

Heathrow Airport – Bus and Coach Movement Charge

Decision Document

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Final Decision

We have now received and considered responses to our price proposals, which include comments expressed at the consultation meeting and written responses. HAL has come to a decision that it will limit the increase in prices to Retail Price Index (RPI) for the remainder of Q5 (i.e. until March 2014). The starting point of the prices will be those set in April 2008 and this tariff shall be increased by the relevant RPI increases from 1st April 2008 to 31st October 2011 and the prevailing RPI increases forecast each April thereafter. RPI is calculated using the published Oxford Economics data.

The prices effective from 1st November will be:

£2.69 (RPI increase of 12% 1st April 2009 to 31st October 2011). This has been calculated using the published Oxford Economics RPI data, this represents the first price increase since April 2008.

An RPI calculated increase will follow effective 1st April 2012.

The price increase due from 1st April each year shall be included in the General Notice for Non Regulated Charges issued in December of each year.

Rationale for Decision

HAL has carefully considered the responses to its proposal and acknowledges the differences of opinion in regard to recovery of cost and apportionment of cost within the regulatory settlement. HAL is confident that its approach and methodology presented during the consultation process is correct and robust. Full details of HAL's position to consultees' responses can be found in "Heathrow Airport - Bus and Coach Movement Charge, Provisional Decision Document, 15 August 2011"¹.

In recognition of the significant price increase, HAL has revised its position and will limit price increases to RPI (as set out above). However, HAL would like to reiterate that it has consistently under recovered its costs of providing facilities and services for the bus and coach station. Taking this into consideration, HAL is formally announcing an early notification that it will seek to fully recover its costs from 1st April 2014. This will be consulted upon as part of the Q6 constructive engagement process.

¹ http://www.heathrowairport.com/assets/Internet/Heathrow/Heathrow%20downloads/Static%20files/Bus-Coach-Movement-Charge-Consultation-Provisional-Decision-15_8_11.pdf

Q6 (2014/15 to 2018/19)

HAL would like to invite the bus and coach operators to the Q6 constructive engagement (CE) process to participate in the consultation for the Q6 forecast revenue/ charges for bus and coach. In addition, the CE process can be used to work through each of the specific concerns raised by the bus and coach operators during this consultation process. Details of how to participate will be sent to you in the next few months.