

**Project Definition Sheets – Q5 PSDH, Thames Water and Support Adjustments**

R3T6 : PSDH Q5

TW01 : Thames Water Ongoing Payments

9036 : HAL Central Risk (R2)

## Header Information

<b>Project Name:</b>	Q5 PSDH Funding
<b>Name in Schedule:</b>	R3T6 : PSDH Q5

## Project Overview, Objectives and Status

<b>Overview:</b>		
Description:	PSDH Allowance for Q5	
Ref. Drawings / Images: <i>(Refer to Appendix A)</i>	None	
<b>Objectives:</b>		
BAA:	Progress PSDH related work in Q5 to deliver a 3 runway Heathrow	
Airline:	As BAA's	
<b>Status:</b>		
BAA Lead Team: Strategy	Airline Engagement: Amber	Strategic Solution or DGS/IGS Stage Pre-Outline

## Project Delivery

<b>Current Control Budget:</b>			
Total Capital Budget <i>(Constant Prices)</i> :		£672,000,000	
<i>Refer to appendix B for cost information detail.</i>			
<b>Time:</b>			
Brief Decision:	Start on Site:	Completion on Site:	Operational Use Commences:
Not applicable			
<i>Refer to appendix C for programme information detail.</i>			
<b>Assumptions:</b>			
The following points cover the significant delivery assumptions related to this project;			
Q5 PSDH monies were provisioned in the regulatory settlement with only limited information.			
Discussions have introduced the concept of PSDH, now R3 / T6 only with no mixed mode on the existing runways, into a number of workstreams;			
<ul style="list-style-type: none"> <li>• Forecasting – demand</li> <li>• Masterplanning and design</li> <li>• Surface Access</li> <li>• Legal</li> <li>• Planning and Environment</li> <li>• Stakeholder engagement and communication</li> <li>• Programme Office and Business case</li> <li>• Land acquisition and compensation</li> <li>• Airspace</li> </ul>			
In addition work has progressed on a possible estimating structure for the planning stage which suggest the following breakdown;			
<ul style="list-style-type: none"> <li>• HOSS</li> <li>• PMSB</li> <li>• Land Acquisition</li> <li>• Airspace Design</li> <li>• Environmental Impact</li> <li>• Legal and Planning</li> </ul>			

- BAA staff costs
- Surface Access (roads)
- Surface Access (rail)
- Design
- Preliminary works.

At the JST on 2<sup>nd</sup> March 2009 it was agreed that use of the PSDH Q5 monies would be approved in advance by the airline community and HAL would seek payment on an ex-post basis.

Work will now progress on giving clarity for drawdown of funds within a structure in order that clarity can be maintained.

*Note: Assumptions stated here are to aid understanding and are not necessarily exhaustive.*

### **Operational Issues**

<b>Financial Revenue and Operational Cost (Opex) Impact:</b>		
Revenue / Opex Cost Area:	Revenue (+) / Cost (-) Impact per Annum:	Commentary:
Not assessed		
<b>Impact on User Charges:</b>		<b>Not included in CIP 2009 Publication</b>
Estimated Per Passenger Cost Impact:		
Commentary:		
None		
<i>Note: Impact on User Charge is subject to a number of complex variables and regulatory decisions and therefore information is indicative only.</i>		
<b>Assumptions:</b>		
The following points cover the significant operational assumptions related to this project;		
None		

### **Areas of Disagreement**

The following points cover any significant areas of disagreement between BAA and the Airline Community regarding this project.

- Detailed implementation of the scope pre-approval / ex-post cost recovery mechanism for the Q5 PSDH monies.

*Note: Any disagreement noted must be read in the context of the airline engagement status shown above.*

## Header Information

<b>Project Name:</b>	Thames Water Ongoing Payments (Q5)
<b>Name on Schedule:</b>	TW01 : Thames Water Ongoing Payment (Q5)

## Project Overview, Objectives and Status

<b>Overview:</b>		
Description:	The "project" covers the ongoing payment to Thames Water in respect of T5 land purchase.	
Ref. Drawings / Images: <i>(Refer to Appendix A)</i>	None.	
<b>Objectives:</b>		
BAA:	N/A.	
Airline:	N/A.	
<b>Status:</b>		
BAA Lead Team: Strategy	Airline Engagement: Green	Strategic Solution or DGS/IGS Stage N/A

## Project Delivery

<b>Current Control Budget:</b>			
Total Capital Budget <i>(Constant Prices)</i> :		£26,300,000	
<i>Refer to appendix B for cost information detail.</i>			
<b>Time:</b>			
Brief Decision:	Start on Site:	Completion on Site:	Operational Use Commences:
N/A			
<i>Refer to appendix C for programme information detail.</i>			
<b>Assumptions:</b>			
The following points cover the significant delivery assumptions related to this project;			
<ul style="list-style-type: none"> <li>• These payments arise from the legal agreements related to the purchase, for T5, of the Thames Water Perry Oaks site.</li> <li>• Payments continue to 2035.</li> <li>• This PDS only details Q5 at this time.</li> <li>• No AFC information provided due to pending legal issues with Thames Water.</li> </ul>			
<i>Note: Assumptions stated here are to aid understanding and are not necessarily exhaustive.</i>			

## Operational Issues

<b>Financial Revenue and Operational Cost (Opex) Impact:</b>		
Revenue / Opex Cost Area:	Revenue (+) / Cost (-) Impact per Annum:	Commentary:
<b>Impact on User Charges: Not included in CIP 2009 Publication</b>		
Estimated Per Passenger Cost Impact:		
Commentary:		
None.		
<i>Note: Impact on User Charge is subject to a number of complex variables and regulatory decisions and therefore information is indicative only.</i>		
<b>Assumptions:</b>		
The following points cover the significant operational assumptions related to this project;		

- None.

### **Areas of Disagreement**

The following points cover any significant areas of disagreement between BAA and the Airline Community regarding this project.

- None.

*Note: Any disagreement noted must be read in the context of the airline engagement status shown above.*

## Header Information

<b>Project Name:</b>	Central Risk "R2"
<b>Name on Schedule:</b>	9036 : HAL Central Risk (R2)

## Project Overview, Objectives and Status

<b>Overview:</b>		
Description:	Central holding "pot" for the management of risk monies.	
Ref. Drawings / Images: <i>(Refer to Appendix A)</i>	None.	
<b>Objectives:</b>		
BAA:	<ul style="list-style-type: none"> <li>Improved project management of Q5 projects.</li> <li>Improved visibility of risk allowances.</li> <li>Improved consultation on use of risk monies.</li> </ul>	
Airline:	<ul style="list-style-type: none"> <li>As BAA's.</li> </ul>	
<b>Status:</b>		
BAA Lead Team:	Airline Engagement:	Strategic Solution or DGS/IGS Stage
Capital & Solutions	Amber	N/A

## Project Delivery

<b>Current Control Budget:</b>			
Total Capital Budget <i>(Constant Prices)</i> :		£300,800,000	
<i>Refer to appendix B for cost information detail.</i>			
<b>Time:</b>			
Brief Decision:	Start on Site:	Completion on Site:	Operational Use Commences:
N/A			
<i>Refer to appendix C for programme information detail.</i>			
<b>Assumptions:</b>			
The following points cover the significant delivery assumptions related to this project;			
<ul style="list-style-type: none"> <li>The creation of the R2 risk allowances is covered by CCRS which provides full details.</li> <li>R2, while central, identifies the projects that "own" the monies within the "pot".</li> <li>Drawdown of funds from R2 is via CCRS process.</li> </ul>			
<i>Note: Assumptions stated here are to aid understanding and are not necessarily exhaustive.</i>			

## Operational Issues

<b>Financial Revenue and Operational Cost (Opex) Impact:</b>		
Revenue / Opex Cost Area:	Revenue (+) / Cost (-) Impact per Annum:	Commentary:
Not applicable		
<b>Impact on User Charges: <span style="color: red;">Not included in CIP 2009 Publication</span></b>		
Estimated Per Passenger Cost Impact:		
Commentary:		
None.		
<i>Note: Impact on User Charge is subject to a number of complex variables and regulatory decisions and therefore information is indicative only.</i>		
<b>Assumptions:</b>		
The following points cover the significant operational assumptions related to this project;		

- None

### **Areas of Disagreement**

The following points cover any significant areas of disagreement between BAA and the Airline Community regarding this project.

- While endorsing the principle of the R2 approach the airline community have yet to be presented with the detail behind the CCRS raised to cover the removal of the monies from individual projects.

*Note: Any disagreement noted must be read in the context of the airline engagement status shown above.*