The Taxpayer Costs of Heathrow Expansion

March 2026

NO 3RD RUNWAY COALITION

www.no3rdrunwaycoalition.co.uk

This briefing sets out the economic, carbon, health and public transport of the costs to the taxpayer associated with expansion at Heathrow. The Government claim that this is a private financed project, but significant financial liabilities will be placed upon the public purse should it proceed.

Economic Cost

The DfT projected NPV for the third runway scheme was between minus £2.2 billion and plus £3.3 billion. Using the Government's own Transport Appraisal Guidance Heathrow expansion would be rated as either 'poor' or 'low' value.

A range of other factors, such as removal of international transfer passengers, or increases in Heathrow's landing charges (as they are proposing by up to £250 per family of four) could reduce the lower bound of Heathrow's cost-benefit to an even more significant minus number.

The stated benefits to UK connectivity may be significantly overstated, with regions outside of London experiencing an overall reduction in aviation traffic.

At worst, in net terms there would not only be no economic benefit whatsoever, but a significant financial cost of up to £2.2 billion, to be borne either by the airport, its investors, airlines, passengers or perhaps even government.

Carbon Costs

The latest evidence shows that the carbon abatement bill for a third Heathrow runway has risen sharply since 2018. The cleaning up and **offsetting the scheme's emissions could now cost on the order of £100bn over its lifetime, more than double earlier internal estimates.**

This escalation reflects both higher official carbon values and a clearer view of construction, operational and surface transport emissions. Put bluntly, every extra tonne of CO_2 from additional flights at Heathrow now carries a substantially higher shadow cost to the Exchequer and to the UK's legally binding carbon budgets.

This transforms Heathrow expansion from a marginal trade-off into a material fiscal and climate-policy risk. Government analysis already suggested that, valued at realistic carbon prices, the emissions from an extra runway could erode or even wipe out the project's net economic gains; the doubling of projected cleanup costs reinforces that warning.

In budgetary terms, rising abatement costs also sharpen the question of who ultimately pays. If airlines and passengers do not fully shoulder the cost of offsets, negative-emission technologies and tighter caps elsewhere, then the effective burden falls back on taxpayers.

Health Costs

The Health Impact Analysis accompanying the Airports National Policy Statements (ANPS) identified several serious adverse impacts of a third runway in relation to reduced life expectancy, the numbers of people exposed to increased NO2 emissions and increased annoyance due to aircraft noise. However, these impacts were not included in the original ANPS

The analysis also reveals that there will also be major adverse effects for people living in areas with already poor health status, particularly children and young people.

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The **health impact of an expanded Heathrow is likely to cost the NHS over £25bn** (2016 prices) over 60 years according to The Mayor of London's 2016 report ("Landing the Right Airport").

A full Health Impact Assessment (HIA) on the impacts of a third Heathrow runway has not been undertaken so these costs are likely to be significantly higher.

Public Transport Costs

It is still unclear what the cost of the road and rail infrastructure needed to serve a third runway will be and who will pay for it. **Estimates range from around £5bn (DfT) to £15bn (TfL) on 2018 prices.**

Government takes the view that Heathrow expansion is a private funded project, yet Heathrow have only historically offered to contribute £1bn to the public transport costs and there is no confirmed private or public funding for these schemes.

Most of the surface access costs where a split of beneficiaries is expected are likely to be borne by Government, where the schemes provide greater benefits for non-airport users. The airport contribution would be subject to a negotiation, and review by regulators. **This means that taxpayers will end up making a sizeable financial contribution.**

There is **no Government spend on roads directly linked to expansion**; Heathrow are committed to pay for changes to the M25, A4 and A3044 and any local roads. No assessment of the cost of works to the local road networks has been undertaken to date.

Questions

1. What is the latest Government assessment of the cost benefit ratio of Heathrow's third runway scheme according to Transport Appraisal Guidance?
2. Has the Treasury re-evaluated the net economic benefit of Heathrow expansion using updated carbon values and abatement costs, and will it publish that analysis so Parliament can see whether the project still delivers a positive net benefit?
3. What is the Government's current estimate of the total carbon abatement and environmental cleanup costs associated with Heathrow expansion, including a third runway, and how does this compare to the original estimates provided to Parliament?
4. Can the Secretary of State set out what proportion of the carbon abatement and cleanup costs linked to Heathrow expansion will be borne by (a) Heathrow and its shareholders, (b) airlines and passengers, and (c) the taxpayer?
5. What assessment has Government made of the potential financial cost to the NHS associated with expansion at Heathrow?
6. Will Government commit to undertaking a full Health Impact Assessment of Heathrow's third runway?
7. What estimate has the Government made of the health costs of a third runway associated with increased noise pollution?
8. What estimate has the Government made of the project costs of new rail connections to Heathrow from a) the West and b) the South?
9. What proportion of the costs of new rail schemes would need to be met by the public purse
10. What impacts would expansion at Heathrow have of traffic levels on local road networks around the airport?