

Heathrow Airport Limited

Airport Charges for 2027

Consultation Document

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Context and Executive Summary

Dear airline customers,

During the first half of 2026, the aviation industry operated against a backdrop of continued geopolitical uncertainty, including disruption across parts of the Middle East, as well as broader economic and operational challenges. These conditions have created uncertainty for many airlines and placed additional pressure on operations across the global aviation network.

Against this backdrop, Heathrow welcomed 40 million passengers during the first half of the year, maintaining its role as the UK's hub airport and supporting connectivity between the UK and global markets. Working in partnership with our airline customers, Heathrow continued to connect passengers, businesses and trade through an extensive international network.

Heathrow also remains the UK's largest port by value, facilitating the movement of high-value goods to international markets and supporting economic growth across every nation and region of the UK. Despite ongoing geopolitical uncertainty, cargo volumes remained resilient during the first half of 2026, demonstrating the strength and importance of Heathrow's global network.

Delivering for our airline customers starts with delivering strong operational performance. During the first half of 2026, Heathrow maintained its position as Europe's most punctual hub airport. Heathrow also climbed six places to become the world's 16th best airport in the 2026 Skytrax World Airport Awards and was recognised as the World's Best Airport for Shopping and the world's third best airport for security screening, reflecting our significant focus together to enhance the passenger experience. We also completed our £1 billion security transformation programme, becoming the first major hub airport globally where passengers can leave liquids and laptops in their bags during security screening.

These achievements are particularly notable given that Heathrow continues to operate at full capacity. Expansion is critical to maintaining the UK's international competitiveness and Heathrow's status as a leading hub airport. Additional runway capacity would create new opportunities for airline customers to launch new routes and increase frequencies on existing services, strengthening domestic and international connectivity, improving operational resilience, and offering greater choice for consumers. Expansion would also enhance Heathrow's contribution to trade, tourism, and economic growth, delivering long-term benefits for communities and businesses across the UK.

While passenger demand has remained resilient, the aviation industry continues to face significant challenges, including geopolitical instability, disruption across parts of the Middle East and wider economic uncertainty. In this environment, we know affordability remains a key priority for our airline customers. Heathrow's airport charges remain competitive and have fallen in real terms over the past decade. Our approach is to balance affordability with targeted investment that improves service, strengthens operational resilience and supports sustainable growth. By continuing to focus on efficiency, we aim to provide the infrastructure and connectivity that provides our airline customers access to Heathrow's unique proposition, ensuring they can continue to grow and deliver for passengers, businesses and communities across the UK.

Looking ahead, 2027 represents a pivotal year. It marks the beginning of the H8 regulatory period, establishing the regulatory and charging framework shaping Heathrow's operations, investment plans and the conditions that will support our airline customers' growth ambitions through to 2031. The decisions made during this period will play a key role in enabling Heathrow to continue delivering service improvements, strengthening operational resilience, supporting sustainable growth and maintaining the long-term competitiveness of UK aviation.

As we enter H8, Heathrow remains focused on the priorities identified by airline customers through formal consultations, bilateral discussions and ongoing engagement across the industry. Airlines consistently highlighted five strategic priorities for the period: affordability, resilience, infrastructure

and capacity, sustainability, and a high-quality passenger experience. These priorities have directly informed Heathrow's H8 Business Plan and the proposals presented in this consultation document.

Airline feedback has played a central role in shaping our aeronautical charges proposals for 2027. Through formal consultations, bilateral engagement and ongoing collaboration, airlines have helped inform both our broader strategic direction and the charging proposals set out in this document.

Our key themes for airport charges remain as within previous years, ensuring Heathrow's charging framework supports airline growth ambitions, encourages the efficient use of airport infrastructure, and reinforces Heathrow's commitment to the aviation industry's sustainability agenda. Underpinning these proposals is our ambition to sustain and strengthen Heathrow's role as the UK's only hub airport, supporting connectivity, enabling access to global markets, and delivering value for passengers, businesses and communities across all areas of the UK.

Our charging strategy for 2027 retains focus on these three key areas:

Supporting Growth and Connectivity -

- Maintain the existing proportions through which the Maximum Allowable Yield (MAY) is recovered across Aircraft Landing / Take Off fees, Movement Charges and Parking Charges, and seek feedback on whether these recovery proportions remain appropriate.
- Introducing a New Route Credit to support the development of new long-haul destinations, strengthen connectivity and support network growth.

Driving Sustainability -

- Updating Heathrow's world-leading Sustainable Aviation Fuel (SAF) Incentive Scheme.
- Seeking views on the future level of the Remote Stand Rebate.
- Seeking feedback on potential future changes to Heathrow's noise charging framework.

Enabling Efficient Use of Airport Infrastructure -

- Updating aircraft parking charges to ensure equitable recovery of maintenance parking costs and encourage the efficient use of constrained airport capacity.

We are also proposing several amendments to the Conditions of Use, including updating terminology to more clearly articulate that Heathrow's aeronautical charge is comprised of three components – namely, movement charges, aircraft landing / take off charges (sometimes, referred to as the Passenger Service Charge) and parking charges.

We would like to thank all airlines and stakeholders who participated in bilateral discussions, representing 23 interested parties, for sharing their views and helping to shape our approach to charging for 2027.

We look forward to a constructive dialogue with our airline customers throughout this year's consultation, ensuring we define our aeronautical charges for 2027 and continue to realise our vision of being an extraordinary airport fit for the future.

Publication of this consultation document initiates the consultation process required under the Airport Charges Regulations 2011 (ACR11). We are keen to listen to customer feedback throughout this process, and we thank those who have already expressed early views, following on from our invitation to engage as part of our pre-consultation engagement.

We will hold a consultation meeting on 2 September 2026 to present the details of our 2027 charging proposals and respond to any questions. Full details of our consultation programme are set out in section 1.3.4, below.

1 Introduction and consultation programme

1.1 Purpose

- 1.1.1 The purpose of this document is to set out Heathrow's proposal for the level and structure of airport charges for 2027 and invite airline customers to provide their feedback.
- 1.1.2 As the H7 price control concludes at the end of 2026 and the CAA's H8 Final Decision is expected during 2027, the CAA has introduced interim ("holding cap") arrangements for 2027 through CAP3279. Heathrow will use the holding price cap established by the CAA as the basis for this consultation.
- 1.1.3 During the CAP3279 consultation process Heathrow responded to the CAA setting out a number of views regarding the appropriate level and construction of the holding cap, including considerations relating to financeability, regulatory consistency and the treatment of expansion-related expenditure. While Heathrow continues to consider these matters important, this consultation is based on the framework established by the CAA.
- 1.1.4 Heathrow's final charges decision for 2027 will reflect the CAA's final decision on the holding price cap.

1.2 Economic regulation

- 1.2.1 In December 2012, the Civil Aviation Act 2012 (Act) came into force. The Act allows the CAA to set the maximum yield per passenger that Heathrow may levy through the application of a price control condition under an economic licence, along with other provisions such as the Outcomes Based Regulation (OBR).
- 1.2.2 Airport charges are levied on operators of aircraft in connection with the landing, parking, take-off of aircraft, or use of the facilities and services at Heathrow Airport (including charges that are to any extent determined by reference to the number of passengers on board the aircraft).
- 1.2.3 Under the terms of the Licence granted to us, the CAA incentivises us to meet service quality conditions through the MTI scheme and its rebates/bonus mechanism on key service quality metrics as well as requiring us to consult airport users on key decisions, such as airport charges, other regulated charges, and capital investment.
- 1.2.4 The Licence conditions specific to service quality require us to make payments to airline customers if we do not meet the assigned targets. Subject to confirmation as the detail of the H8 framework get defined by the CAA, Heathrow expects that the following measures subject to financial incentives include: The service quality measures subject to financial incentives include: cleanliness, way-finding, helpfulness / attitude of security staff, Wi-Fi performance, security queue times (for direct and transfer passengers, colleagues as well as Control Posts), availability of equipment (lifts, escalators, travelators, baggage carousels), availability of infrastructure (check-in, stands, jetties, fixed electrical ground power, stand entry guidance, pre-conditioned air, pier-served stands), track transit system,

baggage timely delivery and runway operational resilience. We publish the monthly scores on service quality measures and the full details of the MTI scheme on our website¹.

- 1.2.5 Details of the H7 measures can be found in sections D1 and Schedule 1 of our Licence². Heathrow expects H8 measures to be detailed in the CAA's H8 Final Determination currently expected to be issued in Q1 2027.
- 1.2.6 Details of Heathrow's capital investment plan can be found on the Heathrow website³, alongside a list of other regulated facilities and services⁴ and a list of property accommodation⁵. In addition, the full schedule of airport charges is listed in the Conditions of Use⁶.

1.3 Airport charges consultation programme

- 1.3.1 In response to airline feedback and following successful engagement during the 2026 airport charges consultation process, we again invited interested parties to participate in bilateral discussions with Heathrow prior to the formal launch of the 2027 airport charges consultation.
- 1.3.2 This early bilateral engagement articulated the high-level strategic objectives that we were seeking to achieve through 2027 airport charges and sought input on how we might deliver against them. The intention was to shape the final consultation proposal through initial airline customer feedback. These sessions took place throughout June and July this year, with 23 interested parties.
- 1.3.3 We are now formally consulting with airline customers on the level of charges for 2027 and we plan to announce our final decision by 30 October 2027, in accordance with the requirements of the ACR11. The publication of this consultation document represents the start of our formal consultation on the annual setting of airport charges.

¹ <https://www.heathrow.com/company/about-heathrow/performance/airport-operations/quality-rebate-and-bonus-scheme>

² [20260101-heathrow-airport-limited-licence.pdf](https://www.heathrow.com/company/about-heathrow/performance/airport-operations/quality-rebate-and-bonus-scheme)

³ <https://www.heathrow.com/company/about-heathrow/economic-regulation/h7-update>

⁴ www.heathrow.com/orc

⁵ www.heathrow.com/property

⁶ www.heathrow.com/cou

1.3.4 The airport charges consultation programme is as follows:

Table 1 - Consultation programme

Date	Milestone
24 Aug 2026	Publication of our airport charges consultation document
02 Sep 2026	Consultation meeting
25 Sep 2026	Airline written response deadline
30 Oct 2026	Publication of 2027 prices
1 Jan 2027	2027 Prices and updated Conditions of Use in force

- 1.3.5 The consultation meeting will be held on 2 September 2026, which will provide airline customers with the opportunity to comment on the pricing and Conditions of Use proposals, in addition to providing any written feedback by close of business on 25 September 2026. The consultation meeting will be open to all airlines and their representative bodies.

Date: Wednesday, 2 September 2026
 Time: 10:00 to 14:00
 Location: Heathrow Employment & Skills Academy, Newall Road, Hounslow, Middlesex, TW6 2AP

Please let us know if you would like to attend the consultation meeting using the **email address provided below**.

1.4 How to respond

- 1.4.1 We invite interested parties to submit written responses to the proposals set out in this document by **close of business on 25 September 2026**. Responses should be sent to: airline.relations@heathrow.com. You should also use this email address in the event you have any questions on the consultation document, associated process or would like to arrange a bilateral session to further engage on the proposals.
- 1.4.2 Please clearly mark any information that should be treated as confidential in responses to this consultation.

2 Calculating the forecast Maximum Allowable Yield (MAY)

2.1 Price control MAY formula and proposed 2027 MAY

- 2.1.1 The 2027 Maximum Allowable Yield is based on the holding price cap framework established by the CAA pending publication of the H8 Final Decision.
- 2.1.2 The CAA has proposed that the holding cap should provide an interim level of regulatory protection while ensuring that revenues can subsequently be reconciled through the H8 settlement and associated adjustment mechanisms.
- 2.1.3 For the purposes of this consultation, Heathrow has used the holding-cap value published by the CAA as the starting point for calculating airport charges.
- 2.1.4 During the CAP3279 process Heathrow submitted that alternative approaches could also be justified, including the use of the midpoint building-block charge identified in the H8 Initial Proposals, an updated correction-factor calculation based on outturn information and the inclusion of appropriate mechanisms for expansion expenditure. Heathrow considered that such an approach would provide greater consistency with the regulatory building blocks underpinning H8 and support a smoother transition into the new control period.
- 2.1.5 Nevertheless, Heathrow recognises that the holding cap is ultimately a matter for the CAA and this consultation reflects the CAA's proposed regulatory framework. Heathrow's final charges decision will be updated, where required, to reflect the CAA's final determination. Based on the CAA's CAP3279 which sets a holding cap for 2027, the following price formula has been used for the calculation of the 2027 forecast MAY:

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

Where:

- a) M_{2027} is the maximum revenue yield per passenger using the Airport in Regulatory Year 2027 expressed in pounds sterling;
- b) Y_{2026} is the average revenue yield per passenger using the Airport in Regulatory Year 2026, as defined in the Licence Condition C1.6;
- c) $CPIH_{2027}$ represents expected inflation over 2027 and is defined by the difference in the Office for National Statistics monthly L522 Consumer Prices Index including owner occupiers' housing costs over Regulatory Year 2026 and 2027;
- d) X_{2027} represents the price profiling factor defined in CAP3279⁷;
- e) B_{2025} is the bonus factor in Regulatory Year 2027, based on Heathrow's service quality performance in Regulatory Year 2025, as defined in CAP3279⁸;
- f) Q_{2027} is the forecasted number of passengers using the Airport in the Regulatory Year 2027 as defined in CAP3232⁹;
- g) K_{2027} is the correction factor in Regulatory Year 2027, as defined in CAP3279¹⁰.

⁷ CAA, CAP3279, paragraph 2.25

⁸ CAA, CAP3279, paragraph 2.12

⁹ CAA, H8 Initial Proposal, Table 2.9

¹⁰ CAA, CAP3279, paragraph 2.14

- 2.1.6 The Regulatory Year 2027 means the period of twelve months from 1 January 2027 to 31 December 2027.
- 2.1.7 The combined impact of all the elements of the formula results in a forecast 2027 MAY of £28.398 (passenger only flights). The building blocks of the formula are summarised below in sections 2.2 – 2.7 and full details for the calculation are shown in chapters 3 - 6.

2.2 Y_{2026} – average revenue yield for 2026

- 2.2.1 Y_{2026} is calculated by using the following formula

$$Y_{2026} = Y_{2025} \times (1 + CPI_{2026} + X_{2026}) + S_{2026}$$

- 2.2.2 Y_{2025} , the Average Revenue Yield for 2025, is the starting point for the 2027 holding cap calculation. As per the methodology developed in CAP3279, the CAA has decided to retain a value of £26.913 (2025 CPI-real prices) for this term.

Similarly, the CAA has calculated CPI_{2026} as percentage change between:

- the average value of the Office for National Statistics monthly D7BT Consumer Prices Index over Regulatory Year 2026. As this is not yet available, the CAA proposes to use the forecast of 141.551¹¹; and
- the average value of the Office for National Statistics monthly D7BT Consumer Prices Index over Regulatory Year 2025, which takes the value of 138.367¹².

$$CPI_{2026} = \frac{141.551}{138.367} - 1 = 2.3011\%$$

- 2.2.3 $X_{2026} = 0$, as per the Licence; and
- 2.2.4 S_{2026} is the allowable security and/or health and safety cost per passenger in Regulatory Year $t - 1$ arising as a result of changes to security and/or health and safety standards. The CAA assumed that this term would carry a nil value in 2026.

- 2.2.5 Thus, the forecast average revenue yield per passenger in 2026 would be:

$$Y_{2026} = Y_{2025} \times (1 + CPI_{2026} + X_{2026}) + S_{2026}$$

$$Y_{2026} = £26.913 \times \left[1 + \left(\frac{141.55}{138.37} - 1 \right) + 0 \right] + 0 = 27.532$$

¹¹ Office for Budget Responsibility Economic and fiscal outlook, [March 2026 edition](#).

¹² Office of National Statistics, CPI Index, [Serie D7BT](#)

2.3 CPIH₂₀₂₇ – forecast inflation for 2027

2.3.1 For the 2027 inflation, the CAA has shifted to using the CPIH index in line with its H8 Initial Proposals (CAP3232). As outlined in CAP3279, the inflation adjustment CPIH₂₀₂₇ would be given by the percentage change between:

- the average value of the Office for National Statistics monthly L522 Consumer Prices Index including owner occupiers' housing costs over Regulatory Year 2027. As this is not yet available, the CAA has proposed to use the forecast of 144.501¹³; and
- the average value of the Office for National Statistics monthly L522 Consumer Prices Index including owner occupiers' housing costs over Regulatory Year 2026. As this is not yet available, the CAA has proposed to use the forecast of 141.514¹⁴.

2.3.2 On this basis, the inflation adjustment CPIH₂₀₂₇ would be:

$$CPIH_{2027} = \frac{144.501}{141.514} = 2.1107\%$$

2.3.3 Further detail on the calculation of the inflation term is found in Chapter 4.

2.4 B₂₀₂₅ – Bonus factor for 2025 performance

2.4.1 The price control formula includes a bonus factor that allows the airport to recover a bonus when performance on certain service quality measures exceed the specified service standard. The bonus term in any given year is based on actual service quality performance of the period preceding the relevant year by two years, which for the 2027 airport charges is 2025. Heathrow achieved a bonus in 2025. Further detail is provided in Chapter 5.

2.5 K₂₀₂₇ – Correction factor for 2027

2.5.1 The K Factor in the formula adjusts the MAY in a Regulatory Year to account for any under- or over-recovery against the allowed revenue two years prior, together with an allowance for interest rates.

2.5.2 The MAY in 2027 is decreased due to an over-recovery in 2025. The K Factor calculation is shown in Chapter 6.

2.6 Q₂₀₂₇ - Passengers forecast for 2027

2.6.1 The CAA established Heathrow passenger forecast for 2027 as 85.9m for the twelve months – January 2026 to December 2026 in its H8 Initial Proposals (March 2026)¹⁵. This is discussed further in Chapter 7.

¹³ Office for Budget Responsibility Economic and fiscal outlook, [March 2026 edition](#)

¹⁴ Office for Budget Responsibility Economic and fiscal outlook, [March 2026 edition](#)

¹⁵ CAA, H8 Initial Proposals, [CAP3232A](#), Table 2.10

2.7 Application of the regulatory pricing formula

- 2.7.1 Based on the regulatory pricing formula, the 2027 forecast maximum allowable yield is set out below.

$$M_{2027} = Y_{2026} \times (1 + \text{CPIH}_{2027} + X_{2027}) + Y_{2026} \times B_{2025} - K_{2027}$$

Where:

Term	Value	Detailed calculation reference
Y_{2026}	£27.532	Chapter 3
CPIH_{2027}	2.1107%	Chapter 4
X_{2027}	3.043%	Chapter 4
B_{2025}	0.230%	Chapter 5
Q_{2027}	85,900 (k)	Chapter 7
K_{2027}	£0.616	Chapter 6

- 2.7.2 Using the above values, the MAY calculation becomes:

$$M_{2027} = £27.532 \times (1 + 2.1107\% + 3.043\%) + (£27.532 \times 0.230\%) - £0.616 = £28.398$$

$$M_{2027} = £28.951 + £0.063 - £0.616 = £28.398$$

- 2.7.3 Applying the above formula results in a 2027 H8 holding cap of **£28.398**.
- 2.7.4 Heathrow proposes to set charges up to the levels that recover the full holding cap for 2027.

3 Forecast profiled charge for 2027

- 3.1.1 In March 2026, the CAA published its Initial Proposals for H8¹⁶ in which the regulator specified a range between £25.79 and £27.44 (2024 CPIH-real) for 2027. The forecast profiled charge for 2027, is calculated by taking the mid-point of this range to which is applied a CPIH indexation adjustment to bring this into 2027 prices.
- 3.1.2 In its response to CAP3279, Heathrow has argued that the midpoint building-block charge of £27.917 (2024 CPIH-real) should be adopted as the starting point for the 2027 holding cap.
- 3.1.3 Based on the CAA's methodology published in CAP3279, the forecast profiled charge for 2027 is given by:

$$Y_{2026} = Y_{2025} \times (1 + \text{CPI}_{2026} + X_{2026}) + S_{2026}$$

Where

Y_{2025} is the average revenue yield per passenger for 2025, and is equal to £26.913 (2025 CPI-real prices)¹⁷

X_{2026} is the efficiency factor for 2026 and has the value of $X_{2026} = 0.00\%$, as defined in the January 2026 Licence;

S_{2026} is the allowable security and/or health and safety cost per passenger in Regulatory Year 2026 and is assumed to have a nil value.

- 3.1.4 Using the above values, Y_{2026} has the value:

$$Y_{2026} = £26.913 \times (1 + 2.3011\% + 0.00\%) + 0 = £27.532$$

¹⁶ [CAP3232](#) Initial Proposals Section 3: financial issues and calculating the price cap, March 2026, paragraph 11.22

¹⁷ Heathrow Airport Limited [Charges for 2026 Consultation](#), August 2025, chapter 3. The CAA calculated Y_{2025} from Y_{2024} using outturn CPI inflation for 2025.

4 CPIH and profiling factor

- 4.1.1 Heathrow continues to support a consistent approach to inflation forecasting across both the airport charges process and the wider H8 regulatory framework.
- 4.1.2 In its response to CAP3279, Heathrow noted the importance of alignment between the inflation assumptions adopted for airport charges and those used by the CAA in determining H8 allowed revenues¹⁸. Consistency in forecasting assumptions helps avoid unintended transfers of value and improves predictability for both consumers and airport users.
- 4.1.3 For the purpose of this consultation, Heathrow has applied the assumptions specified within the CAA's holding-cap framework¹⁹. Heathrow's final charges decision will reflect the assumptions incorporated within the CAA's final decision.

- 4.1.4 The inflation adjustment $CPIH_{2027}$ would be given by the percentage change between:
- the average value of the Office for National Statistics monthly L522 Consumer Prices Index including owner occupiers' housing costs over Regulatory Year 2027. As this is not yet available, the CAA proposes to use the forecast of 144.50123; and
 - the average value of the Office for National Statistics monthly L522 Consumer Prices Index including owner occupiers' housing costs over Regulatory Year 2026. As this is not yet available, the regulator proposes to use the forecast of 141.51424.

- 4.1.5 On this basis, the inflation adjustment $CPIH_{2027}$ would be:

$$CPIH_{2027} = \frac{144.501}{141.514} - 1 = 2.1107\%$$

- 4.1.6 Any difference between the forecast and outturn CPI will be corrected through the K Factor when setting the 2029 airport charges.
- 4.1.7 CAP3279 also relates to a price profiling factor to support the inflation true-up. Paragraph 2.25 of the CAA's consultation outline the methodology followed to establish its value at

$$X_{2027} = 3.043\%$$

¹⁸ CAA, H8 Initial Proposals, CAP3232, [Chapter 10](#)

¹⁹ CAA, [CAP3279](#), paragraphs 2.23 and 2.24

5 Bonus factor

- 5.1.1 The price control licence condition for the MAY includes a bonus component for performance of certain service quality measures. A service quality bonus can be achieved when performance for certain measures exceeds the specified target levels. Full details of the bonus methodology can be found in Heathrow's Licence. The holding cap framework developed in CAP3279²⁰ by the CAA aims to replicate this mechanism.
- 5.1.2 For the purposes of the 2027 holding cap, the service quality bonus can be recovered for the Regulatory Year 2025 from 1 January 2025 to 31 December 2025.
- 5.1.3 During the 2025 Regulatory Year, the Licence included different bonus measures, as follows:
- i) Cleanliness,
 - ii) Wayfinding,
 - iii) Central Search Security Time (5 minutes),
 - iv) Transfer Search Security (10 minutes).
- 5.1.4 Heathrow has achieved the service quality bonus for 2025 at 0.230%. This is shown below in Table 2 and included in the 2027 holding cap formula.

²⁰ CAA, CAP3279, paragraph 2.12

Table 2 – Heathrow Airport Bonus performance for the period January 2025 – December 2025

Cleanliness (QSM)		Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Total
	Terminal 2 (actual)	4.35	4.34	4.34	4.34	4.34	4.34	4.34	4.34	4.34	4.34	4.34	4.34	
	Terminal 3 (actual)	4.26	4.26	4.25	4.25	4.25	4.25	4.25	4.26	4.26	4.26	4.26	4.26	
	Terminal 4 (actual)	4.31	4.30	4.29	4.29	4.29	4.29	4.28	4.28	4.28	4.29	4.28	4.28	
	Terminal 5 (actual)	4.29	4.29	4.29	4.28	4.28	4.29	4.28	4.28	4.28	4.28	4.28	4.28	
	Bonus term =	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.000%
Way finding (QSM)		Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Total
	Terminal 2 (actual)	4.37	4.37	4.37	4.36	4.37	4.37	4.37	4.37	4.37	4.37	4.37	4.37	
	Terminal 3 (actual)	4.31	4.31	4.31	4.31	4.31	4.32	4.32	4.33	4.33	4.33	4.33	4.33	
	Terminal 4 (actual)	4.35	4.35	4.34	4.33	4.33	4.33	4.33	4.33	4.33	4.33	4.33	4.33	
	Terminal 5 (actual)	4.30	4.30	4.30	4.30	4.30	4.31	4.31	4.31	4.31	4.31	4.31	4.31	
	Bonus term =	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.000%
Central search security < 5 mins		Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Total
	Terminal 2 (actual)	0.99	0.99	1.00	1.00	0.98	0.97	0.98	0.98	0.97	0.99	0.98	0.99	
	Terminal 3 (actual)	1.00	1.00	0.99	0.99	0.99	0.99	0.98	0.97	0.99	0.99	0.99	0.98	
	Terminal 4 (actual)	0.99	1.00	0.99	1.00	1.00	0.98	0.96	0.97	0.98	0.98	0.99	0.99	
	Terminal 5 (actual)	0.97	0.96	0.96	0.97	0.98	0.98	0.98	0.97	0.98	0.98	0.98	0.98	
	Bonus term =	0.0053%	0.0000%	0.0000%	0.0000%	0.0214%	0.0107%	0.0000%	0.0000%	0.0000%	0.0188%	0.0279%	0.0146%	0.099%
Transfer search security < 10 mins		Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Total
	Terminal 2 (actual)	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
	Terminal 3 (actual)	0.99	1.00	1.00	1.00	1.00	1.00	0.99	1.00	1.00	1.00	1.00	0.99	
	Terminal 4 (actual)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
	Terminal 5 (actual)	0.98	0.99	0.98	0.98	0.99	0.99	0.99	0.98	0.99	0.99	0.99	0.98	
	Bonus term =	0.0048%	0.0133%	0.0052%	0.0084%	0.0147%	0.0147%	0.0150%	0.0079%	0.0134%	0.0122%	0.0150%	0.0070%	0.132%
Bonus term =		0.0100%	0.0133%	0.0052%	0.0084%	0.0361%	0.0254%	0.0150%	0.0079%	0.0134%	0.0310%	0.0429%	0.0216%	0.2302%
	Rounded to 3 decimal places Bt =	0.010%	0.013%	0.005%	0.008%	0.036%	0.025%	0.015%	0.008%	0.013%	0.031%	0.043%	0.022%	0.230%

6 Correction factor

6.1.1 The K Factor sets out the level of over recovery or under recovery on a per passenger basis. The over recovery is when Heathrow exceeds the maximum allowable yield on a per passenger basis. The under recovery is when Heathrow does not achieve the maximum allowable yield on a per passenger basis. This over/under recovery generally reflects a change in mix of actual passengers and movements compared to the forecasts used to set the airport charges for that relevant year.

6.1.2 The K Factor formula has a component to calculate the actual allowable yield in the Regulatory Year t-2. The K Factor formula is shown below:

$$K_{2027} = \frac{1}{Q_{2027}} \times (R_{2025} - Q_{2025} \times M_{2025}) \times \left(1 + \frac{I_{2025}}{100}\right)^2,$$

where:

- (a) R_{2025} is the total revenue from airport charges in respect of relevant air transport services levied at the Airport in Regulatory Year 2025 expressed in pounds sterling;
- (b) Q_{2025} is the number of passengers using the Airport in Regulatory Year 2025;
- (c) M_{2025} is the maximum revenue yield per passenger using the Airport in Regulatory Year 2025 expressed in pounds sterling. In CAP3279, the CAA has decided to use the forecasted value from our decision on Airport charges issued in October 2024. In its response to CAP3279, Heathrow has indicated that the outturn value can be used which should reduce K_{2027} .
- (d) I_{2025} is the appropriate interest rate for Regulatory Year 2025, which is equal to:
 - (i) the specified rate plus 3% where K_{2027} is positive; or
 - (ii) the specified rate where K_{2027} is negative.

6.1.3 In CAP3279, the CAA has recognised a value of 7.004% for I_{2025} .

6.1.4 The following components support the calculation of K_{2027} :

Table 3 – K_{2027} calculation

Term	Value
Q_{2027}	85.900m
R_{2025}	£2,239m
Q_{2025}	84.506m
M_{2025}	£25.948
I_{2025}	4.00
K_{2027}	$\frac{1}{85.900m} \times (£2,239m - 84.506m \times £25.948) \times \left(1 + \frac{4.004 + 3}{100}\right)^2 = -£0.616$

7 Passenger demand outlook for 2027

- 7.1.1 Within CAP3279, the CAA has proposed to use a forecast of 85.9 million passengers for 2027. This level of demand is consistent with the CAA's shocked base forecast set out in the H8 Initial Proposals (CAP3232A).
- 7.1.2 For the purposes of this pricing consultation, Heathrow has aligned with the CAA's proposed forecast. However, Heathrow continues to maintain that the proposed forecast does not fully reflect recent developments in airline fleet plans, evolving premiumisation and airline densification strategies and their impact on seats per movement, ongoing aircraft delivery delays, geopolitical uncertainty, and the effects of the DfT Winter 2026 slot alleviation measures. Consequently, Heathrow's central view of passenger demand in 2027 remains different from the CAA's recommended forecast.
- 7.1.3 While the total passenger demand used for the purposes of this consultation aligns with the CAA's proposed forecast set out in CAP3279, Heathrow has applied its own market mix assumptions, informed by the best information currently available, to reflect its central view of how demand will be distributed across markets and passenger segments.
- 7.1.4 Heathrow's market mix assumptions take account of the 480,000 ATM limit, current slot utilisation rules, the historic flight schedule, flights currently on sale, airline fleet plans (including aircraft densification, upgauging and cabin reconfigurations), and airline growth aspirations, ultimately focusing on the growth potential through passengers per flight.
- 7.1.5 Passenger growth is therefore expected to be driven predominantly by increases in seat capacity, achieved through a combination of aircraft upgauging and the reallocation of slots from short-haul to long-haul services.

8 Proposals for changes to the charging structure

8.1 Introduction

- 8.1.1 Heathrow's 2027 proposals are guided by our overarching strategic priorities: growth, sustainability, and encouraging the efficient use of airport infrastructure. This year's consultation focuses on targeted changes designed to support network growth, improve flexibility within existing schemes and better align charges with operational activity at Heathrow. Below, we set out the proposals we are bringing forward for consultation.

Table 4 - 2027 aeronautical charging table of proposals

Strategic Objective	Proposed Changes
Growth and connectivity	a. Maintain the existing proportions through which the Maximum Allowable Yield (MAY) is recovered across Aircraft Landing / Take off fees, Movement Charges and Parking Charges. b. Introduce an aircraft landing / take off fee related credit for unserved long-haul routes.
Sustainability	c. Introduce a mid-year SAF reallocation process to maximise utilisation of the SAF Incentive Scheme.
Efficient use of airport	d. Introduce a new parking period and free parking allowance upon return of aircraft from designated maintenance areas.

- 8.1.2 In addition to the proposals outlined above, Heathrow engaged extensively with airline customers through bilateral discussions in advance of the formal consultation process. These discussions provided valuable insights into airline priorities and helped inform both the proposals presented in this consultation and a number of areas identified for further consideration. While Heathrow is not proposing changes for implementation in all of these areas in 2027, we welcome feedback and supporting evidence from stakeholders. Such feedback will help inform the future development of Heathrow's charging framework. Details of the specific topics on which Heathrow is seeking further views are set out in Chapter 9.

8.2 Growth – Maintain the existing proportions through which the Maximum Allowable Yield (MAY) is recovered

- 8.2.1 Heathrow does not propose any changes to the current proportions through which the Maximum Allowable Yield (MAY) is recovered, as set out in Table 5 below. During bilateral engagement ahead of this consultation, Heathrow discussed the current balance between Aircraft Landing and Take off Charges, Movement Charges and Parking Charges with a number of airline stakeholders. Whilst stakeholders expressed a range of views, no clear consensus emerged regarding the most appropriate balance of revenue recovery between the different charging elements.

Table 5 - MAY recovery structure

Charge	2026 proportion	2027 proposed proportion
Aircraft landing / take off fees	58%	58%
Movement	37%	37%
Parking	5%	5%

- 8.2.2 Heathrow is therefore consulting on the basis of maintaining the existing recovery proportions for 2027. However, Heathrow welcomes feedback and supporting evidence on the current balance of Aircraft Landing and Take-off Charges, Movement Charges and Parking Charges, including the extent to which the current charging structure supports airline operations, growth plans and investment decisions at Heathrow.
- 8.2.3 If a change to the current charging structure were to be considered, Heathrow's preliminary view is that a 2% shift from Movement Charges to Aircraft landing / take off fees may be appropriate. In forming this view, Heathrow has taken into account feedback received through previous consultations, where some stakeholders advocated for Movement Charges to remain broadly flat. Given that the MAY is proposed to increase for 2027, Heathrow considers it important that any increase in Movement Charges remains proportionate and does not materially exceed the overall increase in the MAY. Heathrow also notes that forecast changes in fleet mix are expected to increase the proportion of quieter aircraft operating at Heathrow. A 2% shift is therefore considered an appropriate mechanism to offset this effect, maintain balance across the charging structure and keep changes to Movement Charges reasonably aligned with the overall MAY increase.
- 8.2.4 Heathrow is seeking views on this issue because stakeholders have historically expressed a range of perspectives regarding the balance of revenue recovery between Aircraft Landing and Take-off Charges, Movement Charges and Parking Charges. Previous consultations have not identified a clear consensus on the most appropriate charging structure, and Heathrow therefore considers it appropriate to obtain further feedback from airline customers.
- 8.2.5 Heathrow will consider all feedback and evidence received through this consultation when determining its final charges decision for 2027.

8.3 Growth – New Route Credit

- 8.3.1 As the UK's hub airport, Heathrow plays a critical role in connecting the UK to global markets, supporting trade, tourism and inward investment. Maintaining and expanding Heathrow's connectivity remains an important objective for the airport, airlines, passengers and the wider UK economy.
- 8.3.2 Heathrow was recognised as the world's most connected airport in 2025²¹, and opportunities exist to further enhance connectivity through the introduction of new long-haul destinations. Direct services to new destinations have the potential to deliver benefits for consumers, businesses and the wider UK economy whilst strengthening Heathrow's role as the UK's international gateway.
- 8.3.3 Heathrow recognises that the launch of a new route can require significant upfront investment and may carry commercial risk during the start-up phase. Heathrow considers that targeted support can assist airlines in establishing sustainable new connections from Heathrow, which has the benefit of improving consumer choice by expanding the range of destinations served from Heathrow.
- 8.3.4 New direct long-haul services can also generate benefits beyond the route itself. Whilst these services serve demand between Heathrow and the destination concerned, they can also create additional connecting opportunities for passengers travelling through Heathrow. By increasing the number of destinations accessible via the airport and supporting additional transfer flows, new routes can strengthen Heathrow's role as the UK's hub airport, enhance connectivity across the route network and support airline network development.

²¹ <https://www.oag.com/megahubs-airports-2025>

- 8.3.5 For those reasons, Heathrow is proposing the introduction of a targeted credit scheme for new long-haul destinations not currently served directly from Heathrow.
- 8.3.6 Heathrow proposes to introduce a New Route Credit for eligible services operating to a New Other Destination.
- 8.3.7 A New Other Destination would be defined in accordance with the Heathrow Conditions of Use. As at 1 January 2027, a New Other Destination would mean any destination which:
- is not a Common Travel Area Destination, Domestic Destination or European Destination; and
 - has not had scheduled passenger flights operating from Heathrow to any airport located within the same city or metropolitan area during the two years preceding 1 January 2027.
- 8.3.8 Subject to satisfaction of the eligibility requirements, Heathrow proposes that qualifying airlines would be entitled to a New Route Credit equal to:
- 50% of applicable aircraft landing / take off fees incurred during the first 12 months following commencement of scheduled passenger flights ("Year 1 Period"); and
 - 25% of applicable aircraft landing / take off fees incurred during the second 12 months following commencement of scheduled passenger flights ("Year 2 Period").
- 8.3.9 To qualify for the credit:
- the airline must notify Heathrow of the proposed New Other Destination route and receive confirmation of eligibility before commencing operations;
 - the service must operate as a direct non-stop scheduled passenger service;
 - the route must be publicly available for sale;
 - the airline must operate a minimum of three scheduled passenger services per week throughout the qualifying period; and
 - the route must remain operational throughout the applicable qualifying period.
- 8.3.10 Heathrow proposes that services granted slot alleviation by Airport Coordination Limited would be treated as having operated when assessing compliance with the minimum frequency requirement.
- 8.3.11 Following the end of the Year 1 Period or Year 2 Period (as applicable), Heathrow would verify compliance with the eligibility requirements before applying any New Route Credit.
- 8.3.12 Subject to compliance with the scheme requirements, any New Route Credit would be applied retrospectively as a credit to the airline's Heathrow airport charges account. The New Route Credit would not be transferable, would have no cash value and could only be used against airport charges incurred at Heathrow.
- 8.3.13 Heathrow proposes that the costs associated with the New Route Credit would be recovered through the aeronautical charging framework.
- 8.3.14 The associated revenue requirement would be reflected through Heathrow's aeronautical charges from 2028 onwards. Heathrow considers that this approach appropriately aligns cost recovery with the timing of credit payments and avoids undue concentration of costs in any single charging year.

Table 6 – Proposed New Route Credit Structure

Component	Proposed Structure
Eligible routes	New Other Destinations, as defined in Heathrow's Conditions of Use
Credit payment mechanism	The credit will be retrospectively applied to the airline's Heathrow charges account
Year 1 Credit	The New Route Credit will be the equivalent to 50% of applicable Aircraft landing / take off fees incurred during the first 12 months following commencement of scheduled passenger flights
Year 2 Credit	The New Route Credit will be the equivalent to 25% of applicable Aircraft landing / take off fees incurred during the second 12 months following commencement of scheduled passenger flights
Minimum frequency	Minimum of three scheduled passenger services per week for the duration of the Year 1 Period or Year 2 Period (as applicable)
Route Type	Direct non-stop scheduled passenger service
Eligibility approval	Airline must notify Heathrow of its intention to launch the route and obtain confirmation of eligibility at least 30 days prior to the commencement of scheduled passenger services
Continuity requirement	Route must remain operational throughout the applicable qualifying period (i.e. Year 1 Period or Year 2 Period)
Verification	Heathrow will verify the airline's compliance with eligibility requirements (including the continuity requirement) before any New Route Credit is applied
Maximum duration	24 months (Year 1 Period and Year 2 Period)
Transferability	The New Route Credit is non-transferable, has no cash value and may only be used against Heathrow airport charges

8.4 Aircraft landing / take off fees – domestic and common travel area

- 8.4.1 The UK Government has consistently maintained a policy of enhancing domestic connectivity and introduced a new domestic band of Air Passenger Duty in 2023²², effectively cutting the levy by 50%, which helps to support greater connectivity within the UK. Supporting domestic connectivity is in the public and general interest and the Government has stated its expectation that Heathrow plays its part. Ministers have been clear that they will hold Heathrow “*to account on how it has worked constructively with airlines and regional airports to protect and strengthen the domestic connections*”²³.
- 8.4.2 In 2017, Heathrow introduced a departing aircraft landing / take off fee reduction of £5.00 to the existing European Destination aircraft landing / take off fee for passengers travelling to UK destinations (including the nations and Crown Dependencies). This UK connectivity discount was introduced in direct response to the National Connectivity Task Force (NCTF) report which identified the need to make routes to regional airports more attractive. It was subsequently increased to £7.50 in 2022.
- 8.4.3 In 2021, a new category of aircraft landing / take off fee was introduced for those destinations defined as the Common Travel Area (CTA) Destinations, being the Crown Dependencies (the Bailiwick of Jersey, Bailiwick of Guernsey and the Isle of Man) and Ireland. Since that time, the UK connectivity discount has applied to passengers travelling to Domestic or CTA Destinations. Recognising variations in the customs arrangements for these passengers and associated infrastructure requirements, a £0.25 differential was included in the charges for CTA passengers.
- 8.4.4 Alongside aircraft landing / take off fee discounts, to further stimulate UK domestic connectivity and cognisant of the investment needed to establish new routes, in 2023, we introduced a noise discount for aircraft that operate on a new scheduled domestic route. In 2024, we extended the duration of the discount to 4 years with a 50% discount lasting for years 1 and 2 of operations and 25% for years 3 and 4 of operations.

Table 7 outlines the number of domestic routes since 2016 demonstrating that Heathrow’s efforts to promote domestic connectivity are working but that maintaining a focus on domestic connectivity remains essential.

Table 7 - Domestic connections 2016 - 2026

Period	Total Number of Domestic Routes (Excl. Channel Islands)
2016	8
2017	8
2018	8
2019	9
2020	10
2021	9
2022	10
2023	12
2024	11
2025	11
2026	11

²² Air Passenger Duty: banding reforms from April 2023 - GOV.UK (www.gov.uk)

²³ [Proposed draft revision to the Airports National Policy Statement – To be known as the Heathrow Expansion National Policy Statement](#)

- 8.4.5 Heathrow does not propose changes to Domestic and CTA connectivity discount levels for 2027; however, we will consider all feedback and evidence when making our final decision.

8.5 Aircraft landing / take off fees – Remote Stand Rebate

We have, over recent years, increased the Remote Stand Rebate (RSR) to reflect the increasing cost to airlines of remote stand operations at Heathrow.

Table 8 – Remote Stand Rebate 2023 - 2026

Year	RSR per Passenger
2023	£4.00
2024	£4.90
2025	£5.40
2026	£6.15

For 2027, Heathrow's proposal is to keep the RSR at £6.15, however, we welcome feedback and evidence on the current level of rebate, specifically regarding the cost of operations. We will consider all feedback and evidence provided when making our final decision.

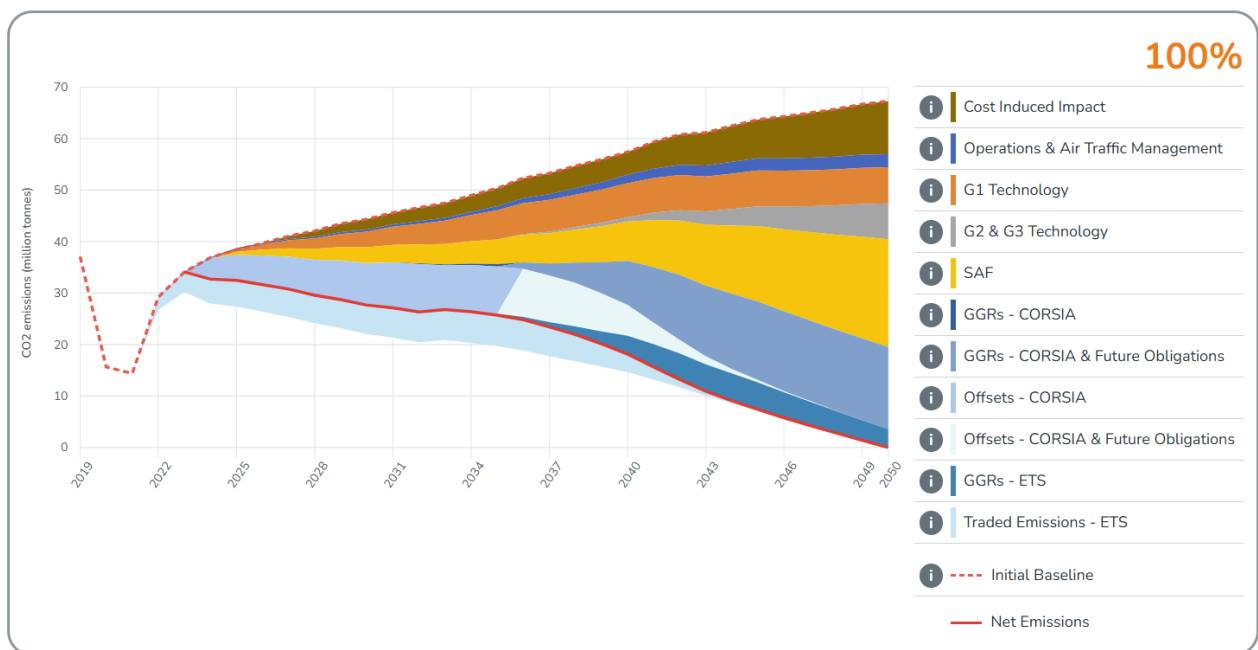
8.6 Aircraft landing / take off fees – Other charges

- 8.6.1 Other than changes necessitated by the annual update of the MAY, we are not proposing changes to charges relating to the other elements of our aircraft landing / take off fees (below) but welcome any other specific feedback or evidence from airline customers to aid our final decision:
- European Destinations
 - Rest of the World
 - Transfer and Transit
 - Minimum Departure Charge

8.7 Sustainability – Sustainable Aviation Fuel (SAF) incentive

- 8.7.1 Sustainable Aviation Fuel remains one of the most important measures available to support aviation decarbonisation. Whilst aircraft technology, operational efficiencies and future propulsion technologies will all contribute towards reducing aviation emissions over time, SAF is currently the most scalable solution capable of delivering significant lifecycle carbon reductions within the existing fleet.
- 8.7.2 At the global level, the most recent Air Transport Action Group (ATAG) Waypoint 2050 forecast SAF to be responsible for between 38%-58% of global aviation emissions reductions by 2050.
- 8.7.3 In the UK, the updated Sustainable Aviation (SA) Roadmap published in July 2026 forecasts an ambitious plan to deliver net zero carbon emissions through a combination of technological innovation, operational improvements, low carbon aviation fuel and Greenhouse Gas Removals. As illustrated below, SAF remains the single largest contributor to UK aviation decarbonisation within the central scenario.

Figure 1 - Sustainable Aviation Road-Map Central Scenario Pathway to Net Zero Emissions (2019-2050)²⁴



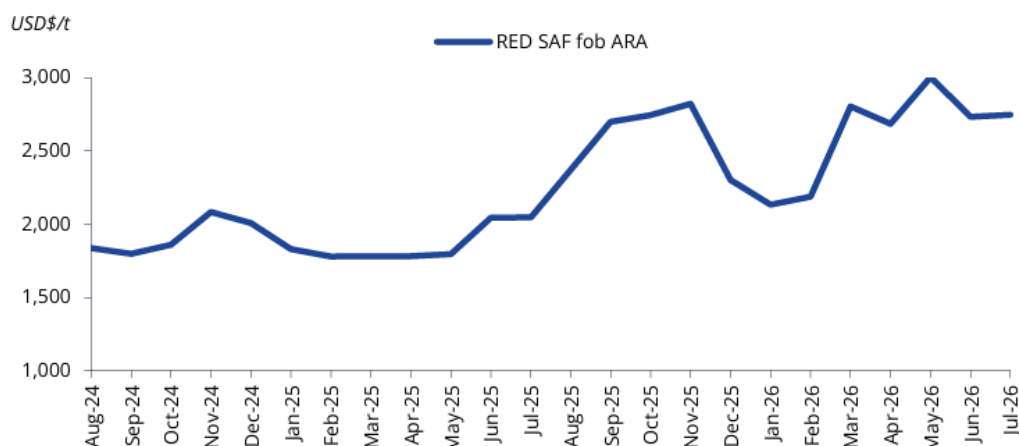
- 8.7.4 The UK SAF Mandate entered into force in January 2025 and establishes a progressively increasing SAF obligation on fuel suppliers. The mandate is expected to drive continued growth in SAF deployment across the UK aviation sector. At the same time, supply constraints remain within parts of the SAF market, particularly as the industry transitions towards greater use of advanced SAF pathways and adapts to the introduction of feedstock caps, including limits on HEFA-feedstock derived fuels (HEFA cap).

²⁴ [2026 Decarbonisation Road-Map - Sustainable Aviation](#)

- 8.7.5 Against this backdrop, Heathrow continues to believe that targeted support for voluntary, especially 1st Generation (1G) SAF uptake above the level required by regulation remains appropriate and supports broader industry decarbonisation objectives.
- 8.7.6 Heathrow proposes to maintain the core structure of the existing SAF Incentive Scheme for 2027.
- 8.7.7 The scheme would continue to incentivise voluntary SAF purchases above the UK SAF Mandate and provide financial support towards the SAF cost premium. Heathrow proposes retaining the existing voluntary uplift threshold of 2% above the UK SAF Mandate, recognising the continued constraints on the availability of advanced SAF and the expected impact of evolving feedstock restrictions within the market.
- 8.7.8 Heathrow's assessment of the appropriate SAF Premium for 2027 has been informed by recent market analysis and pricing data from independent market reporting agencies, including Argus Media. Historical market data indicate that SAF prices have recovered from the oversupplied conditions experienced during 2024 and have remained supported through 2025 and 2026 by increasing compliance-driven demand associated with SAF mandates. Heathrow will continue to monitor market developments and welcomes feedback and supporting evidence from airlines regarding the appropriate level of the SAF Premium for 2027.
- 8.7.9 Based on its review of European SAF market data and forward-looking market analysis, Heathrow proposes retaining the SAF Premium at £1,300 per tonne, with Heathrow contributing 50% of the SAF Premium for eligible SAF volumes. Heathrow considers that retaining the current SAF Premium provides a prudent and proportionate basis for the 2027 scheme and reflects both recent market developments and the forecast for SAF pricing. Heathrow welcomes feedback and supporting evidence from airlines, particularly in relation to recent developments in UK SAF market conditions.
- 8.7.10 Figure 2 below illustrates the evolution of European SAF prices over the last two years and the recovery from the oversupplied market conditions observed in 2024.²⁵ Table 9 below presents historical and forecast SAF, conventional jet fuel and SAF premium prices for the period 2024 to 2027 (nominal terms), indicating that SAF premiums are expected to remain materially above conventional jet fuel prices throughout the forecast period. Forecast values reflect market expectations at the time of analysis and may change as market conditions evolve.²⁶

²⁵ Argus Media

²⁶ Argus Media, Consulting Services

Figure 2 - Historical European SAF Prices (2024-2026)²⁷Table 9 – Historical and Forecast SAF Prices (2024-2027)²⁸

Product (nominal \$/t)	2024	2025	2026	2027
RED SAF fob NWE	2,192	2,167	2,635	2,478
Jet/kerosene NWE fob ARA	782	710	1,134	831
SAF premium	1,410	1,457	1,501	1,647

- 8.7.11 Heathrow proposes maintaining separate SAF incentive pots for passenger and cargo airlines.
- 8.7.12 The passenger SAF incentive pot would continue to be funded through aircraft landing / take off fees, whilst the cargo SAF incentive pot would continue to be recovered through the Cargo Minimum Departure Charge. The incentive pot will also continue to be apportioned between passenger airlines using Revenue Passenger Kilometres (RPK) and cargo airlines using Freight Tonnes Kilometres (FTK), both using 12 months of operational data. These are universal measures which allow us to apportion the incentive pot fairly. It also benefits carriers with fuller aircraft, which is in line with Heathrow's sustainability and efficiency objectives.
- 8.7.13 The proposed 2027 SAF incentive pot is £75.45m. Heathrow notes that the 2027 pricing calculations include a residual balance of approximately £7.0m carried forward from the 2025 SAF incentive scheme, reducing the amount required to be recovered through charges in 2027. Of the total incentive pot, approximately £68.45m would be recovered through aircraft landing / take off fees.
- 8.7.14 Historically, Heathrow's SAF Incentive Scheme has been fully subscribed at allocation stage. However, experience from previous years has shown that some airlines subsequently utilise less than their allocated SAF volumes due to operational, commercial

²⁷ Argus Media²⁸ Argus Media, Consulting Services

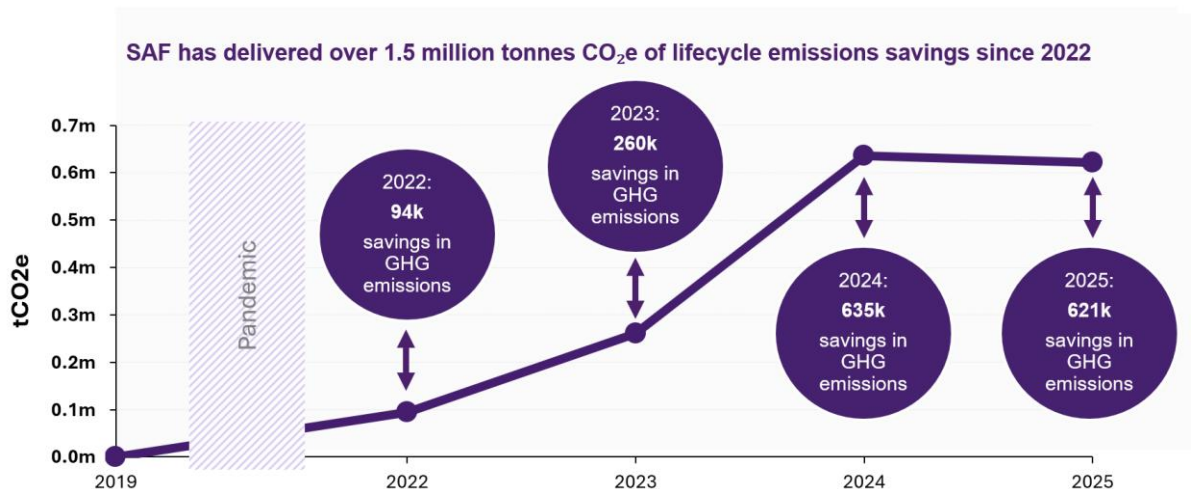
or supply-chain constraints. At the same time, other airlines have expressed an interest in increasing their participation during the year after allocations have been finalised.

- 8.7.15 As a result, a proportion of the incentive pot has remained unused at year end despite there being demand for additional SAF uptake elsewhere within the airline community.
- 8.7.16 To address this issue, Heathrow proposes introducing a structured mid-year reallocation process for the 2027 SAF Incentive Scheme.
- 8.7.17 Under the proposed 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 a transparent process set out in the SAF Incentive Guidance Document.
 - No penalty would apply to airlines voluntarily returning allocations.
- 8.7.18 We believe this approach will maximise utilisation of the incentive pot, increase SAF uptake and provide greater commercial flexibility for airlines responding to changing market and operational conditions. Further details of the reallocation process will be included within the 2027 SAF Incentive Guidance Document.
- 8.7.19 We welcome airline customer views on any aspects of our proposed approach and whether the scheme aligns with airline sustainability strategies. All feedback is welcomed to help ensure the scheme remains effective, practical, and supports long-term SAF adoption.
- 8.7.20 Heathrow will publish an updated Guidance Document for the 2027 SAF Incentive Scheme by or on 30 October 2026. It will set out the criteria for SAF Incentive Scheme eligibility at Heathrow, explain how the SAF Incentive Scheme operates and provide a timeline for the 2027 SAF Incentive Scheme process. We welcome any airline customer suggestions on this, particularly regarding proof of deliveries (e.g., Product Transfer Documents) and sustainability (e.g., Proof of Sustainability – PoS and Proof of Compliance – PoC) for the Incentive.

Table 10 - 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	£75.45m
Cargo Incentive Pot		£0.62m	£0.45m	£0.32m	£0.38m	£0.38m
Funded From	NOx	NOx	NOx	Passenger	Passenger	Aircraft Landing / Take Off
SAF Premium	£920	£920	£920	£920	£1,300	£1,300
Contribution	50%	50%	50%	50%	50%	50%

8.7.21 Heathrow's SAF Incentive Scheme has been fully subscribed in the years from 2022-2026, with positive feedback from airlines and wider industry. The scheme continues to demonstrate its effectiveness in encouraging SAF adoption among airlines. The graph below highlights the CO₂e savings achieved from SAF at Heathrow between 2022 and 2025.

Figure 3 – Savings from SAF on lifecycle aircraft emissions 2022 – 2025 ²⁹

²⁹ Source: Heathrow Sustainability Report 2025

8.8 Efficiency - Resetting Parking Periods Following Maintenance Activity

- 8.8.1 Aircraft parking charges are intended to encourage efficient utilisation of Heathrow's operational stand capacity.
- 8.8.2 Under the current charging framework, where an aircraft moves from an operational stand to a Heathrow maintenance area and subsequently returns to an operational stand, the parking period continues uninterrupted. As a result, periods spent undergoing maintenance are treated as part of a single continuous parking stay.
- 8.8.3 Heathrow considers that this approach does not fully reflect actual stand utilisation.
- 8.8.4 When an aircraft moves from an operational stand to a designated maintenance area, the operational stand is vacated and becomes available for alternative use. The aircraft is no longer occupying operational stand capacity during the maintenance period and Heathrow therefore considers there is a reasonable basis for recognising this within the parking charging framework.
- 8.8.5 Heathrow's maintenance areas play an important role in supporting airline operations, fleet reliability and operational resilience. Heathrow considers that the parking framework should more accurately distinguish between operational stand occupancy and aircraft maintenance activity.
- 8.8.6 Heathrow proposes that aircraft movements to designated Heathrow maintenance areas would be treated as ending a parking period for charging purposes. Upon return to any stand (including pier-served and remote stands), a new parking period and applicable free parking allowance would commence.
- 8.8.7 This proposal would apply only to designated Heathrow maintenance areas and would not otherwise alter the structure of parking charges or the duration of existing free parking allowances.
- 8.8.8 Heathrow considers that the proposal would:
 - Better align parking charges with actual use of operational stands.
 - Reflect the release of stand capacity during maintenance activity.
 - Support efficient use of Heathrow's maintenance facilities.
 - Respond to feedback received from airlines regarding the treatment of maintenance-related movements.
 - Create a clearer distinction between operational parking and aircraft maintenance activity.
- 8.8.9 Heathrow has considered whether the proposal could incentivise operators to undertake additional towing movements in order to obtain additional free parking allowances.
- 8.8.10 Heathrow considers this risk to be low. Aircraft towing movements are operationally complex, require coordination between multiple parties and involve additional cost. Airlines

therefore have limited commercial incentive to undertake unnecessary towing activity solely for parking charge purposes.

- 8.8.11 The proposal would apply to movements between any stand (including pier-served and remote stands) and designated Heathrow maintenance areas. A list of designated maintenance areas will be published within Heathrow's Conditions of Use.

Table 11 - Comparison of Current and Proposed Parking Period Treatment

Treatment of Maintenance Movements	Current Approach	Proposed Approach
Aircraft moves to a designated Heathrow maintenance area	Aircraft remains in the same parking period, although designated maintenance areas are not subject to parking charges	Designated maintenance areas remain not subject to parking charges but the existing parking period ends
Aircraft returns from a maintenance area to an operational stand	Original parking period continues	New parking period commences
Free parking allowance	No change	Applicable free parking allowance recommences with the new parking period

9 Areas for airline customer feedback and future consideration

9.1 Overview

- 9.1.1 In addition to the proposals outlined in Chapter 8, we are keen to gather further input from airline customers on several key topics that will help shape our broader charging strategy, aligned to airlines' desire for longer-term visibility of future proposals. Whilst we are not proposing changes related to the areas listed below for implementation in 2027, feedback remains valuable and will inform the development of future proposals.

Table 12 – Considerations for future consultation

Strategy Objective	Subject for Feedback
Sustainability	Heathrow welcomes airline feedback on the potential evolution of noise charges to incorporate operational noise performance alongside certified aircraft noise levels. We are particularly interested in views on the practicality, transparency and proportionality of measuring noise-abatement performance, including departure and climb-out procedures, and how such an approach could support continued noise reduction outcomes within the ICAO Balanced Approach.
Sustainability	Heathrow welcomes airline feedback on whether the carbon charge could evolve to recognise operational carbon performance alongside aircraft emissions characteristics. Heathrow is particularly interested in understanding the potential role of reduced engine taxi procedures, operational constraints and the availability of suitable performance data.

9.2 Sustainability - Future evolution of noise charges

9.2.1 Heathrow's current noise charging framework is based principally on certified aircraft noise levels. This approach has supported significant fleet modernisation at Heathrow and incentivised the deployment of quieter aircraft types as shown in table 13 below.

Table 13 – Noise performance per chapter 2018 – 2026³⁰

	EPNdB Banding	2018	2019	2020	2021	2022	2023	2024	2025	2026 H1
Maximum	<10	0.08%	0.11%	0.10%	0.04%	0.06%	0.01%	0.01%	0.01%	0.01%
Ultra-High	<14	8.75%	8.85%	6.61%	4.63%	3.68%	1.38%	1.18%	0.80%	0.79%
Super High	<17	28.55%	25.68%	22.44%	17.50%	17.20%	16.34%	13.17%	12.11%	11.19%
High	<20	7.61%	8.40%	8.59%	10.32%	7.49%	7.14%	6.22%	5.64%	4.97%
Base	<23	33.96%	30.43%	25.21%	23.36%	28.71%	28.63%	29.67%	26.43%	24.10%
Low	<26	21.05%	26.53%	37.05%	44.15%	5.50%	5.87%	5.14%	4.54%	4.48%
Super Low	<29					37.36%	17.00%	19.37%	22.00%	24.29%
Ultra Low	29 & >						23.63%	25.24%	28.47%	30.17%

9.2.2 As the benefits associated with fleet modernisation continue to mature, Heathrow is exploring whether future developments to the noise charging framework could place greater emphasis on actual operational noise performance, alongside certified aircraft noise levels.

9.2.3 This would be consistent with the ICAO Balanced Approach to Aircraft Noise Management, which recognises the role of operational procedures, alongside quieter aircraft technology, in reducing aircraft noise impacts.

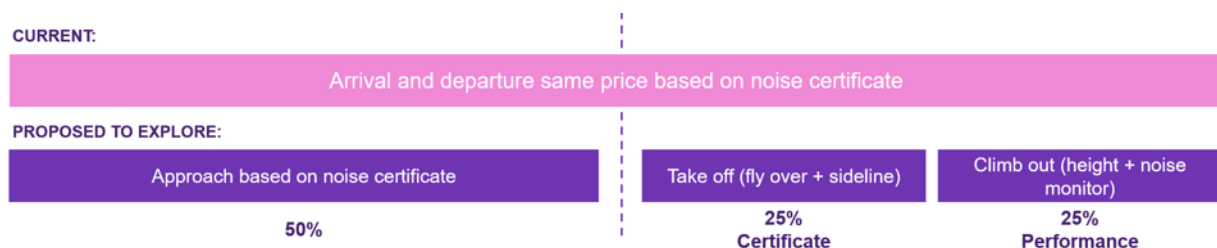
9.2.4 Heathrow is interested in airline customer views on how noise charges could evolve in future years to recognise not only the noise performance capabilities of different aircraft types, but also to incentivise operating practices that deliver measurable noise reductions for local communities.

9.2.5 This could include consideration of operational noise-abatement performance during departure and climb-out procedures, using operational data and noise measurements available through Heathrow's existing monitoring infrastructure.

³⁰ Data source: Heathrow billing data, based on provided noise certificates

- 9.2.6 At this stage, Heathrow is not proposing any changes to the noise charging framework for 2027. Instead, Heathrow is seeking views from airlines and other stakeholders to better understand the practicality, transparency and proportionality of any future approach.
- 9.2.7 Heathrow believes that incorporating a performance-based element within the noise charging framework could deliver meaningful benefits by incentivising further improvements in operational noise performance and supporting continued reductions in community noise exposure. Over the longer term, this may also help mitigate the risk of future noise-related operational constraints.
- 9.2.8 It would enable the charging framework to recognise actual operational noise performance rather than relying solely on aircraft certification data. Whilst aircraft noise certification provides an important benchmark, it does not necessarily reflect how consistently aircraft are operated using noise abatement procedures in practice.
- 9.2.9 It could help strengthen the link between Heathrow's charging framework and the airport's wider noise reduction objectives. By incentivising operational practices that reduce community noise exposure, a performance-based approach could support Heathrow's commitments relating to the reduction of High Annoyance (HA) and High Sleep Disturbance (HSD).
- 9.2.10 Any future approach would need to be supported by robust, transparent and independently verifiable data. Heathrow currently collects noise monitoring, flight track and aircraft performance data through its Noise and Track Keeping System. The system is subject to independent external audit and Heathrow is continuing to strengthen data assurance arrangements relating to its noise monitoring network and associated datasets.
- 9.2.11 Heathrow therefore believes that the necessary monitoring infrastructure exists to support further exploration of operational noise performance metrics. However, Heathrow welcomes stakeholder views on whether such data would be sufficiently robust and appropriate for charging purposes.
- 9.2.12 To support discussion, the example below illustrates one example of how the noise charging framework could evolve in future years to incorporate operational noise performance alongside certified aircraft noise levels. The example is provided solely to facilitate stakeholder feedback and does not represent a proposal for implementation. Heathrow welcomes views on the practicality, transparency and proportionality of such an approach, including the availability and robustness of the underlying data and the extent to which operational performance outcomes are within an airline's control.

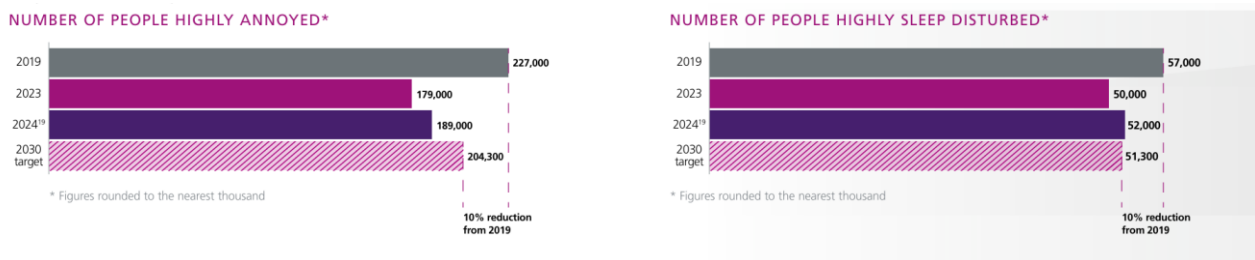
Figure 4 – Illustrative Example of a Future Noise Charging Framework



9.2.13 Heathrow welcomes stakeholder views on:

- Whether the future noise charging framework should support Heathrow's Noise Action Plan and wider DfT's Noise Abatement Objectives by more directly incentivising reductions in community noise exposure, including supporting Heathrow's objective to limit and, where possible, reduce the number of people highly annoyed (HA) and highly sleep disturbed (HSD) compared to 2019 levels by 2030.
- Whether future noise charges should continue to rely solely on aircraft noise certification data or incorporate operational noise performance measures.
- The practicality and transparency of measuring operational noise-abatement performance.
- The types of operational measures that Heathrow should consider if developing such an approach in future years.
- Any potential implementation challenges, costs or unintended consequences that Heathrow should consider.

Figure 5 – Heathrow Community Noise Impact³¹



9.3 Sustainability – Future evolution of the carbon charge

- 9.3.1 Heathrow's current carbon charge differentiates charges according to aircraft emissions characteristics and forms part of Heathrow's wider environmental charging framework. The charge is based on aircraft carbon emissions associated with the ICAO Landing and Take-off (LTO) cycle, with emissions calculated using certified engine fuel flow data published within the ICAO Engine Emissions Databank. This approach provides a consistent and transparent methodology for recognising differences in aircraft emissions performance.
- 9.3.2 Heathrow considers that aircraft technology and fleet modernisation will continue to play a key role in reducing aviation emissions. However, operational practices can also influence fuel consumption and associated carbon emissions. Heathrow is therefore interested in understanding whether future developments to the carbon charge could recognise emissions performance alongside aircraft emissions characteristics.
- 9.3.3 One area of particular interest is the use of reduced engine taxi procedures. Such procedures have the potential to reduce fuel consumption and associated carbon emissions during ground operations. Heathrow recognises that the ability to adopt these practices may be influenced by a range of factors, including aircraft type, airfield layout, operational requirements, safety considerations, weather conditions, air traffic management requirements and ground movement delays.

³¹ [Heathrow Sustainability Report 2025](#)

9.3.4 At this stage, Heathrow is not proposing any changes to the carbon charge. Rather, Heathrow is seeking airline views to better understand the opportunities, practicalities and challenges associated with recognising emissions performance within the charging framework. Heathrow is particularly interested in understanding the operational constraints that limit wider adoption of lower-emission taxi procedures and whether such constraints are within an airline's control.

9.3.5 Heathrow welcomes stakeholder views on:

- Whether the carbon charge should continue to be based solely on aircraft emissions characteristics or also recognise operational emissions performance.
- The potential role of reduced engine taxi procedures within a future charging framework. The operational constraints that may limit wider adoption of lower-emission taxiing practices.
- The suitability and availability of operational data to support a performance-based approach, whether NATS records of aircrafts' indications that reduced engine taxiing procedures were followed would be fit for purpose.
- How any future incentive mechanism could be designed to remain transparent, proportionate and fair.

10 Calculating airport charges tariffs for 2027

10.1 Overview

- 10.1.1 The following section outlines the steps that have been applied to calculate the individual tariffs for 2027.
- 10.1.2 The forecast maximum allowable yield for 2027 is £28.398 per passenger.
- 10.1.3 Following the 2026 decision to maintain the existing charge proportions used to recover the Maximum Allowable Yield (MAY), Heathrow proposes no adjustment for 2027 therefore the previous year's apportionment still applies: Aircraft landing / take off fees 58%, Movement 37% and Parking 5%.

10.2 Aircraft landing / take off fees

- 10.2.1 The 2027 MAY uses a passenger forecast of 85,900,000.
- 10.2.2 In common with previous years, the proposed 2027 aircraft landing / take off fees comprise charges for Origin & Destination and Transfer & Transit passengers which are then split by destination group (Domestic, Common Travel Area (CTA), Europe (EEA), and Rest of World (RoW)).
- 10.2.3 The aircraft landing / take off fee is calculated by reference to a set baseline charge, then apportioned out based on transfer and transit discounts, UK connectivity discount and CTA differentiator.
- 10.2.4 Step 1 is to set the baseline charge which is determined by the aircraft landing / take off fee revenue required [$\text{MAY} \times \text{passenger forecast} \times 58\%$], factoring in the forecast remote stand rebate impact and the funding for the SAF incentive. This baseline is then apportioned out based on a multiplier for the individual destination groups and includes the application of the CTA differentiator of £0.25 and the appropriate transfer and transit passenger discounts of 50% for Domestic flights and 40% for all other regions.
- 10.2.5 Step 2 is the application of a Domestic connectivity discount of £7.50 to UK-bound passengers. This Domestic connectivity discount is applied in full to O&D passengers and is reduced for transfer passengers as defined above to determine the final connectivity discount for the fare. This means that an O&D passenger receives the full £7.50 discount whereas transfer passengers receive 50% of the £7.50 discount, or £3.75.
- 10.2.6 Step 3 is to recalculate the RoW aircraft landing / take off fees to recover the balance.

10.3 Movement Charges

- 10.3.1 The balance of environmental charges is not proposed to change. Therefore 80% of the total environmental charge is recovered through noise, 15% through NOx emissions and 5% through Carbon emissions.
- 10.3.2 The applicability of noise charges remains unchanged, where airlines will incur a noise charge for both take-off and landing.
- 10.3.3 The noise charge is calculated by initially setting the baseline charge which is determined by the total noise revenue expectation [$\text{MAY} \times 2027 \text{ passenger forecast} \times 37\% \times 80\%$]. This total is then apportioned out based on the multiplier for each individual noise chapter and reconciled back to the required revenue amount.

- 10.3.4 The NOx charge is determined by dividing the total NOx revenue expectation [MAY x 2027 passenger forecast x 37% x 15%] by the forecast NOx emissions in kilograms for 2027 with charges applicable on landing only.
- 10.3.5 The Carbon charge is determined by dividing the total Carbon revenue expectation [MAY x 2027 passenger forecast x 37% x 5%] by the forecast carbon emissions in kilograms for 2027 with charges applicable on landing only.

10.4 Parking charges

- 10.4.1 The parking charge is calculated by initially setting the baseline charge which is determined by the parking revenue expectation [MAY x 2027 passenger forecast x 5%]. This baseline is then apportioned based on the multiplier for narrow and wide body aircraft and forecast chargeable parking periods for each type of aircraft. There is one proposed change to how maintenance parking is treated. Designated Heathrow maintenance areas would continue not to be subject to parking charges; however, movements to such areas would be treated as ending the existing parking period, with a new parking period and applicable free parking allowance commencing when the aircraft returns to a Heathrow operational stand.

11 Forecast revenue for 2027

	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	£50,895.60	£0
Ultra high	[Landings]	1,038	£8,482.62	£8,805,972
Super High	[Landings]	22,423	£4,241.30	£95,104,272
High	[Landings]	9,758	£2,544.78	£24,832,782
Base	[Landings]	57,473	£1,696.52	£97,504,050
Low	[Landings]	11,398	£1,187.56	£13,535,327
Super Low	[Landings]	60,140	£933.09	£56,116,496
Ultra Low	[Landings]	74,691	£848.26	£63,357,062
Total	[Landings]	236,922		£359,255,961
Fixed wing aircraft exceeding 16 metric tonnes – outside Night Quota Period				
Maximum	[Departures]	0	£50,895.60	£0
Ultra high	[Departures]	1,038	£8,482.62	£8,805,972
Super High	[Departures]	22,423	£4,241.30	£95,104,272
High	[Departures]	9,758	£2,544.78	£24,832,782
Base	[Departures]	57,473	£1,696.52	£97,504,050
Low	[Departures]	11,398	£1,187.56	£13,535,327
Super Low	[Departures]	60,140	£933.09	£56,116,496
Ultra Low	[Departures]	74,691	£848.26	£63,357,062
Total	[Departures]	236,922		£359,255,961
Fixed wing aircraft exceeding 16 metric tonnes – Night Quota Period				
Maximum	[Landings]	0	£254,478.00	£0
Ultra high	[Landings]	0	£42,413.10	£0
Super High	[Landings]	17	£21,206.50	£356,187
High	[Landings]	16	£12,723.90	£206,198
Base	[Landings]	0	£8,482.60	£0
Low	[Landings]	31	£5,937.80	£185,833
Super Low	[Landings]	96	£4,665.45	£445,775
Ultra Low	[Landings]	40	£4,241.30	£170,303
Total	[Landings]	200		£1,364,297
Fixed wing aircraft exceeding 16 metric tonnes – Night Quota Period				
Maximum	[Departures]	0	£254,478.00	£0
Ultra high	[Departures]	0	£42,413.10	£0
Super High	[Departures]	17	£21,206.50	£356,187
High	[Departures]	16	£12,723.90	£206,198
Base	[Departures]	0	£8,482.60	£0
Low	[Departures]	31	£5,937.80	£185,833
Super Low	[Departures]	96	£4,665.45	£445,775
Ultra Low	[Departures]	40	£4,241.30	£170,303
Total	[Departures]	200		£1,364,297
Emissions Charge on landing				
Total kg Nox rating	[kg]	6,044,756	£22.10	£133,589,114
Average kg Nox per landing	[kg]	25.4		£133,589,114
Carbon Charge on landing				
Total Carbon kg	[kg]	1,039,446,505	£0.04	£46,745,465
Average Carbon kg per Landing and Take-off Cycle	[kg]	4,384		£46,745,465
Total Movement Revenue	(a)			£901,575,094

	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]	1,172,393	£15.22	£17,843,821
Common Travel Area	[Dep Pax]	1,225,854	£15.47	£18,963,966
European	[Dep Pax]	12,186,008	£22.72	£276,866,106
Rest of World	[Dep Pax]	19,271,412	£52.12	£1,004,426,005
Total	[Dep Pax]	33,855,668		£1,318,099,898
The Aircraft Landing/Take-Off Fee calculated per Embarking Passenger who is a Transfer Passenger or Transit Passenger				
Domestic	[Dep Pax]	973,036	£7.61	£7,404,807
Common Travel Area	[Dep Pax]	302,336	£9.28	£2,805,676
European	[Dep Pax]	2,383,142	£13.63	£32,482,221
Rest of World	[Dep Pax]	5,218,703	£31.27	£163,188,847
		8,877,217		£205,881,551
Remote Stand Rebate				
Remote Stand Rebate	[Dep Pax + Arr Pax]	6,876,167	-£6.15	-£42,288,429
SAF Incentive				-£68,444,811
Total Departing Passenger Charge Revenue	(b)			£1,413,248,209
Parking Charge				
Narrow bodied Chargeable Period	[Units of 15 minutes]	502,271	£55.30	£27,775,611
Wide bodied Chargeable Period	[Units of 15 minutes]	809,899	£116.13	£94,053,520
Total Parking Charge	(c)	1,312,170		£121,829,131
Terminal Pax Flights: Total Revenue				£2,436,652,434
Non-Terminal Pax Flights (GA, Troops etc)				
Non-Terminal Pax Flights				
Movement Revenue	(e)			£1,021,764
Aircraft landing/take-off revenue (calculated based on departing passengers)	(f)			£1,601,648
Parking Revenue	(g)			£138,070
Total Non-Terminal Pax Flights Revenue				£2,761,482
Total Regulated Revenue				
Total Regulated Revenue				
Movement Revenue	(a) + (e)			£902,596,858
Aircraft landing/take-off revenue (calculated based on departing passengers)	(b) + (f)			£1,414,849,857
Parking Revenue	(c) + (g)			£121,967,201
Total Regulated Revenue				£2,439,413,916
Total Passengers				85,900,000
Total Regulated Yield				£28.40

12 Proposed airport charges tariffs effective 1 Jan 2027

	2026 £ GBP	2027 £ GBP
Charges on Movement		
Fixed wing aircraft exceeding 16 metric tonnes – outside Night Quota Period (Departures & Landing)		
Maximum	£43,336.50	£50,895.60
Ultra high	£7,222.76	£8,482.62
Super High	£3,611.38	£4,241.30
High	£2,166.83	£2,544.78
Base	£1,444.55	£1,696.52
Low	£1,011.19	£1,187.56
Super Low	£794.50	£933.09
Ultra Low	£722.28	£848.26
Fixed wing aircraft exceeding 16 metric tonnes – Night Quota Period (Departures & Landing)		
Maximum	£216,682.50	£254,478.00
Ultra high	£36,113.80	£42,413.10
Super High	£18,056.90	£21,206.50
High	£10,834.15	£12,723.90
Base	£7,222.75	£8,482.60
Low	£5,055.95	£5,937.80
Super Low	£3,972.50	£4,665.45
Ultra Low	£3,611.40	£4,241.30
Fixed wing aircraft exceeding 16 metric tonnes – Peak Night Quota Period (Departures & Landing)		
Maximum	£346,692.00	£407,164.80
Ultra high	£57,782.08	£67,860.96
Super High	£28,891.04	£33,930.40
High	£17,334.64	£20,358.24
Base	£11,556.40	£13,572.16
Low	£8,089.52	£9,500.48
Super Low	£6,356.00	£7,464.72
Ultra Low	£5,778.24	£6,786.08
Helicopters (Departures & Landing)	£985.92	£1,067.78
Fixed wing aircraft not exceeding 16 metric tonnes (Departures & Landing)	£1,950.77	£2,112.73
Emissions charge (Landing)	£20.09	£22.10
Carbon charge (Landing)	£0.04	£0.04
Charges on aircraft landing/take-off (calculated based on departing passengers)		
Origin and Destination		
Domestic	£13.86	£15.22
Common Travel Area	£14.11	£15.47
European	£21.36	£22.72
Rest of World	£49.10	£52.12
Transfer and Transit		
Domestic	£6.93	£7.61
Common Travel Area	£8.47	£9.28
European	£12.82	£13.63
Rest of World	£29.46	£31.27
Remote Stand Rebate	-£6.15	-£6.15
Minimum charge - Domestic	N/A	N/A
Minimum charge - Common Travel Area	£846.60	£928.20
Minimum charge - European	£1,644.72	£1,749.44
Minimum charge - Rest of World	£3,928.00	£4,169.60
Charges on aircraft parking		
Narrow bodied	£49.16	£55.30
Wide bodied	£103.24	£116.13

13 Financial and traffic information

13.1 Traffic statistics and charging parameters

- 13.1.1 The actual traffic statistics from 2016 to 2025 are set out below to provide more detailed data on those elements of the traffic mix at Heathrow airport which affect the airport charges yield per passenger.

13.2 Regulatory accounting information

- 13.2.1 Heathrow is a privately-owned company, and a summary of its regulatory accounts are presented for the 12-month period between the 1st of January 2025 and the 31st of December 2025. These accounts compare the airport's financial performance for the Regulatory Year 2025 with the uplifted CAA forecast.
- 13.2.2 The regulatory accounts include revenue and cost comparison, and calculations of the Regulated Asset Base.
- 13.2.3 The full regulatory accounts are publicly available from:
<https://www.heathrow.com/company/about-heathrow/economic-regulation/regulatory-accounts>

£million (unless otherwise stated)	Actual	CAA forecast	Variance	%
Total Passengers (thousands)	84,506	80,700	3,806	5
Revenue				
Airport Charges	2,245	2,158	87	4
Other Revenue	1,378	1,417	(39)	(3)
Total Revenue	3,623	3,575	48	1
Expenditure				
Operating costs	(1,681)	(1,543)	(138)	9
Assumed ordinary depreciation	(1,230)	(1,230)	-	-
Total expenditure	(2,911)	(2,773)	(138)	5
Regulatory operating profit	712	802	(90)	(11)
Capital expenditure	(1,274)	(1,294)	20	2
Opening RAB	20,422	20,304	118	1
Closing RAB	21,263	21,214	49	-
Average RAB	20,843	20,759	84	-
Return on average RAB	3.4%	3.9%	(0.5)%	(13)

13.3 Passenger only flights

Passenger only flights - actual and forecast

	Actual										Actual	F1
	2016 Jan - Dec	2017 Jan - Dec	2018 Jan - Dec	2019 Jan - Dec	2020 Jan - Dec	2021 Jan - Dec	2022 Jan - Dec	2023 Jan - Dec	2024 Jan - Dec	2025 Jan-Dec	2026 Jan-Jul	2026 Jan-Dec
Arriving Passengers	38,366,587	39,412,880	40,462,508	40,942,699	11,182,236	9,875,569	31,349,411	40,208,012	42,380,913	42,638,560	24,209,775	42,228,944
Departing passengers												
Origin and destination												
Europe	12,741,755	13,174,509	13,668,591	13,930,655	4,308,040	4,238,098	11,105,169	13,225,131	14,561,002	14,860,658	8,499,207	14,784,388
Other	14,903,829	15,695,509	16,105,068	16,805,579	4,356,843	3,731,841	13,161,550	16,950,485	18,027,644	18,527,783	10,000,754	18,025,592
Transfer passengers												
Europe	4,274,123	4,346,998	4,306,358	3,973,195	1,003,570	706,383	2,660,483	3,781,442	3,870,005	3,662,828	2,257,570	3,667,180
Other	5,389,922	5,358,837	5,559,489	5,234,538	1,259,014	841,254	3,322,568	4,986,699	5,020,165	4,773,232	2,876,872	4,943,447
Transit passengers												
Europe	3,757	1,258	2,617	1,371	476	319	1,419	1,901	1,463	1,652	569	n/a
Other	35,273	24,126	21,686	2,503	479	1,570	13,612	29,491	23,380	17,413	9,540	n/a
Departing passengers	37,348,659	38,601,237	39,663,809	39,947,841	10,928,422	9,519,465	30,264,801	38,975,149	41,503,659	41,843,566	23,644,512	41,420,607
Total passengers	75,715,246	78,014,117	80,126,317	80,890,540	22,110,658	19,395,034	61,614,212	79,183,161	83,884,572	84,482,126	47,854,287	83,649,551
PATMs	470,764	471,082	472,744	473,235	177,281	160,744	367,191	450,194	471,298	475,596	270,299	469,553
UK (departing - origin and destination)	1,340,789	1,367,353	1,345,333	1,440,158	464,594	606,054	901,758	1,129,087	1,274,727	1,281,540	709,709	1,223,826
UK (departing - transfers)	986,012	1,058,093	1,079,454	1,006,443	276,699	289,132	773,165	1,000,140	1,078,756	1,033,826	620,288	1,013,400
UK (departing - total)	2,326,801	2,425,446	2,424,787	2,446,601	741,293	895,186	1,674,923	2,129,227	2,353,483	2,315,649	1,329,997	2,237,226

