



Department for Transport

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Dear Andrew,

Section 16 Advice: Engagement between the preferred scheme promoter and airlines following a Government announcement on airport capacity

Introduction:

In accordance with the Secretary of State's power under section 16(1) of the Civil Aviation Act 1982 (the Act), the Secretary of State requires the Civil Aviation Authority (the CAA) to provide advice to him and to the Department for Transport (the Department) in connection with the duty of the Secretary of State to develop civil aviation.

In accordance with section 16(4) of the Act, the CAA will be entitled to recover from the Secretary of State expenses reasonably incurred by the CAA in providing the advice specified in this letter.

Scope of assistance and advice:

The CAA is requested to advise the Secretary of State on how well the preferred scheme promoter has engaged with and responded to the airline community on the appropriate scope, design and costing of new runway capacity. In developing and delivering that advice, the CAA will facilitate an engagement process between the preferred promoter and the airlines in the period following a Government announcement of preference to the designation of an Airports National Policy Statement (NPS). The timelines for that process are dependent on which scheme the Government prefers and the timelines for the NPS parliamentary process and will therefore be confirmed once we have clarity on those matters. The advice will be presented in a report to the Secretary of State in advance of NPS designation.

A more detailed description of the scope of the work and the outputs currently expected is set out in a draft Terms of Reference, which will be finalised between the Department and the CAA following a Government announcement on scheme preference. It is acknowledged that the CAA might wish to procure specialist expertise on cost efficiency



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and major project planning and management in order to develop and deliver its advice to the Secretary of State. The Department will consider any such requests to procure on a case by case basis in order to satisfy itself that they deliver value for money for the taxpayer.

As will be confirmed in the Terms of Reference, the Department may offer the support of its officials and/or advisors to the CAA in developing this advice where both parties consider that such support would be appropriate and valuable.

Budget and Governance:

The CAA is providing services to the Secretary of State under section 16(1) of the Act and is directly accountable to him for work produced under this agreement.

It is acknowledged that the CAA has supplied the Department with an indicative budget, including the expected resource requirement and a provision for the procurement of specialist advice. This budget, along with invoicing and payment information, will be confirmed in the Terms of Reference after a Government announcement on scheme preference, once the preferred promoter's intended engagement plans and the project timescales are known with greater certainty.

The CAA's work will be monitored through regular project management meetings, as discussed in the Terms of Reference. The Department will wish to maintain visibility of the engagement process throughout and as it is likely that the Department will wish to observe and potentially participate in elements of this process.

Ending or modifying the arrangement:

As the Terms of Reference will state, the Secretary of State reserves the right for the Department to modify this request for advice from time to time in discussion with the CAA and to terminate the request at any time. In the latter case, the Department will reimburse the CAA for any expenses reasonably incurred in carrying out work prior to termination.

Publication:

I note that you will publish this letter and in due course, the finalised Terms of Reference, on your website.

Thank you for the constructive manner in which the CAA has worked with the Department in preparing to support the delivery of additional airport capacity.

Yours sincerely,

Caroline Low