for night movements may be outside of airlines' direct control, the impact on local communities remains. At this stage, Heathrow considers that introducing a disruption-related exemption process would add complexity and may create challenges in determining responsibility where multiple factors contribute to operational disruption.

We will continue to monitor operational performance and airline feedback in this area as part of future charging reviews.

2. Transfer Discount

Heathrow did not propose a change to the existing transfer passenger discount structure for 2027, including the current 50% for domestic destinations and 40% for all other destinations.

Feedback

Some respondents supported increasing the transfer passenger discount to a consistent 50% across all passenger categories. Key themes included:

- Views that a higher transfer passenger discount would strengthen Heathrow's competitiveness as a hub airport.
- Recognition of the important role transfer passengers play in supporting connectivity, route development and airline network growth.
- Requests for Heathrow to undertake further analysis of the potential benefits and wider charging implications of a revised transfer charging structure.

Decision

We note the support expressed by some airlines for a uniform 50% transfer passenger discount across all passenger categories.

However, Heathrow does not consider there is sufficient evidence at this stage to support a change to the existing transfer passenger discount framework for 2027. Whilst some airlines advocated for a higher discount, the consultation did not identify a clear consensus across airline customers

regarding either the appropriate level of discount or the wider charging implications of such a change.

We have therefore decided to maintain the existing transfer passenger discount structure for 2027.

Given the strategic importance of transfer traffic to Heathrow's hub operation, we consider that further analysis is required before any changes are made to the existing framework.

As part of the development of the 2028 charges framework, and in line with airline feedback we intend to undertake a further review of Heathrow's transfer passenger discount structure to assess whether any changes may be appropriate in light of market conditions.

3. Aircraft Landing and Take-off Charge Differential

Concerns were raised regarding Heathrow's differentiated Aircraft Landing and Take-off charge structure, with some airlines questioning whether the current differential between Europe and Other Destinations is supported by a sufficiently transparent justification and noting that it places a greater proportion of costs on long-haul airlines. Other airlines supported retaining the current structure as is in place today.

Decision

We have decided to maintain the existing Aircraft Landing and Take-off charge differential between European and Other destination passengers for 2027.

We recognise feedback raised by some airlines regarding the differentiated Aircraft Landing and Take-off charge structure and the distribution of charges across passenger segments. However, we continue to consider that the existing structure successfully supports Heathrow's role as the UK's hub airport and aligns with Heathrow's wider connectivity objectives, as well as recognising the different costs of serving these passenger profiles.

4. Towing Incentive

Some airlines suggested that Heathrow should consider introducing incentives for airlines that consistently achieve agreed towing performance targets. Potential approaches proposed included additional free parking allowances, parking rebates or stand-priority benefits. Respondents also noted that any future incentive should recognise factors outside an airline's control and be supported by clear and transparent performance measurement.

Decision

We recognise the potential role that strong towing performance can play in supporting the efficient use of Heathrow's stand infrastructure and operational capacity. However, Heathrow did not consult on a specific towing incentive proposal for 2027 and we do not consider there is sufficient evidence at this stage to support the introduction of a new incentive.

We propose to continue engagement with airlines on this issue and intend to undertake further review and analysis ahead of the development of the 2028 charges framework. This work will consider the potential operational benefits, implementation considerations and wider charging implications associated with any future towing incentive.

Areas for Future Consideration

1. Future Evolution of Noise Charges

Heathrow gathered feedback on the future potential for an amendment to Heathrow's existing noise charging structure to reflect actual noise emitted on departure.

Feedback

The majority of respondents did not support the introduction of operational noise charging and favoured retaining the existing approach based on certified aircraft noise performance. Key themes included:

- Support for certified aircraft noise data remaining the basis for noise charging.
- Concerns that operational noise outcomes can be influenced by factors outside an airline's control, including weather, air traffic control instructions and operating conditions.
- Concerns regarding the complexity, transparency and practicality of measuring operational noise performance for charging purposes.
- Views that a certification-based approach provides greater certainty for operational planning and fleet investment.
- Requests that any future changes be subject to further consultation and robust assessment.
- One respondent noted that Heathrow may wish to explore whether future charging differentials could more closely reflect actual noise outcomes, whilst continuing to recognise investments already made in quieter aircraft.

Decision

We appreciate the feedback received from airlines. There was limited support for moving towards an operational noise charging framework, with most respondents preferring the existing certification-based approach.

At this stage, we are not proposing any changes to the noise charging framework. However, we will continue to consider airline feedback, community expectations and future developments in aircraft technology and noise monitoring as part of our longer-term environmental charging strategy.

We also note that airlines were keen for further engagement before any future proposals are developed. We therefore intend to engage with airlines and other stakeholders ahead of the development of the 2028 charges framework to explore the opportunities, challenges and practical considerations associated with any potential evolution of Heathrow's noise charging framework and identify the most appropriate way forward.

2. Future Evolution of the Carbon Charge

Heathrow gathered feedback from airlines on the potential future evolution of Heathrow's carbon charge to recognise further operational carbon performance. Heathrow also sought feedback on additional understanding of the role of reduced engine taxiing procedures.

Feedback

Respondents were generally not supportive of introducing operational carbon charging and preferred retaining the existing approach based on certified aircraft emissions performance. Key themes included:

- Concerns that operational carbon performance is often influenced by factors outside an airline's control.
- Views that existing mechanisms, including UK ETS and CORSIA, already provide incentives to reduce aviation emissions.
- Concerns that additional airport-based carbon charging could duplicate existing environmental measures.
- Support for maintaining a transparent and predictable charging framework based on certified aircraft performance.
- Requests for longer-term certainty to support fleet investment and operational planning.

Decision

We appreciate the feedback received from airlines. Whilst respondents recognised the importance of decarbonisation, there was limited support for incorporating operational carbon performance into Heathrow's charging framework.

At this stage, we are not proposing any changes to the carbon charge. However, we will continue to monitor developments in aviation decarbonisation policy, airline operating practices and the availability of robust performance data before considering whether any future changes may be appropriate.

We also note that airlines were keen for further engagement before any future proposals are developed. We therefore intend to engage with airlines and other stakeholders ahead of the development of the 2028 charges framework to explore the opportunities, challenges and practical considerations associated with any potential evolution of Heathrow's carbon charging framework and identify the most appropriate way forward.

Appendix 2: Consultation Process Summary

As in recent years, Heathrow again invited interested parties to participate in bilateral discussions prior to the publication of the 2027 consultation proposals. The objective of this early engagement was to obtain initial feedback from airlines on key principles in advance of consultation publication.

Twenty-three airlines participated in bilateral sessions with Heathrow during June and July 2026. This early engagement allowed Heathrow to articulate the high-level strategic objectives that guided the early development of the 2027 airport charges proposals and helped shape the final consultation proposal through receipt of initial airline feedback. This engagement also provided airlines with an opportunity to highlight areas they would like Heathrow to consider as part of the development of the 2027 charges proposals.

In line with the timelines for consulting on airport charges set out in the Airport Charges Regulations 2011, Heathrow commenced formal consultation on the 2027 airport charges tariff by publishing the consultation documents on 24 August 2026. Alongside this, Heathrow issued the consultation draft of the 2027 Conditions of Use, for airline customer feedback.

Following publication of the consultation, the CAA issued its Final Decision on the 2027 Holding Cap. Consistent with the approach set out in the consultation document, Heathrow subsequently published an addendum setting out the resulting updates to forecast revenue and the proposed 2027 airport charges.

An initial consultation meeting was held on 2 September 2026 and airline customer feedback in response to the consultation proposal was requested in writing by 25 September 2026. Heathrow received written responses from 20 parties.

As a result of feedback received, Heathrow has made several amendments to charging proposals, as set out in this decision document. These include:

- making a 2% shift in the proportion of the MAY recovered from movement charges with a commensurate increase in the proportion of recovery from Aircraft / Landing Take-off fees;
- introducing a new route credit scheme amended to include all destinations;
- increasing the SAF premium assumption to £1,400 per tonne (£700 per tonne incentive) and introduce a mid-year reopener;
- increasing the Remote Stand Rebate to £7.60;
- reclassifying parking post maintenance to introduce a new free parking allowance.

Heathrow has carefully reviewed all airline customer feedback on our proposed amendments to the 2027 Conditions of Use. The summary of this, and detailed responses to feedback, is set out in Appendix 4.

We have taken our decision with full regard to our legal and regulatory obligations and the impact of the potential changes. The charges have been set on a non-discriminatory basis, with relevant, objective and transparent criteria. This decision meets Heathrow's objectives to achieve our clear and transparent objectives of sustainable passenger growth, sustainability and ensuring efficient use of the airport.

Appendix 3: Final prices effective 1 January 2027

	2027 £ GBP

Charges on Movement	2027
Fixed wing aircraft exceeding 16 metric tonnes – outside Night Quota Period (Departures & Landing)	
Maximum	£48,585.30
Ultra high	£8,097.57
Super High	£4,048.78
High	£2,429.27
Base	£1,619.51
Low	£1,133.66
Super Low	£890.73
Ultra Low	£809.76
Fixed wing aircraft exceeding 16 metric tonnes – Night Quota Period (Departures & Landing)	
Maximum	£242,926.50
Ultra high	£40,487.85
Super High	£20,243.90
High	£12,146.35
Base	£8,097.55
Low	£5,668.30
Super Low	£4,453.65
Ultra Low	£4,048.80
Fixed wing aircraft exceeding 16 metric tonnes – Peak Night Quota Period (Departures &	
Maximum	£388,682.40
Ultra high	£64,780.56
Super High	£32,390.24
High	£19,434.16
Base	£12,956.08
Low	£9,069.28
Super Low	£7,125.84
Ultra Low	£6,478.08
Helicopters (Departures & Landing)	£1,077.56
Fixed wing aircraft not exceeding 16 metric tonnes (Departures & Landing)	£2,132.07
Emissions charge (Landing)	£21.09
Carbon charge (Landing)	£0.04

Charges on aircraft landing/take-off (calculated based on departing passengers)	2027
Origin and Destination	
Domestic	£16.72
Common Travel Area	£16.97
European	£24.22
Rest of World	£55.59
Transfer and Transit	
Domestic	£8.36
Common Travel Area	£10.18
European	£14.53
Rest of World	£33.35
Remote Stand Rebate	-£7.60
Minimum charge - Domestic	N/A
Minimum charge - Common Travel Area	£1,018.20
Minimum charge - European	£1,864.94
Minimum charge - Rest of World	£4,447.20

Charges on aircraft parking	2027
Narrow bodied	£55.81
Wide bodied	£117.20

	Traffic Volume Units	Traffic Volume	2027 Tariff	Forecast Revenue
Movement Charge				
Noise Charge				
Fixed wing aircraft exceeding 16 metric tonnes – outside Night Quota Period				
Maximum	[Landings]	0	£48,585.30	£0
Ultra high	[Landings]	1,038	£8,097.57	£8,406,244
Super High	[Landings]	22,423	£4,048.78	£90,787,323
High	[Landings]	9,758	£2,429.27	£23,705,598
Base	[Landings]	57,473	£1,619.51	£93,078,057
Low	[Landings]	11,398	£1,133.66	£12,920,996
Super Low	[Landings]	60,140	£890.73	£53,568,944
Ultra Low	[Landings]	74,691	£809.76	£60,481,474
Total	[Landings]	236,922		£342,948,636
Fixed wing aircraft exceeding 16 metric tonnes – outside Night Quota Period				
Maximum	[Departures]	0	£48,585.30	£0
Ultra high	[Departures]	1,038	£8,097.57	£8,406,244
Super High	[Departures]	22,423	£4,048.78	£90,787,323
High	[Departures]	9,758	£2,429.27	£23,705,598
Base	[Departures]	57,473	£1,619.51	£93,078,057
Low	[Departures]	11,398	£1,133.66	£12,920,996
Super Low	[Departures]	60,140	£890.73	£53,568,944
Ultra Low	[Departures]	74,691	£809.76	£60,481,474
Total	[Departures]	236,922		£342,948,636
Fixed wing aircraft exceeding 16 metric tonnes – Night Quota Period				
Maximum	[Landings]	0	£242,926.50	£0
Ultra high	[Landings]	0	£40,487.85	£0
Super High	[Landings]	17	£20,243.90	£340,019
High	[Landings]	16	£12,146.35	£196,839
Base	[Landings]	0	£8,097.55	£0
Low	[Landings]	31	£5,668.30	£177,399
Super Low	[Landings]	96	£4,453.65	£425,538
Ultra Low	[Landings]	40	£4,048.80	£162,574
Total	[Landings]	200		£1,302,368
Fixed wing aircraft exceeding 16 metric tonnes – Night Quota Period				
Maximum	[Departures]	0	£242,926.50	£0
Ultra high	[Departures]	0	£40,487.85	£0
Super High	[Departures]	17	£20,243.90	£340,019
High	[Departures]	16	£12,146.35	£196,839
Base	[Departures]	0	£8,097.55	£0
Low	[Departures]	31	£5,668.30	£177,399
Super Low	[Departures]	96	£4,453.65	£425,538
Ultra Low	[Departures]	40	£4,048.80	£162,574
Total	[Departures]	200		£1,302,368
Emissions Charge on landing				
Total kg Nox rating	[kg]	6,044,756	£21.09	£127,483,910
Average kg Nox per landing	[kg]	25.4		£127,483,910
Carbon Charge on landing				
Total Carbon kg	[kg]	1,039,446,505	£0.04	£44,623,531
Average Carbon kg per Landing and Take-off Cycle	[kg]	4,384		£44,623,531
Total Movement Revenue	**(a)**			**£860,609,450**

	Traffic Volume Units	Traffic Volume	2027 Tariff	Forecast Revenue
Aircraft landing/take-off fees (calculated based on departing passengers)				
Aircraft Landing/Take-Off Fee calculated per Embarking Passenger (other than Transfer Passengers or Transit Passengers)				
Domestic	[Dep Pax]	1,239,847	£16.72	£20,730,243
Common Travel Area	[Dep Pax]	1,263,773	£16.97	£21,446,231
European	[Dep Pax]	12,380,668	£24.22	£299,859,768
Rest of World	[Dep Pax]	18,793,132	£55.59	£1,044,710,218
Total	[Dep Pax]	33,677,420		£1,386,746,460
The Aircraft Landing/Take-Off Fee calculated per Embarking Passenger who is a Transfer Passenger or Transit Passenger				
Domestic	[Dep Pax]	1,055,276	£8.36	£8,822,111
Common Travel Area	[Dep Pax]	328,425	£10.18	£3,343,362
European	[Dep Pax]	2,355,205	£14.53	£34,221,132
Rest of World	[Dep Pax]	5,057,399	£33.35	£168,664,250
		8,796,305		£215,050,854
Remote Stand Rebate				
Remote Stand Rebate	[Dep Pax + Arr Pax]	6,876,167	-£7.60	-£52,258,872
SAF Incentive				-£74,248,321
Total Departing Passenger Charge Revenue	**(b)**			**£1,475,290,121**

Parking Charge				
Narrow bodied				
Chargeable Period	[Units of 15 minutes]	502,271	£55.81	£28,031,770
Wide bodied				
Chargeable Period	[Units of 15 minutes]	809,899	£117.20	£94,920,111
Total Parking Charge	**(c)**	**1,312,170**		**£122,951,881**

Terminal Pax Flights: Total Revenue	**£2,458,851,452**

Non-Terminal Pax Flights (GA, Troops etc)		
Non-Terminal Pax Flights		
Movement Revenue	(e)	£975,381
Aircraft landing/take-off revenue (calculated based on departing passeng	(f)	£1,672,036
Parking Revenue	(g)	£139,349
Total Non-Terminal Pax Flights Revenue		**£2,786,765**

Total Regulated Revenue		
Total Regulated Revenue		
Movement Revenue	(a) + (e)	£861,584,830
Aircraft landing/take-off revenue (calculated based on departing passeng	(b) + (f)	£1,476,962,157
Parking Revenue	(c) + (g)	£123,091,230
Total Regulated Revenue		**£2,461,638,217**
Total Passengers		**85,900,000**
Total Regulated Yield		**£28.66**

Appendix 4

Heathrow Conditions of Use 2027 – Summary of Proposals, Feedback, Response and Decision

In this appendix we summarise the feedback received on our proposals to amend the Heathrow Airport Conditions of Use (COU) for 2027. The Conditions of Use is the contract between Airlines and Heathrow for the use of the airport facilities and services at London Heathrow Airport. Amongst other matters, they set out a range of conditions governing use of the airport facilities and services, what information must be provided, what our charges are and how they must be paid.

In relation to each provision, we have set out a summary of our proposal (if there has been one), the feedback, our response to feedback and our decision. Given that we have summarised feedback, if a specific point raised has not been directly addressed, it does not mean that we accept the views or position put forward by respondents to the consultation.

Proposal	Feedback	Response	Decision
CHANGES PROPOSED BY HEATHROW FOR CONSULTATION			
General updates to dates, formatting, numbering, hyperlinks, grammar, readability or to correct minor errors.	N/A	N/A	Proposed change to be made.
Condition 2 Minor amendments to replace definitions of DvC and HADACAB with Stage 1 Event, Stage 2 Event, and Stage 3 Event, include new definitions for 2027 proposals and for VAT Certification for Aircraft Handling Supplies, and clarificatory edits to existing definitions.	N/A	N/A	Proposed change to be made.

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Proposal	Feedback	Response	Decision
Condition 3.1.13 Minor amendment to indicate the type of VAT information required from Airport Users.	N/A	N/A	Proposed change to be made.
Condition 4.1 Minor amendments to tidy up drafting.	N/A	N/A	Proposed change to be made.
Condition 5.2.3 New sub-Condition permitting Heathrow to require authentication of UK bank guarantees.	N/A	N/A	Proposed change to be made.
Condition 8 Minor amendments to tidy up drafting and remove duplication with Schedule 5.	N/A	N/A	Proposed change to be made.
Condition 9.7, 9.8 and Sch 9 Amendments to replace definitions of DvC and HADACAB with Stage 1 Event, Stage 2 Event, and Stage 3 Event following adoption of new Local Rule 4.	N/A	N/A	Proposed change to be made.
Condition 9.10, 9.11, 15.1 Amendments to add reasonableness standard in	N/A	N/A	Proposed change to be made.

Proposal	Feedback	Response	Decision
response to airline feedback received in prior years.			
Condition 11.2.3 Minor amendment to tidy up use of definitions by replacing reference to Departing Passenger with Embarking Passenger.	N/A	N/A	Proposed change to be made.
Condition 12 New condition Cyber Security.[14]	**Condition 12.1.2**: AOC members, IATA members and other respondents said they objected to Heathrow's ability to impose new requirements through amendments to its policies, procedures and standards without consultation or prior notice, and the scope of this requirement. One respondent noted the potential for conflicts with other regulatory obligations.	**Condition 12.1.2**: In response to feedback, we have narrowed the scope of this condition. The revisions clarify that the compliance obligation only applies to cyber security policies, procedures and standards and that legislative requirements will continue to prevail in the event of any inconsistency. We also note that that this condition contains a requirement that Heathrow notify or make available policies, procedures and standards. We have also narrowed the definition of Cyber Security Legislation so that it no longer includes non-binding standards, codes of practice or guidance.	Proposed change to be made, as amended following feedback.
	Condition 12.1.3: One respondent suggested that cyber security requirements should be aligned with recognised international standards and frameworks for consistency.	**Condition 12.1.3** In response to feedback, we have included a reference to internationally recognised standards.	Proposed change to be made, as amended following feedback.

[14] Following consultation, a new Condition 12.4 was inserted in the COU in response to airline feedback, which has resulted in the renumbering of subsequent sub-conditions. In this table, the Feedback column refers to the numbering used in the consultation draft of the COU and the Response column refers to the numbering in the final version of the 2027 COU.

Proposal	Feedback	Response	Decision
	Condition 12.2: AOC members, IATA members and various respondents provided feedback that the new cyber security obligations are too broad, could capture incidents with no connection to Heathrow or the Airport and should be limited to incidents which have a "material" impact on Heathrow Airport or airline operations at Heathrow Airport. AOC members and other respondents also stated that the 24 hour deadline should be reconsidered, with initial notifications to be based on information available at the time and supplemented at a later date.	**Condition 12.2**: In response to feedback about scope, we have amended Condition 12.2 to include a materiality threshold for notification requirements. In addition, we have included new definitions for Connected Airport User Systems, Heathrow System and Shared Operational Infrastructure for drafting clarity and to further clarify that the scope of the notification obligations is limited to incidents which have some connection with Heathrow or the Airport. We do not consider that amendments to the notification period are required, noting the importance of Heathrow being able to respond quickly to a cyber security incident. We note that the list of details in Condition 12.3 is already limited to information known at the time, however we have included a new Condition 12.4 which expressly clarifies that initial notifications may be limited to information available at the time to address feedback.	Proposed change to be made, as amended following feedback.
	Condition 12.3: AOC members and various respondents stated that this Condition should be limited to information reasonably necessary to understand and manage operational impacts at Heathrow, or information which is genuinely relevant to Heathrow. IATA members raised concerns about extensive information-sharing requirements. **Condition 12.3.5**: One respondent stated that this condition should be	• **Condition 12.3**: We consider that the information requirements are necessary and proportionate to enable Heathrow to effectively manage an actual or potential Cyber Security Incident which may affect the Airport. • **Condition 12.3.5**: We have adopted the amendment suggested as part of feedback. • **Condition 12.3.6**: In response to feedback, we have amended this clause to more clearly articulate the scope of additional information which Heathrow can	Proposed change to be made, as amended following feedback.

Proposal	Feedback	Response	Decision
	amended to clarify that the contact person should be an operational contact.	request. We also note this Condition includes a reasonableness standard.	
	AOC members raised the following concerns, some of which were also raised by other respondents: • **Condition 12.4.1** contains an absolute standard; • **Condition 12.4.2** creates an open-ended obligation to provide regular updates and should be limited to information relevant to the continuing impact on Heathrow; • **Condition 12.4.3** may require airlines to cooperate with authorities that do not have jurisdiction over them, noting that airlines may be subject to different legal and regulatory regimes; • **Condition 12.4.4** should not permit Heathrow to determine airlines' evidence preservation or record-keeping requirements; • **Condition 12.4.5** refers to the provision of "access" which is undefined, and could be	Heathrow has carefully considered the feedback received and in relation to each sub-condition: • **Condition 12.5.1**: In response to feedback, we have amended this clause to require Airport Users to take all "reasonable and proportionate steps". • **Condition 12.5.2**: Given the scope of Condition 12.2 has been amended to include a materiality threshold for notifiable cyber security incidents, we consider that the regular reporting requirements are proportionate. In response to feedback, we have removed the reference to "regular" updates and amended this condition to require updates at reasonable intervals, and do not consider that further amendments are required. • **Condition 12.5.3**: In response to feedback, we have limited this condition so it only requires cooperation with Heathrow, rather than requiring Airport Users to directly cooperate with regulators, government or law enforcement bodies. • **Condition 12.5.4**: In response to feedback, we have limited this requirement to require preservation of information relating to impacts on Heathrow, the Airport or Airport operations. • **Condition 12.5.5**: In response to feedback, we have replaced the word "access" with a requirement for	Proposed change to be made, as amended following feedback.

Proposal	Feedback	Response	Decision
	interpreted as requiring Airport Users to grant Heathrow rights to access airline systems, networks, internal investigations, security architecture or third-party environments. A similar concern was raised by IATA members in relation to undefined access rights; and • **Condition 12.4.6** should contain reciprocal obligations.	Airport Users to provide reasonable assistance in respect of any Connected Airport User Systems. Heathrow considers this necessary to ensure it is able to work cooperatively with Airport Users to properly assess and mitigate the impacts of any Cyber Security Incident on shared infrastructure, the Airport or Airport operations. • **Condition 12.5.6:** In response to feedback, we have amended this condition to include a carve-out for statements required by Applicable Law or any competent authority and to require that Heathrow does not unreasonably withhold or delay its consent. New Condition 12.8 responds to feedback about reciprocity.	
	Condition 12.5: AOC members and other respondents raised concerns about the 10 Business Day time frame for Airport Users' to provide a post-incident report to Heathrow.	**Condition 12.6**: In response to feedback, we have extended the time frame to 20 Business Days.	Proposed change to be made, as amended following feedback.
	Condition 12.6: AOC members and other respondents raised concerns about the requirement that equivalent obligations are imposed on third parties. AOC members and IATA members raised concerns that airlines would be liable for third party suppliers. Other respondents stated that responsibility for third parties should be limited to matters within the Airport User's control, and	**Condition 12.7**: In response to feedback, we have amended this condition to limit its scope to third parties most likely to interface with Heathrow or shared infrastructure. We have also amended this condition to require that those third parties are subject to appropriate rather than equivalent obligations.	Proposed change to be made, as amended following feedback.

Proposal	Feedback	Response	Decision
	one respondent stated that this condition does not reflect the fact that existing contracts may already contain relevant provisions.		
	AOC members, IATA members and various respondents stated that cyber security obligations should be reciprocal. AOC members stated that equivalent obligations should apply to Heathrow where an incident affecting Heathrow's systems, services, facilities or shared infrastructure may materially disrupt airline operations. AOC members state that Heathrow should be required to notify affected Airport Users without undue delay, provide reasonable operational updates and relevant information concerning anticipated service disruption or operational limitations.	In response to feedback, we have included a new Condition 12.8 requiring Heathrow to notify affected Airport Users of Cyber Security Incidents which materially affect, or are reasonably likely to materially affect, their operations at the Airport, to provide operational updates and to notify the relevant Airport User where lawful and reasonably practicable prior to making a public statement which identifies that Airport User. We have also included a new Condition 12.9 permitting Heathrow to delay, limit or withhold information which it considers necessary in certain circumstances.	Proposed change to be made, as amended following feedback.

Proposal	Feedback	Response	Decision
	AOC members, IATA members and various respondents provided feedback that additional safeguards are required to ensure airlines are not required to disclose commercially sensitive (including security-sensitive), confidential, or legally privileged information or information they are not permitted to disclose under law or contract. **Condition 12.3.6**: AOC members additionally noted that this Condition provides Heathrow with broad rights without including safeguards for sensitive information.	In response to feedback, we have included a new Condition 12.10 clarifying that Airport Users are not required to disclose information which is legally privileged or where disclosure is prohibited by law or a competent authority, and that the Confidentiality provisions in Condition 20 apply to information disclosed under Condition 12.	Proposed change to be made, as amended following feedback.
Condition 19.1.5.5 Minor amendment to refer to apron and groundhandling services which are not provided by Heathrow.	N/A	N/A	Proposed change to be made.
Schedule 5 Updates to charges tariff; consequential amendments to Schedule 5 as set out earlier in this decision document. Clarificatory amendments to describe sub-components of Aeronautical Charge, replace references to "Departing Aircraft Charges" with	Feedback set out in decision document above.	General wording changes will be retained. Where necessary, Schedule 5 has been amended to take account of airline feedback, the decision set out above and the final tariff.	Changes made as necessary to implement proposals, as amended following feedback.

Proposal	Feedback	Response	Decision
"Landing/Take Off Fees", and regarding the scope of the Aviation Director's discretion to abate or waive charges.			
Schedule 6 Updates to SAF Incentive terms to address the matters covered earlier in this decision document and airline feedback around the scheme mechanics and our experience of running the scheme to date.	Feedback set out in decision document above.	General wording changes will be retained. Where necessary, Schedule 6 has been amended to take account of airline feedback and the decision set out above.	Changes made as necessary to implement proposals, as amended following feedback.
ADDITIONAL CHANGE PROPOSED BY HEATHROW POST CONSULTATION			
Condition 10.1.2 New condition requiring Airport Users operating ad-hoc flights to utilise existing check-in and baggage systems where possible.	N/A – This amendment was included post consultation to require that Airport Users operating ad-hoc flights utilise existing systems where possible, rather than manual processes.	N/A	Proposed change to be made.
OTHER ISSUES RAISED IN CONSULTATION			
Conditions 1.3 and 23.1 Applicability and nature of COU. Condition regarding airlines stating intention not to follow COU.	AOC members, IATA members and various respondents made comments regarding this provision and the nature of the COU. AOC members stated that they intend to operate at Heathrow as of 1 January 2027	Heathrow only offers the use of its Facilities and Services at Heathrow Airport to all airlines equally, on the same terms and conditions. An airline communicates unconditional acceptance of those terms and conditions by choosing to use the Airport. It would be entirely unworkable to negotiate a bilateral contract with each airline wanting to operate at Heathrow. We disagree with the assertions made by respondents regarding the status	No change.

Proposal	Feedback	Response	Decision
	without this being taken as their acceptance of the COU. AOC members, IATA members and various respondents said they disagreed with this provision for the same reasons given in respect of Condition 1.3. AOC members stated that they intend to operate at Heathrow as of 1 January 2027 without this being taken as their acceptance of the COU.	of the COU. We do not and cannot consent to any airline operating at Heathrow on terms different from those set out in our COU. It is not possible for any airline to exclude itself from the application of the COU by written notification and it is our view that the conditions continue to function appropriately. If an airline indicates it does not intend to comply with the COU (and therefore is saying it intends to breach the contractual terms applicable to all usage of Heathrow Airport) it is appropriate that our consent may be withdrawn for use of our facilities and services. We disagree with assertions made by IATA regarding risk of abuse of dominance - such practice is in line with standard commercial contracting where threatened or actual contract breaches generally give rise to termination rights.	
Conditions 3 and 8 Information Heathrow requires before the Airport User may use Heathrow's Facilities and Services and Provision of Information in relation to Charges	AOC members stated that they thought that the information sought may not be compliant with GDPR rules, although they did not provide any detail as to their specific concerns and why the information requested or provision of it was in issue. They also said this condition should refer to data protection legislation.	We have previously responded to this feedback (on a number of occasions) and our view remains the same. The provision of contact information for an Airline is necessary for the safe and efficient operation of the Airport, and we do not agree that UK GDPR would prevent the provision of names, office addresses and contact details of relevant Airline colleagues, and in any event, there is a general provision regarding Data Protection Legislation set out at Condition 21. We expect these to continue to be provided and updated as necessary. We have previously invited any airline or airline representative who had any concerns over this to contact us directly to discuss and this offer remains open.	No change required.
Condition 5	AOC members said an objective test should be added for assessment of financial standing, that up to 3	We have seen numerous payment issues in recent years, and it is in the interest of both Heathrow and the wider airport community that charges incurred are paid in full	No changes required.

Proposal	Feedback	Response	Decision
Deposits, UK Bank Guarantees and Advance Payment	months of charges is too high and that the expansion of this clause to include situations where an airline acquires additional slots or increases frequencies is not reasonable.	and on time. We do not agree that 3 months of charges is too high. The provisions allow for deposit requests *"up to"* a reasonable estimate of 3 months' worth of charges. For some carriers, for example (although not limited to) new carriers where financial standing cannot be assured, or for carriers who experience material cash flow issues, 3 months' worth of charges can be an appropriate amount. We have again carefully considered all feedback submitted on this provision and remain of the view that the provision as drafted provides an adequate balance of protection to Heathrow from the impacts of non-payment of charges.	
Condition 9.2.8 ORC Protocol	AOC members and two respondents said they did not agree to the inclusion of the reference to ORC protocol as it was not agreed by airlines.	The CAA has required Heathrow to make the ORC Protocol and dispute resolution procedure binding on airlines, as set out in CAP 2591 at paragraph 39. The CAA specifically noted herein that the COU may be the appropriate route for this purpose.	No changes required.
Condition 9.8 Operational requirements regarding slots, capacity, NOTAMs and capacity reductions.	AOC members and two respondents said they did not agree with the wording in this condition in particular because ACL have not provided a firm commitment to provide alleviation on 80/20 where a capacity reduction NOTAM has been issued.	No substantive change has been proposed to this condition for 2027, and it has previously been consulted on. As is understood by the community, Heathrow cannot guarantee slot alleviation as this is for ACL to determine. It is not within Heathrow's control to require ACL to establish a firm commitment to alleviate, as one respondent requested. ACL have previously said that alleviation is an 'after the event' remedy and that it will not guarantee alleviation in advance. Whilst we acknowledge the current discussion with regards to alleviation and application of the 80/20 rule, it remains our view that the condition continues to function appropriately. We note that there has been substantial work carried out this year on this topic and a new Local Rule 4 procedure voted in via the Heathrow Coordination Committee which may assist with certainty and	No changes required.

Proposal	Feedback	Response	Decision
		compliance in future. We will continue to work with airlines and ACL to try and ensure that alleviation is granted where appropriate and invite airlines and their representatives to contact us should they wish to discuss this matter in further detail.	
Condition 9.8, 15.2 and Schedule 5	One respondent said the penalty multipliers for non-compliance with capacity reduction measures, and related to parking and noise are disproportionate and seeks exemptions where penalties are incurred for reasons outside an airline's control.	No substantive change has been proposed to this condition for 2027, and it has previously been consulted on. As noted above and as is understood by the community, Heathrow cannot guarantee slot alleviation as this is for ACL to determine. In relation to parking and noise charges, no changes were proposed to these conditions for 2027, and we do not agree that such amendments are required at this time.	No changes required.
Condition 11 Border Security	AOC members said they did not understand the wording as it requires airlines to comply with UK law, which they already do. They also queried the reasoning and justification for these provisions.	No material change has been proposed to the fundamentals of this condition for 2027, and it has previously been consulted on. As we have previously confirmed, the wording directly reflects the legislative requirements and does not place any additional burden on airlines. It has been included to remind those less familiar with the UK legislative position of their obligations and is entirely appropriate. Heathrow's right to audit airlines which fail to comply with border security is appropriate and proportionate, it is essential that border security is fully complied with, and we will continue to work with airlines to ensure this happens. In respect of training and audit rights, these requirements have been in the COU for a number of years, and we continue to expect all airlines to comply where required.	No changes required.
Condition 13	AOC members said that their members would continue to factor	We continue to welcome all efforts by airlines to work with Heathrow to improve community performance on ground-based emissions and fuel burn. In respect of the	No changes required.

Proposal	Feedback	Response	Decision
Provision regarding single engine taxiing	this into their daily operational requirements.	use of FEGP and PCA we would repeat our responses from the 2019/20, 2020/21, 2021/22, 2022/23, 2023/24, 2024/25, and 2025/26 consultations, that the use of both FEGP and PCA are not subject to the "*all reasonable endeavours*" wording, this applies to "*reduce on-stand emissions*". The inclusion of the wording "*which could include*" makes it clear that these are suggested alternatives to running APU, rather than mandated.	
Condition 18.1.14 Time Sensitive Passengers	AOC members said that they felt that this term was too broad as it did not contain specifics required for airlines to understand the scope of what is intended and that some airlines do not have systems in place to do this or of knowing which passengers might be time-sensitive in advance of their departure from the origin airport.	As said in our responses to the 2019/20, 2020/21, 2021/22, 2022/23, 2023/2024, 2024/25 and 2025/26 consultations, we have not proposed any substantive changes to this provision and it has been previously consulted on, and it is our view that the condition continues to function appropriately. We do not wish to be prescriptive to airlines on what or how policies and procedures are implemented to facilitate the prioritisation of time-sensitive transfer passenger baggage and so do not propose to change this provision.	No changes required.
Condition 22 Liability and insurance	AOC members, IATA members and a number of respondents commented on this provision and said they would like to see changes applied. They specifically mentioned issues in relation to baggage service failures.	Heathrow has not proposed any substantive changes to this provision, it has been previously consulted on with the Airline community, and it is our view that the condition continues to function appropriately. We strongly refute the assertions made by some airlines about monopoly power/dominance. Service incidents are addressed through the MTI regime in the Licence. Where matters are within Heathrow's control, and fall below a specified target, rebates are paid to airlines. Further information on the MTI scheme is set out in the introductory section to the COU, in our Licence and on our website. In respect of baggage incidents, as airlines are aware this is an Other Regulated Charge, where airlines are significantly involved in the governance around investment in the service.	No changes required.

Proposal	Feedback	Response	Decision
		Airlines have previously been unsupportive of commercial pricing for baggage (as compared to cost recovery) which would include a risk premium, and as such, a compensation mechanism would be inappropriate and unjustified.	
Condition 24.1 Invoice disputes	AOC members and one respondent said that they did not agree with the timeframe for registering a dispute being within 10 days of invoice due date, and it should be changed to 30 days.	We have not proposed any substantive change to this provision for 2027, and the condition has previously been consulted on. We responded to this feedback in our 2020/21 consultation response as well as in 2023/24, 2024/25 and 2025/26. The previous term gave 30 days from the *"matter arising"* to raise a dispute, which in practice could mean 30 days from the date of issue of an invoice. The new term is 10 days after invoice due date, which is itself 14 days after the issue date, giving a total of 24 days to raise a dispute, which is a reasonable period of time to allow for an issue to be notified. We consider that this condition continues to function appropriately and does not require further amendment.	No changes required.
Schedule 5 Positioning flight charge waivers	One respondent queried a historical removal of wording regarding empty positioning flights.	We responded to this feedback in our 2024 Consultation Decision in the following terms: *"We have removed the specific reference to* [positioning] *RPT flights to simplify the provision, there is already a catch all for waiving of charges at the discretion of the Aviation Director."*	No changes required.
Schedule 9 Airline Welfare Protocol	AOC members queried why the airline welfare protocol is referred to as a "Rule of Conduct", and one respondent stated further transparency and a formal dispute process for costs recharged to airlines is required.	Heathrow responded to this query during the 2019/20, 2020/21, 2021/22, 2022/23, 2023/24, 2024/25 and 2025/26 consultations in the following terms, which continue to be accurate: The Airline Welfare Protocol has been previously consulted on, and it is our view that the condition continues to function appropriately. In respect of the use of the wording "Rule of Conduct", this wording was introduced in 2014 following the CAA including an	No changes required.

Proposal	Feedback	Response	Decision
		obligation in Heathrow's licence to *"develop rules of conduct for airlines…to follow particularly during disruption… The rules of conduct shall be set out in the… Conditions of Use".* This wording has been included in the H7 Licence set by the CAA, in Conditions D2.13 and D2.14.	

END

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