



An Roinn Iompair
Department of Transport

Regional Airports Programme

2021-2025



Contents

PART 1 – THE PROGRAMME	2
BACKGROUND	2
EU FRAMEWORK AND RULES	3
<i>General Block Exemption Regulation (GBER)</i>	3
<i>EU Rationale for Investment Aid (CAPEX) to Airports</i>	3
<i>Investment Aid to Airports – Overview</i>	4
<i>Investment Aid to Airports – Specific Conditions</i>	4
PUBLIC SERVICE OBLIGATION (PSO).....	6
<i>Legal Framework</i>	6
<i>Ireland’s PSO Air Service Scheme</i>	6
NATIONALLY DETERMINED POLICY	7
<i>Public Policy Remit (PPR)</i>	7
<i>Sustainability Supports</i>	8
<i>Evidence Based Policy and Effectiveness</i>	8
PART 2 – ELIGIBILITY REQUIREMENTS FOR ANNUAL FUNDING SCHEMES	10
ELIGIBLE AIRPORTS FOR ANNUAL FUNDING	10
ELIGIBILITY REQUIREMENTS	10
<i>First Year of Programme</i>	10
<i>Subsequent Years of Programme</i>	11
<i>Review and Monitoring</i>	12
CAPITAL FUNDING SCHEMES	12
<i>CAPEX Scheme</i>	12
<i>Public Policy Remit - Capital (PPR-C) Scheme</i>	13
<i>Application Process and Requirements for CAPEX and PPR-C Proposals</i>	13
<i>Capital Appraisal and Selection Process - Public Spending Code</i>	13
CURRENT (OPERATIONAL) FUNDING	16
<i>Public Policy Remit - Operational (PPR-O) Scheme</i>	16
<i>Application Process and Requirements for PPR-O Scheme</i>	16
<i>PPR-O Application Assessment</i>	17
<i>Claim and Payment Procedures</i>	17
APPENDICES	18
APPENDIX 1: FRAMEWORK FOR PUBLIC SERVICE OBLIGATIONS (PSO) AIR SERVICES SCHEME.....	19
APPENDIX 2: CHECKLIST AND TIMELINES FOR SUBMISSION OF INFORMATION.....	25
APPENDIX 3: GUIDANCE NOTES - APPLICATION OF GBER (CAPEX SCHEME).....	27
APPENDIX 4: RAP (2021-2025) APPLICATION FORMS FOR CAPEX AND PPR-C GRANT SCHEMES.....	29
APPENDIX 5: GUIDANCE NOTES - PUBLIC POLICY REMIT (PPR-O) OPERATIONAL SCHEME.....	32
APPENDIX 6: PPR-O APPLICATION TABLES.....	33

Part 1 – The Programme

Background

National policy on regional airports¹ is designed to optimise conditions for regional development and connectivity in line with Project Ireland 2040. Social and economic benefits can be derived from facilitating access to and from the associated regions. For this reason, the capacity of these airports to handle scheduled services is fundamental to the Programme.

The new Programme, which will be administered by the Department of Transport, ensures that Ireland’s smallest airports will continue to receive support for measures aimed at maintaining compliance with the EU’s safety and security related obligations. The Programme will also encourage airports to take account of sustainability objectives and to build resilience against the likely impacts of climate change.

The Programme has taken account of the latest developments in State aid rules, particularly the inclusion of airports in the General Block Exemption Regulation (GBER)². These rules place limits on the amount of aid that can be given to airports in respect of their ‘economic’ projects or activities i.e. those that give an economic return to the airport. The Programme supports capital investment of an economic nature under its CAPEX Scheme.

Thresholds of support for non-economic activities, such as air traffic control, police, customs, security and fire services, can be determined at a national level. These are considered to fall within the ‘**Public Policy Remit (PPR)**’. Most capital investment that is necessary to perform such activities is also considered non-economic. Grant aid for non-economic investment and operations are being provided under the PPR Schemes of the Programme.

Funding remains targeted at airports that operate scheduled services and have annual passenger numbers of less than 1 million. Scheduled services must facilitate international connectivity, either directly or via another national hub airport such as Dublin. Funding will be provided under the following Economic and Non-Economic Schemes:

Category	Scheme	Aid Intensity/Levels of Support
Economic	Capital Expenditure (CAPEX)	Up to 75% support for investment projects in line with GBER
Non-Economic	Public Policy Remit Capital (PPR-C)	Up to 90% support for projects in line with national policy
	Public Policy Remit Operational (PPR-O)	Up to 100% support for activities in line with national policy

¹ For the purpose of this Programme, ‘regional airports’ mean airports that operate scheduled passenger services and handle less than 1 million annual average passengers.

² The GBER - <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:02014R0651-20200727&from=EN#toCld12>.

As above, the Programme's schemes and funding thresholds have been determined by national policy objectives and designed to comply with the GBER.

EU Framework and Rules

General Block Exemption Regulation (GBER)

The GBER or Commission Regulation (EU) No 651/2014³ declares that certain categories of aid are compatible with the internal market. Regulation (EU) 2017/1084 (henceforth referred to as the '2017 Regulations') extended this exemption to include aid for airports.

Ireland's new Regional Airports Programme is designed in line with:

- the general provisions of Regulation 651/2014 (Chapter 1) in conjunction with the 2014 Guidelines on State aid to airlines and airports⁴ (henceforth referred to as the '2014 Guidelines'); and
- the conditions attaching to investment aid in Article 56a of the GBER as inserted by the 2017 Regulations

EU Rationale for Investment Aid (CAPEX) to Airports

Capital funding or investment aid for projects of an economic nature is referred to as CAPEX. Such funding provides an economic return to airports and is therefore governed by State aid rules.

Investment aid to regional airports can improve both the accessibility of certain regions and local development and can contribute to further economic growth and objectives of the EU in line with the priorities outlined in the strategy, Europe 2020.

The 2017 Regulations assert that the competitive impact of an aid measure depends mainly on the size of the airport (by virtue of the number of passengers handled on an annual basis) and not on the amount of aid. Accordingly, once certain conditions are fulfilled, investment aid to regional airports will not give rise to undue distortion of trade and competition and no pre-grant approval is required by the Commission.

The conditions for the exemption of investment aid from the notification requirement, which are set out below, are aimed at limiting distortions of competition that would undermine a level playing field in the internal market, in particular by ensuring the proportionality of the aid amount.

³ Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>.

⁴ Communication from the Commission - Guidelines on State aid to airports and airlines (2014/C 99/03) [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52014XC0404\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52014XC0404(01)&from=EN).

Investment Aid to Airports – Overview

In order to be proportionate, the investment aid in the new Programme is required to fulfil two conditions:

- The aid intensity should not exceed a maximum permissible aid intensity, which varies according to the size of the airport.
- The aid amount should not exceed the difference between the eligible costs and the operating profit of the investment.

For airports with less than 200,000 passengers per annum, investment aid is only required to fulfil one of these conditions.

In line with the 2017 Regulations, State aid compatibility conditions should always ensure open and non-discriminatory access to the infrastructure. Furthermore, the exemption does not apply to investment aid granted to airports located in the vicinity of an existing airport from which scheduled air services are operated, because aid to such airports is considered to entail a higher risk of distortion of competition and must therefore be notified to the Commission. The only exception, in these circumstances, is aid granted to very small airports (i.e. with up to 200,000 passengers per annum). It is considered unlikely that aid to such airports would result in a significant distortion of competition.

Investment Aid to Airports – Specific Conditions

The GBER provides that investment aid to an airport shall be compatible with the internal market within the meaning of Article 107(3) of the Treaty and shall be exempted from the notification requirement of Article 108(3) of the Treaty, provided the common provisions of Chapter 1 and the specific provisions of Chapter 3 (Section 14) are fulfilled, namely paragraphs 3 to 14 of Article 56a (inserted by the 2017 Regulations):

Paragraphs 3 to 14 of Article 56a of Regulation 651/2014

3. The airport shall be open to all potential users. In the case of physical limitation of capacity, the allocation shall take place on the basis of pertinent, objective, transparent and non-discriminatory criteria.
4. The aid shall not be granted for the relocation of existing airports or for the creation of a new passenger airport, including the conversion of an existing airfield into a passenger airport.
5. The investment concerned shall not exceed what is necessary to accommodate the medium-term expected traffic on the basis of reasonable traffic forecasts.
6. The investment aid shall not be granted to an airport located within 100 kilometres or 60 minutes travelling time by car, bus, train or high-speed train from an existing airport from which scheduled air services, within the meaning of Article 2(16) of Regulation (EC) No 1008/2008, are operated.
7. Paragraphs 5 and 6 shall not apply to airports with average annual passenger traffic of up to 200,000 passengers during the two financial years preceding the year in which aid is actually granted if the investment aid is not expected to result in the airport increasing its average annual passenger traffic to above 200,000 passengers within two financial years following

the granting of the aid. Investment aid granted to such airports shall comply either with paragraph 11 or with paragraphs 13 and 14.

8. Paragraph 6 shall not apply where the investment aid is granted to an airport situated within 100 kilometres from existing airports from which scheduled air services, within the meaning of Article 2(16) of Regulation (EC) No 1008/2008, are operated, provided the route between each of these other existing airports and the airport receiving the aid necessarily involves either a total travelling time by maritime transportation of at least 90 minutes or air transportation.
9. The investment aid shall not be granted to airports with average annual passenger traffic of more than three million passengers during the two financial years preceding the year in which aid is actually granted. The investment aid shall not be expected to result in the airport increasing its average annual traffic to above three million passengers within two financial years following the granting of the aid.
10. The aid shall not be granted to airports with average annual freight traffic of more than 200,000 tonnes during the two financial years preceding the year in which aid is actually granted. The aid shall not be expected to result in the airport increasing its average annual freight traffic to above 200,000 tonnes within two financial years following the granting of the aid.
11. The investment aid amount shall not exceed the difference between the eligible costs and the operating profit of the investment. The operating profit shall be deducted from the eligible costs *ex ante*, on the basis of reasonable projections, or through a claw-back mechanism.
12. The eligible costs shall be the costs relating to the investments in airport infrastructure, including planning costs.
13. The investment aid amount shall not exceed:
 - a) 50% of eligible costs for airports with an average annual passenger traffic of one to three million passengers during the two financial years preceding the year in which aid is actually granted;
 - b) 75% of eligible costs for airports with an average annual passenger traffic of up to one million passengers during the two financial years preceding the year in which aid is actually granted.

The maximum aid intensities set out in paragraph 13 may be increased by 20 percentage points for airports located in remote regions.

The Regional Airport Programme 2021-2025 includes a CAPEX Scheme in accordance with the above. However, as the Programme only supports airports with less than 1 million annual passengers (i.e. based on an average over the two preceding financial years), Section 13 (a) of the specific provisions above do not apply. In addition, airports of less than 200,000 passengers are only required to meet one of the general conditions outlined above i.e. the aid intensity should not exceed a maximum permissible aid intensity, which varies according to the size of the airport.

As the Programme will be fully compatible with GBER, Ireland will not be required to seek pre-approval from the Commission.

Public Service Obligation (PSO)

Legal Framework

The conditions and the requirements for PSOs are set out in Articles 16 to 18 of Regulation (EC) No. 1008/2008⁵. PSOs may only be imposed on routes that are considered vital for the economic and social development of the region which the airport serves. As per the Commission's Interpretative Guidelines⁶ (Commission Notice 2017/C 194/01) on the Regulation, PSOs can be imposed 'on two types of routes:

- a) Routes to an airport serving a peripheral or development region -

A peripheral region is typically a remote region or a region accessible with difficulty from the capital and other main cities in the Member State. The remoteness and isolation should be assessed with regard to the territory of the Member State, its administrative, business, education and medical centres, but also with regard to the territory and such centres of other Member States with which it shares a border. A development region is lagging behind economically, as measured for example by GDP per capita or by unemployment rate.

- b) Thin routes to any airport -

The Regulation does not define a quantified criterion to assess the 'thinness' of a route, given the various situations that may prevail in different Member States. However, based on the Commission's experience in a large number of PSO cases, it appears safe to say that a route with traffic of more than 100,000 passengers per year cannot normally be considered as a thin route within the meaning of the Regulation'.

Ireland's PSO Air Service Scheme

In line with Articles 16 and 17 of Regulation 1008/2008, the Department of Transport⁷ tendered for PSO air services in respect of two routes in 2017.

The current PSO contract with Stobart Air, which governs the operation of air services on the Donegal/Dublin and Kerry/Dublin routes, expires on 31 January 2022 - one year into the new Programme.

The framework for the granting of any further public service obligations to airlines is set out at Appendix 1 to this document. The framework reflects the contents of the Commission

⁵ Regulation (EC) No 1008/2008 Of The European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community (Recast).

⁶ Interpretative guidelines on Regulation (EC) No 1008/2008 of the European Parliament and of the Council – Public Service Obligations (PSO) [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52017XC0617\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52017XC0617(01)&from=EN).

⁷ Formally the Department of Transport, Tourism and Sport (DTTAS).

Communication 2012/C 8/03⁸ on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of Services of General Economic Interest (SGEI).

In advance of initiating a public tender process, a review will be carried out to determine whether supports should be continued. A detailed evaluation of the services will be undertaken, having regard to Government policy on regional development, tourism, sustainable development and the findings of a Spending Review paper in 2019, which focused on the Current funding elements, including PSOs, of the Regional Airports Programme.

Nationally Determined Policy

Public Policy Remit (PPR)

The 2014 Guidelines clarified the position on funding certain non-economic activities at airports i.e. those that normally fall within a 'Public Policy Remit'. Activities such as air traffic control, police, customs, firefighting, as well as those necessary to safeguard civil aviation against acts of unlawful interference are generally considered to be non-economic in nature and within the remit of the State. In addition, investment relating to the infrastructure and equipment necessary to perform those activities are also regarded as non-economic.

Therefore, in line with the previous Programme, the new Regional Airports Programme provides that funding for such activities and investments will fall within Ireland's 'Public Policy Remit' and will not constitute State aid.

Two schemes are being supported: Public Policy Remit Capital (**PPR-C**) and Public Policy Remit Operational (**PPR-O**). Subject to the availability of resources, the Exchequer commits to providing to an aid intensity level of up to 90% for eligible capital investments under the PPR-C Scheme. Furthermore, airports will be compensated (at 100%) for operational costs relating to such non-economic activities (PPR-Operational or PPR-O). Similar to previous programmes, this will require regional airports to maintain separate cost accounting for core airport activities.

In respect of PPR-O Scheme, funding will typically cover salary costs related to non-economic activities: air traffic control, security and fire services.

⁸ Communication from the Commission - European Union framework for State aid in the form of public service compensation [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52012XC0111\(03\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52012XC0111(03)&from=EN).

Sustainability Supports

The new Programme takes account of existing policy objectives to help mitigate the impacts of aviation on the environment and to help facilitate the sustainable growth of the sector in line with Ireland's Action Plan for Aviation Emissions Reduction⁹ and the Climate Action Plan 2019¹⁰.

While the Programme's focus will remain resolutely targeted at safety and security projects and activities, it will also take account of sustainability objectives in line with State aid rules. Projects under consideration for safety and security may be augmented with sustainability and resilience in mind. Within these areas, funding could encourage greater use of cleaner and more efficient vehicles and equipment at the airport. Enhancing the specifications of projects that seek to build resilience against the likely impact of climate change may also be considered, subject to the availability of Exchequer funds.

All Irish airports are encouraged to sign of up to ACI's carbon accreditation programme¹¹. Where feasible, the Regional Airports Programme will seek to support eligible airports to achieve goals in this respect.

Other elements of the GBER e.g. Aid for Environmental Protection (Articles 36 to 49) may be considered in tandem with aid for regional airports inserted by Article 56a.

Evidence Based Policy and Effectiveness

As a result of findings from a 2019 Spending Review paper on the Regional Airports Programme¹², as well as concerns arising from the public consultation process about measuring the effectiveness of the RAP, the Department intends to gather (in a more structured way) data on the profile of passengers using regional airports, to include information on origin, destination and journey purpose.

The new Programme is also more prescriptive on the information to be included in airports' economic impact assessments. This information, in conjunction with the passenger data, will be used to develop connectivity indicators in line with the findings of the Review.

Beyond Covid-19, there may also be some potential for reducing non-economic operational aid (under the PPR-O Scheme). As the Expenditure Review highlighted, operating subvention has been increasing steadily in recent years and it would be reasonable to expect a discontinuation of this trend if passenger numbers and revenues continue to increase. Consideration should be given to potentially decreasing subvention in the coming years as the airports' financial positions improve over

⁹ Ireland's Action Plan for Aviation Emissions Reduction (April 2019)
<https://assets.gov.ie/21634/ee5b50357fb04fc5a8af5f6589759231.pdf>.

¹⁰ Climate Action Plan 2019 – To Tackle Climate Breakdown
<https://assets.gov.ie/25419/c97cdecddf8c49ab976e773d4e11e515.pdf>

¹¹ Airport Council International (ACI) Europe - Carbon Accreditation Programme
<https://www.airportcarbonaccreditation.org/>.

¹² Spending Review 2019 – A Review of the Regional Airports Programme
<https://assets.gov.ie/25103/267dd55358d34478893d153dcffbd018.pdf>.

the period to 2025. With that in mind, the new Programme commits to carrying out a mid-term review of operational supports circa mid-2023.

Finally, the Department intends rolling-out a new spot-check system for reviewing and monitoring financial and contractual compliance with the Programme.

Part 2 – Eligibility Requirements for Annual Funding Schemes

Eligible Airports for Annual Funding

In order to qualify for annual funding under the grant schemes (CAPEX, PPR-C and PPR-O) of the Regional Airports Programme, airports must meet the policy criteria outlined in Part 1 and the conditions specified in the GBER. At the time of publication, the possible beneficiaries of the funding assistance are:

- Aerphort Idirnáisiúnta Dhún na nGall Teo. (Carrickfin, Co. Donegal);
- Connaught Airport Development Company Ltd. (Ireland West Airport Knock, Co. Mayo); and
- Kerry Airport plc. (Farranfore, Co. Kerry).

Consideration will be given to including other airports should their circumstances change and they meet the criteria during the course of the Programme.

Eligibility Requirements

First Year of Programme

In the first year of the Programme, all eligible airports will be required to provide the following to the Department of Transport before end June:

Business Plan

A five-year business plan commencing in the year of application, prepared on a Group basis, to include the following:

- description of the airport, to include ownership, location, catchment area analysis, routes served and frequencies etc;
- summary of historical financial information;
- forecast financials (Income Statement, Cashflow Statement and Balance Sheet);
- airport passenger numbers (by geographic location, current and projected);
- strategy on airport charges including average per passenger charge (current and projected);
- potential for increased core and non-core revenue generation;
- staffing and other operation requirements;
- development plans (new routes/services, capital investment plans etc);
- demonstration of the airport's efforts and targets in the areas of sustainable development, climate mitigation and resilience/adaptation as well as commitments to move in the direction of carbon neutrality;
- provides details of corporate structures in place for project management and cost control;
- commercial offerings (e.g. retail);
- description of other funding sources e.g. local authorities, EU, EIB or ISIF; and
- summary of economic impact assessment (see below).

Financial Information

- prior year audited financial statements, signed by both the airport company's directors and auditors;
- Table 1.1 and Table 1.2 (see Appendix 6) – submitted in Excel - in respect of the prior year audited financial statements;
- analysis of actual payroll costs for the prior year relating to non-economic activity in the areas of air traffic control, security and fire-fighting, with reconciliation to the prior year audited financial statements;
- analysis of capital expenditure for the prior year in respect of projects which are supported by the CAPEX or PPR-C Schemes;
- a Budget/Forecast Income Statement, Balance Sheet and Cashflow Statement for the year of the grant application - submitted in Excel.

Economic Impact Assessment

A study showing the economic value of the airport to the region, and the contribution the airport makes to the local/regional economy. The economic impact assessment should, at a minimum, include the following:

- details of the catchment area served by the airport within 30 mins and 60 mins time travel bands;
- details of the level of international and domestic connectivity the airport brings to the region for tourism and business;
- benefits to the region in terms of economic and commercial development, job creation, tourism impacts and opportunities to attract FDI;
- basic metrics to include numbers employed, numbers and types of passengers etc.

The Department will, if so required, fund up to 33% of the total costs of the economic study on the understanding that the balance of the total costs is funded locally (airport, local authority etc).

Subsequent Years of Programme

By the end of June, in every subsequent year, airports will be required to submit:

- revised business plans, showing updated projections on a rolling five-year basis;
- the financial information outlined above.

Failure to meet these requirements may affect airports' eligibility to apply for funding under the Programme.

A checklist of requirements and associated timetable is attached at Appendix 2.

Review and Monitoring

The Department will monitor the performance of each airport and the effectiveness of the funding schemes as a whole, on an ex-post basis, which will include:

- financial review of the annual audited financial statements and business plans, in consultation with NewERA;
- review of capital projects funded under the CAPEX and PPR-C Schemes;
- mid-term programme review of operational expenditure in 2023;
- review of performance in respect of mandatory safety and security requirements, in conjunction with the Irish Aviation Authority (IAA) and the relevant safety and security division of the Department;
- review the effectiveness of funding on climate and sustainability objectives by 2025.

Capital Funding Schemes

Capital funding under the new Programme will continue to prioritise safety and security related projects through the CAPEX and PPR-C schemes. The IAA and/or the relevant safety and security division of the Department will be consulted to determine whether proposed investment projects are required to comply with the relevant safety or security regulations.

In addition, project enhancements for the purposes of contributing to emissions reduction and building resilience against the likely impacts of climate change will also be considered for funding, subject to budgetary constraints and State aid rules. All projects will be subject to the capital appraisal requirements of the Public Spending Code¹³ (see below).

CAPEX Scheme

Funding under the CAPEX scheme will support projects with an associated economic activity in the areas outlined above. Projects with no associated economic activity are dealt with under Ireland's 'Public Policy Remit' (see below).

In order for State supports under the CAPEX Scheme to be compatible with the internal market pursuant to Article 107(3)(c) of the Treaty, Ireland will ensure that the scheme is operated in strict compliance with the conditions outlined in Part 1 of this Programme in line with the GBER.

In providing State supports (Exchequer and Local Authority) to regional airports for capital projects, the GBER requires airports with average traffic below 1 million passengers per annum to contribute at least 25% to the financing of the total eligible investment costs.

State supports will, therefore, be limited to 75% of the total eligible costs of eligible projects under the CAPEX Scheme. Under the GBER, the investment aid amount shall not exceed the difference between the eligible costs and the operating profit of the investment. The operating profit must be

¹³ Public Spending Code - <https://www.gov.ie/en/publication/public-spending-code/>.

deducted from the eligible costs *ex ante*, on the basis of reasonable projections, or through a claw-back mechanism. The eligible costs shall be the costs relating to the investments in airport infrastructure, including planning costs.

Guidance to airports for calculating the maximum aid intensity is provided at Appendix 3.

Public Policy Remit - Capital (PPR-C) Scheme

Eligible airports, as outlined above, will also be able to apply for annual funding under the PPR-C Scheme. Subject to the availability of resources, the Exchequer will provide compensation to the airports at 90% of the total cost of eligible capital investments under the PPR-C Scheme.

Application Process and Requirements for CAPEX and PPR-C Proposals

Based on a 5-year planning framework, the Department will formally invite, on an annual basis, proposals from regional airports that operate scheduled services to hub/international airports and handle less than 1 million annual passengers. Where a proposal is successful, the approved project(s) would be eligible for grant assistance under either the CAPEX or PPR-C Scheme.

As part of the aforementioned invitation, airports will be required to submit a Capital Funding Application Form (see Appendix 4), which will include the following specific information in respect of each proposal:

- description of project, including timelines;
- estimated cost;
- multi-annual breakdown of project costs and profile of expenditure;
- amount, if any, being provided from other funding sources;
- a Safety Case or Security Case for each project, including any recommendations from IAA and/or the relevant safety and security division of the Department;
- a Risk Assessment must be submitted as part of a Safety Case or Security Case;
- consideration of alternative approaches to compliance with recommendations from IAA and/or the relevant safety and security division of the Department;
- potential impacts on emissions and/or resilience of airport infrastructure.

The airports will also be required to rank projects, according to priority, as part of annual funding applications. Sustainability elements of projects, which could have been ruled out previously, will now be considered. In such cases, the airport will need to demonstrate clear and measurable emissions savings or climate future proofing deliverables as part of a proposed project.

In accordance with the 2014 EU Guidelines and GBER, works on individual investment projects can only commence after an application has been submitted and approved by the Department.

Capital Appraisal and Selection Process - Public Spending Code

The current edition of the Public Spending Code (PSC), published in December 2019, provides guidance for the planning and management of public capital investments in Ireland. In addition, the

PSC sets out the guidelines and criteria for evaluating capital investment proposals from all public bodies and all bodies in receipt of central Exchequer funding. The aim of the PSC is to ensure that the maximum value of public money is delivered through effective project planning, evaluation and implementation.

The PSC has a number of preparation and appraisal criteria. All projects with capital expenditures of more than €10m are required to provide a Strategic Assessment Report (SAR) as a precursor to any business case. Ex-post evaluations of a project are also stipulated as a requirement in the PSC for all projects and programmes with capital expenditures in excess of €10m.

In the case of transport, the Department's Common Appraisal Framework (CAF)¹⁴ provides further transport specific guidelines on the preparation of business case material and the evaluation of transport investment proposals. Those preparing a business case for a project will either have to conduct a simple appraisal (schemes with a value of less than €5m), a Multi-Criteria Analysis (schemes valued between €5m-€20m) or a Cost-Benefit Analysis (schemes with capital expenditures of €20m or more).

There are a number of universal principles that apply to the preparation of all schemes seeking public capital funding. These are summarised as follows:

1. **Identify Current Problems:** Current issues around service provision provided should be outlined as these provide the rationale for an investment intervention and should inform the options available to address. Existing data on the issues should be presented if available.
2. **Set SMART Objectives:** It is important for a scheme to have objectives that can be met and address the problems identified. As such, objectives should be outcome-based and not be case-making with respect to specific options. Objectives should meet the SMART criteria (Specific, Measurable, Attributable, Realistic and Time Bound) of both the PSC and the CAF.
3. **Develop Intervention Options:** Where possible, a number of different options concerning a capital investment should be explored during the early project lifecycle phases of a scheme. Ideally, a business case should discuss a non-intervention option (Do-Nothing) or a minimal intervention option (Do-Minimum), and at least two full intervention options (Do-Something). All options and their potential impacts should be considered in an objective manner with the use of tools such as a Multi-Criteria Analysis.
4. **Assumptions:** A good business case will clearly outline the reasoning behind any assumptions taken and will provide supporting data and evidence from recognised sources. This is particularly important around assumptions made for scheme costs.

In terms of seeking capital investment funding, there are a number of steps that airports need to take in order for their investment proposal to be deemed compliant with PSC procedures and therefore

¹⁴ Common Appraisal Framework - <https://www.gov.ie/en/organisation-information/800ea3-common-appraisal-framework/>.

approved. The stages outlined below are based on the project lifecycle requirements outlined in the PSC and form the basis of how an investment proposal should be developed.

Appraisal: For schemes with estimated values of less than €10m, airports can immediately proceed to the preparation of a business case. The purpose of the business case is to establish the rationale for an intervention, produce objectives that are SMART in nature, develop a short list of potential options from which a preferred option can be ascertained and provide high level cost estimates. A business case under PSC guidelines is also expected to provide high level analysis around demand and projected user benefits. The type and depth of an appraisal is dependent on the size and nature of the proposed project and will be proportionate to its anticipated scale. The resources to be spent on appraisal should be commensurate with the nature and estimated cost of the project and the degree of complexity of the issues involved. A multi-criteria analysis is often appropriate for smaller schemes, while larger (>€10m) investments should include a cost benefit analysis or cost effectiveness analysis, if appropriate.

For proposals with projected expenditures of over €10m, airports are also required under PSC guidelines to prepare a **Strategic Assessment Report (SAR)**. The SAR is the first stage of the project lifecycle and is critical for early scrutiny of objectives, consideration of options and identification of risks. A high-level affordability assessment is also required. However, no analysis around demand or user benefits is required. It should be noted that the SAR must receive approval from the approving authority before preparation of a business case can begin.

It should be noted that urgent safety and security projects necessary to comply with national/international regulations could be approved at this stage, depending on the nature and scale of projects, without reference to the capital appraisal process set out here.

Implementation, Monitoring and Reporting: The regional airports are responsible for implementing the approved projects. Works on individual projects can only commence following approval by the Department. If works start before such approval is granted, any aid awarded in respect of that individual project will be considered incompatible with the internal market and will be dealt with accordingly. Cost overruns would be met by the airport company concerned. For monitoring and reporting purposes, the regional airports should establish suitable project management structures. Each regional airport in receipt of funding will be **required to provide a report to the Department, every three months following approval**, on procurement, project implementation, and expenditure profiling, specifically highlighting any existing or anticipated problems. The Department reserves the right to inspect projects 'on-site' at any stage of implementation.

Funding Arrangements: Detailed guidance on the claim and payment processes will be made available to the airports at contract stage (i.e. a contract will be entered into between the Department and the airport setting out the terms and conditions applying under the CAPEX and PPR-C Schemes).

Post-Completion Evaluation: All schemes with projected expenditures in excess of €10m must complete an ex-post evaluation under current PSC requirements. This evaluation should assess

whether expected benefits and outcomes materialised following completion and whether the planned outcomes of the investment were sufficient or appropriate for addressing the problems identified and the public needs. The ex-post evaluation should also provide a number of conclusions that can be drawn upon as lessons learned material for future projects of a similar scope.

Freedom of Information: All information submitted by airports in receipt of funding will be subject to the Freedom of Information Act 2014.

Current (Operational) Funding

Public Policy Remit - Operational (PPR-O) Scheme

Eligible airports under CAPEX and PPR-C will also be able to apply for funding under the PPR-O Scheme. As part of the eligibility criteria, airports will be required to maintain cost accounting systems that distinguish between economic and non-economic activities.

The 2014 EU Guidelines provide clarification on the funding of certain non-economic activities at an airport. These activities normally fall within the 'Public Policy Remit'. For example, activities such as air traffic control, security and firefighting, are generally considered to be non-economic in nature. Under the PPR-O Scheme and subject to the availability of resources, the Exchequer will primarily target supports at salary costs associated with the activities – up to 100%.

Where insufficient funds are available to pay the full non-economic payroll costs of all airports, the total amount paid to each airport operator shall be determined by allocating the total Exchequer funds available on a pro rata basis.

Application Process and Requirements for PPR-O Scheme

The following stages will apply to the implementation of the scheme on a year by year basis:

1. Invitation issued (circa August/September) to each eligible airport to submit applications.
2. Airports submit subvention application to the Department.
3. Appraisal of applications by the Department in conjunction with NewERA.
4. Payment process completed by December.

Eligible airports will be required to complete the tables contained in Appendix 6 when submitting an application under the PPR-O Scheme, namely:

- Table 2.1: Financial analysis of projected airport operations for the year of grant application,
- Table 2.2: Projected administrative expenses breakdown for the year of grant application,
- Table 3: An estimate of payroll costs on an individual, anonymised basis in the year of the grant application relating to non-economic activity in the areas of air traffic control, security and firefighting.

The Chairman of the Board of the airport company must sign these tables, which involve separate reporting of core airport management operations/activities and any non-core activities. Guidance notes on the completion of the PPR-O tables are given in Appendix 5.

Each applicant must also submit a declaration that includes:

- an undertaking that public funds will only be used for the purpose approved;
- a copy of statement from an independent auditor in respect of the validity of the estimated payroll costs for the year of the grant application; and
- a statement of compliance with the 2014 EU Guidelines and GBER.

The Department reserves the right to seek additional information as may be required, such as more detailed financial projections for the year in which subvention is sought and for subsequent years.

PPR-O Application Assessment

Following receipt of PPR-O applications from the regional airports, a review will be undertaken which will consider the information provided. The available funding will be allocated on a pro rata basis.

- Where the total PPR-O funding available is lower than the total non-economic payroll costs of the regional airports combined, it is allocated on a pro-rata basis calculated on the wages and salaries element of the claims submitted.
- Where the total PPR-O funding available is greater than total non-economic payroll, funding is allocated on a pro-rata basis calculated on *total* non-economic expenditure.

Airports will be formally notified of the subvention allocation (if any), subject to any conditions as may be imposed to promote efficiency, revenue generation and value for money to the State.

Claim and Payment Procedures

Payments under the PPR-O scheme will be made in accordance with Government Financial Procedures and the relevant procedures and control systems operated by Airports Division for payment of subvention to regional airports.

Any overpayments arising from the submitted projected non-economic payroll costs and the airport's actual costs for the year in question will be offset against the following year's submission. Any overpayment must be returned to the Department as soon as practicable following the completion of the airport's annual audited financial statements for that year.

Appendices

Appendix 1: Framework for Public Service Obligations (PSO) Air Services Scheme

Subject to Ministerial approval for any new PSO service over the period of the Programme 2021 to 2025, and following the completion of a public tender process, in accordance with the procedures set down by paragraphs 2 to 10 of Article 17 (see below), the specifics of the Public Service Obligation in respect of the route concerned will be set out in a contract between the Minister for Transport and the selected airline(s). That contract will specify –

- a) the nature and the duration of the public service obligation;
- b) the number and frequency of the services to be provided;
- c) the minimum capacity (seats) of the aircraft assigned to operate the services;
- d) the range of fares that may be applied;
- e) the parameters for cancelled and delayed flights;
- f) the parameters for calculating, controlling and reviewing the compensation;
- g) the arrangements for avoiding and repaying any overcompensation.

The duration of any new contracts will initially be for a 2-year period, with the outcome of the review process to be conducted after 18 months from the commencement of the contract leading to the possibility of an extension not exceeding 2 years.

Compensation

The actual total amount of the compensation already determined and payable by the Department of Transport will be determined annually, on an ex-post basis, and will be limited to the actual losses incurred, having regard to actual costs, revenues and if applicable, profit margin, by the successful airline(s) in operating the services, subject, as a maximum, to the limit of the amount stated in the contract in respect of each year.

Payments may be claimed by the airline(s) on a regular instalment basis, in accordance with the procedures set out in the associated contracts. A balancing payment will be payable at the end of each contract year, subject to receipt by the awarding authority of appropriately documented claims accompanied by certification from the carrier's auditors, in accordance with the terms of the contract.

Articles 16 and 17 of Regulation (EC) 1008/2008

Article 16

General principles for public service obligations

1. A Member State, following consultations with the other Member States concerned and after having informed the Commission, the airports concerned and air carriers operating on the route, may impose a public service obligation in respect of scheduled air services between an airport in the Community and an airport serving a peripheral or development region in its territory or on a thin route to any airport on its territory any such route being considered vital for the economic and social development of the region which the airport serves. That obligation shall be imposed only to the extent necessary to ensure on that route the minimum provision of scheduled air services satisfying fixed standards of continuity, regularity, pricing or minimum capacity, which air carriers would not assume if they were solely considering their commercial interest.

The fixed standards imposed on the route subject to that public service obligation shall be set in a transparent and non-discriminatory way.

2. In instances where other modes of transport cannot ensure an uninterrupted service with at least two daily frequencies, the Member States concerned may include in the public service obligation the requirement that any Community air carrier intending to operate the route gives a guarantee that it will operate the route for a certain period, to be specified, in accordance with the other terms of the public service obligation.
3. The necessity and the adequacy of an envisaged public service obligation shall be assessed by the Member State(s) having regard to:
 - a) the proportionality between the envisaged obligation and the economic development needs of the region concerned;
 - b) the possibility of having recourse to other modes of transport and the ability of such modes to meet the transport needs under consideration, in particular when existing rail services serve the envisaged route with a travel time of less than three hours and with sufficient frequencies, connections and suitable timings;
 - c) the air fares and conditions which can be quoted to users;
 - d) the combined effect of all air carriers operating or intending to operate on the route.
4. When a Member State wishes to impose a public service obligation, it shall communicate the text of the envisaged imposition of the public service obligation to the Commission, to the other Member States concerned, to the airports concerned and to the air carriers operating the route in question.

The Commission shall publish an information notice in the *Official Journal of the European Union*:

- a) identifying the two airports connected by the route concerned and possible intermediate stop-over point(s);
 - b) mentioning the date of entry into force of the public service obligation; and
 - c) indicating the complete address where the text and any relevant information and/or documentation related to the public service obligation shall be made available without delay and free of charge by the Member State concerned.
5. Notwithstanding the provisions of paragraph 4, with respect to routes where the number of passengers expected to use the air service is less than 10 000 per annum, the information notice on a public service obligation shall be published either in the *Official Journal of the European Union* or in the national official journal of the Member State concerned.
 6. The date of entry into force of a public service obligation shall not be earlier than the date of publication of the information notice referred to in the second subparagraph of paragraph 4.
 7. When a public service obligation has been imposed in accordance with paragraphs 1 and 2 the Community air carrier shall be able to offer seat-only sales provided that the air service in question meets all the requirements of the public service obligation. Consequently, that air service shall be considered as a scheduled air service.
 8. When a public service obligation has been imposed in accordance with paragraphs 1 and 2, any other Community air carrier shall at any time be allowed to commence scheduled air services meeting all the requirements of the public service obligation, including the period of operation that may be required in accordance with paragraph 2.
 9. Notwithstanding paragraph 8, if no Community air carrier has commenced or can demonstrate that it is about to commence sustainable scheduled air services on a route in accordance with the public service obligation which has been imposed on that route, the Member State concerned may limit access to the scheduled air services on that route to only one Community air carrier for a period of up to four years, after which the situation shall be reviewed.

This period may be up to five years if the public service obligation is imposed on a route to an airport serving an outermost region, referred to in Article 299(2) of the Treaty.
 10. The right to operate the services referred to in paragraph 9 shall be offered by public tender in accordance with Article 17, either singly or, in cases where justified for reasons of operational efficiency, for a group of such routes to any Community air carrier entitled to operate such air services. For reasons of administrative efficiency, a Member State may issue a single invitation to tender covering different routes.

11. A public service obligation shall be deemed to have expired if no scheduled air service has been operated during a period of 12 months on the route subject to such obligation.
12. In case of sudden interruption of service by the Community air carrier selected in accordance with Article 17, the Member State concerned may, in case of emergency, select by mutual agreement a different Community air carrier to operate the public service obligation for a period up to seven months, not renewable, under the following conditions:
 - a) any compensation paid by the Member State shall be made in compliance with Article 17(8);
 - b) the selection shall be made among Community air carriers in compliance with the principles of transparency and non-discrimination;
 - c) a new call for tender shall be launched.

The Commission and the Member State(s) concerned shall be informed without delay of the emergency procedure and of its reasons. At the request of a Member State, or on its own initiative, the Commission may, in accordance with the procedure referred to in Article 25(2) suspend the procedure if it considers after its assessment that it does not meet the requirements of this paragraph or is otherwise contrary to Community law.

Article 17

Public tender procedure for public service obligation

1. The public tender required in Article 16(10) shall be conducted according to the procedure set out in paragraphs 2 to 10 of this Article.
2. The Member State concerned shall communicate the entire text of the invitation to tender to the Commission except where, in accordance with Article 16(5), it has made the public service obligation known through the publication of a notice in its national official journal. In such case the tender shall also be published in the national official journal.
3. The invitation to tender and the subsequent contract shall cover, inter alia, the following points:
 - a) the standards required by the public service obligation;
 - b) rules concerning amendment and termination of the contract, in particular to take account of unforeseeable changes;
 - c) the period of validity of the contract;
 - d) penalties in the event of failure to comply with the contract;
 - e) objective and transparent parameters on the basis of which compensation, if any, for the discharging of the public service obligations shall be calculated.

4. The Commission shall make the invitation to tender known through an information notice published in the Official Journal of the European Union. The deadline for submission of tenders shall not be earlier than two months after the day of publication of such an information notice. In case the tender concerns a route to which the access had already been limited to one carrier in accordance with Article 16(9), the invitation to tender will be published at least six months before the start of the new concession in order to assess the continued necessity of the restricted access.
5. The information notice shall provide the following information:
 - a) Member State(s) concerned;
 - b) air route concerned;
 - c) period of validity of the contract;
 - d) complete address where the text of the invitation to tender and any relevant information and/or documentation related to the public tender and the public service obligation shall be made available by the Member State concerned;
 - e) deadline for submission of tenders.
6. The Member State(s) concerned shall communicate without delay and free of charge any relevant information and documents requested by a party interested in the public tender.
7. The selection among the submissions shall be made as soon as possible taking into consideration the adequacy of the service, including the prices and conditions which can be quoted to users, and the cost of the compensation required from the Member State(s) concerned, if any.
8. The Member State concerned may compensate an air carrier, which has been selected under paragraph 7, for adhering to the standards required by a public service obligation imposed under Article 16. Such compensation may not exceed the amount required to cover the net costs incurred in discharging each public service obligation, taking account of revenue relating thereto kept by the air carrier and a reasonable profit.
9. The Commission shall be informed in writing and without delay of the results of the public tender and of the selection by the Member State including the following information:
 - a) numbers, names and corporate information of tenderers
 - b) operational elements contained in the offers;
 - c) compensation requested in the offers;
 - d) name of the selected tenderer.
10. At a request of a Member State or on its own initiative, the Commission may request Member States to communicate, within one month, all relevant documents relating to the selection of an air carrier for the operation of a public service obligation. In case the requested documents

are not communicated within the deadline, the Commission may decide to suspend the invitation to tender in accordance with the procedure referred to in Article 25(2).

Appendix 2: Checklist and Timelines for Submission of Information

Programme Year 1

Requirement	Description	Included <input checked="" type="checkbox"/>	Deadline
Five Year Business Plan	Description of airport,		30 June
	Summary of historical financial information		
	Forecast financials		
	Passenger numbers		
	Airport charges strategy		
	Potential for increased revenue generation		
	Staffing and other operation requirements		
	Development plans		
	Sustainable development, climate mitigation targets, climate resilience/adaptation		
	Corporate structure details		
	Commercial offerings		
	Other funding sources		
	Summary of economic impact assessment		
Financial Information*	Prior year signed audited financial statements		30 June
	Tables 1.1 and 1.2 in respect of audited financial statements		
	analysis of actual non-economic payroll costs		
	analysis of capital expenditure		
	budget income statement, balance sheet and cashflow statement for current year		
Economic Impact Assessment*	Catchment area details		30 June
	Connectivity levels to region		
	Benefits to the region in terms of economic and commercial development, job creation, FDI etc.,		
	Basic metrics regarding numbers employed and passenger type		

* In line with requirements as set out in Part 2 of the Programme.

Subsequent Years of the Programme

Requirement	Description	Included <input checked="" type="checkbox"/>	Deadline
Revised Business Plans	Revised business plans, updated on a rolling five-year basis		30 June
Financial Information	As per Year 1		30 June

Appendix 3: Guidance Notes - Application of GBER (CAPEX Scheme)

The maximum permissible amount of State aid is expressed as a percentage of eligible costs (the maximum aid intensity¹⁵).

Under Article 56a Aid to Regional Airports, the GBER states that the investment aid amount shall not exceed the difference between the eligible costs and the operating profit of the investment. The operating profit must be deducted from the eligible costs *ex ante*, on the basis of reasonable projections, or through a claw-back mechanism. The GBER defines 'operating profit' as the difference between the discounted revenues and the discounted operating costs over the economic lifetime of the investment, where this difference is positive. The operating costs include costs such as personnel costs, materials, contracted services, communications, energy, maintenance, rent, administration, but exclude depreciation charges and the costs of financing if these have been covered by investment aid. The GBER also states that discounting revenues and operating costs using an appropriate discount rate allows a reasonable profit to be made.

The eligible costs shall be the costs relating to the investments in airport infrastructure, including planning costs. Paragraphs 1, 2 and 3 of Article 7, in particular, outline the requirements in relation to calculating the aid intensity and eligible costs for this Programme.

Article 7

Aid intensity and eligible costs

1. For the purposes of calculating aid intensity and eligible costs, all figures used shall be taken before any deduction of tax or other charge. The eligible costs shall be supported by documentary evidence which shall be clear, specific and contemporary. The amounts of eligible costs may be calculated in accordance with the simplified cost options set out in Regulation (EU) No 1303/2013¹⁶ of the European Parliament and of the Council, provided that the operation is at least partly financed through a Union fund that allows the use of those simplified cost options and that the category of costs is eligible according to the relevant exemption provision.
2. Where aid is granted in a form other than a grant, the aid amount shall be the gross grant equivalent of the aid.

¹⁵ 'aid intensity' is defined as the gross aid amount expressed as a percentage of the eligible costs, before any deduction of tax or other charge;

¹⁶ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320) <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R1303&from=EN>

-
-
3. Aid payable in the future, including aid payable in several instalments, shall be discounted to its value at the moment it is granted. The eligible costs shall be discounted to their value at the moment the aid is granted. The interest rate to be used for discounting purposes shall be the discount rate applicable at the moment the aid is granted.

Appendix 4: RAP (2021-2025) Application Forms for CAPEX and PPR-C Grant Schemes

Airport Company:

Year of Application:

1. List of Projects (ranked by priority)

Project Title	CAPEX (please tick)	PPR-C (please tick)	Cost (€)	Exchequer Funding Required (€)	Amount provided from Other Sources (€)	Environmental or Climate Impact (Y/N)
1.						
2.						
3.						

2. Project Summary (Complete Sections 2 to 6 for each project)

Project Title	
Description of Project/Programme	<i>Brief Description of the project should be provided including rationale and scope of preferred option including safety and security case</i>

3. Project Rationale

Rationale for Project/ Programme	<i>Applicant needs to outline what current issues require an intervention in the form of capital investment aid. Applicants should be specific and present supporting evidence and data where available. Risk assessment for safety and security case should be included</i>
Policy Context	<i>Applicants should support their rationale for the scheme citing which appropriate policies apply and which the scheme would fulfil if implemented</i>
Project/ Programme Objectives	<i>Applicant must outline the desired or planned outcomes of any intervention. Objectives should be set using the SMART methodology (Specific, Measurable, Attributable, Realistic and Timely)</i>

4. Project Options and Appraisal

Applicants should objectively identify and outline a number of potential intervention options that could address the issues identified and meet the objectives set. Applicants should support their option selection with the relevant level of analysis: a multi-criteria analysis is often appropriate for smaller schemes, while a Strategic Assessment Report (SAR) is required for larger investments (>€10m).

Do-Nothing Option / Do-Minimum Option	<i>The Do-Nothing scenario should assess what the impact of not addressing identified issues would be. Alternatively, the applicant may outline a Do-Minimum option which should outline minimalist interventions that could potentially address the issues identified and temporarily meet the set objectives. Such options usually involve an identified minimum level of</i>
---------------------------------------	---

	<i>maintenance, or demand management solutions. Costs associated with a do-minimum option should be identified where possible.</i>
Do-Something Option	<i>A Do-Something option involves an intervention usually larger in scope and costs than a Do-Minimum option. A full Do-Something option should address the issues identified on a long term basis. Costs should be outlined where possible for each do- something option.</i>
Preferred Option	<i>The preferred option will be identified by appraisal of the do-something options should ideally address most or all the issues identified and meet the set objectives in the most cost effective manner.</i>

5. Implementation Schedule

Applicants are required to provide detail on how the proposal will be implemented in the event where funding is granted:

Project Schedule Details	<i>The schedule should be broken out to reflect the main activities entailed in the project. It would be beneficial if the scheduling of the main activities reflected the breakdown of the costs presented in Section 6</i>
--------------------------	--

6. Cost Breakdown

Applicants should breakdown the estimated costs of the proposed project/programme under the main expenditure headings and over the time period in which the envisioned expenditure will take place. It would be beneficial if cost headings could correspond to the main activities scheduled in Section 5. The template below should serve as a guide for submitting cost breakdowns:

Multi-Annual Profile of Expenditure (€s)

Airport Company:						
Project Title		2021	2022	2023	2024	2025
<u>Cost Heading 1</u>						
<u>Cost Heading 2</u>						

Annual Profile of Expenditure (€s)

Airport Company:										
Project Title	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
<u>Cost Heading 1</u>										
Subtotal										
<u>Cost Heading 2</u>										
Subtotal										
<u>Cost Heading 3</u>										
Subtotal										
<u>Cost Heading 4</u>										
Subtotal										
TOTALS										

Appendix 5: Guidance Notes - Public Policy Remit (PPR-O) Operational Scheme

- a) These notes should be read in conjunction with PART 1 of the Programme and the tables for completion in Appendix 6. The key objective of these tables is to identify separately (a) core airport management operations/activities and (b) non-core activities. The tables also provide for making the distinction between economic and non-economic activities. All key underlying assumptions used in completing the tables should be identified, referring to the company's business plan or other information requested. Those information requirements will therefore support and augment, where necessary, the financial information and underlying assumptions accompanying the tables at Appendix 6.
- b) The tables at Appendix 6 should be prepared by the Airport Company and signed by the Company Chairman, where necessary drawing on the latest audited financial statements and the key assumptions set out by the board and management when compiling them.
- c) If the two sets of activities are not accounted for separately in the audited financial statements, the Company is requested to analyse the financial information based on its best assessment of the allocation of revenues and costs between core airport management activities and non-core activities. Where there is no separate accounting of the two sets of activities in the audited financial statements, all key assumptions on revenue and cost allocation should be explained.
- d) Insofar as depreciation policies are concerned, these should be fully disclosed and explained.

Appendix 6: PPR-O Application Tables

Core Airport Management Operational Expenditure Subvention Scheme									
Table 1.1 Analysis of Airport Operations extracted from most recent audited financial statements									
Year Ending					Totals per audited P&L	Description ***	1	2	3
	(Economic) Core Airport Activities	(Non-Economic) Core Airport Activities	Non Core Airport Activities				Original Budgeted (YEAR) Amounts	Variation Between (YEAR) Budget & Final (YEAR) Outturn	Details Re Variations****
Sales									
Retail Sales	0	0							
Airport Charges, Commissions and landing fees	0	0							
Other Commercial Revenue	0	0	0	0	0				
Cost of Sales									
Opening Stock	0	0							
Purchases	0	0							
Closing stock	0	0	0	0	0				
Gross profit / (loss)	0	0	0	0	0				
Administrative expenses excluding Depreciation (table 1.2)		0	0	0	0				
Subtotal	0	0	0	0	0	EBITDA			
Depreciation (table 1.2)	0	0							
Capital expenditure grants released	0	0	0	0	0				
Operating profit / (loss)	0	0	0	0	0				
Interest receivable	0	0	0	0	0				
Interest payable	0	0	0	0	0				
Exceptional Items	0	0	0	0	0				
Net Profit / (loss) before Subvention	0	0	0	0	0				
Revenue grants received / receivable **					0				
Net Profit / (Loss)									

Notes:
 ** operational expenditure subvention grants received.
 *** allocation of revenue or costs between core and non core activities - where judgement used, set out rationale for approach taken
 **** Please provide information - cause etc - on material variations

Signature:

 Chairman of Board
 Date:

Core Airport Management Operational Expenditure Subvention Scheme					1	2	3
Table 1.2 Administrative Expenses breakdown for most recent set of audited accounts					Original Budgeted (YEAR) Amounts	Variation Between (YEAR) Budget & Final (YEAR) Outturn	Details Re Variations****
Administrative expenses*	(Economic) Core Airport Activities	(Non-Economic) Core Airport Activities	Non Core Airport Activities	Total	Description ***		
Wages & Salaries		0	0	0			
Employer's PRSI contributions		0	0	0			
Directors' pension costs		0	0	0			
Staff pension costs		0	0	0			
Directors' Salary		0	0	0			
Computer Software & Costs		0	0	0			
Foam		0	0	0			
Fuel		0	0	0			
Rent payable		0	0	0			
Rates		0	0	0			
Insurance		0	0	0			
Advertising & marketing		0	0	0			
Light & heat		0	0	0			
Flight Checking Services		0	0	0			
Repairs and maintenance		0	0	0			
Training		0	0	0			
printing, Stationery and Office exps		0	0	0			
Telephone & Postage		0	0	0			
Motor Expenses		0	0	0			
Uniform & clothing		0	0	0			
Travelling and Subsistence		0	0	0			
legal, Professional & Consultancy		0	0	0			
Accountancy		0	0	0			
Audit		0	0	0			
Cleaning & Refuse		0	0	0			
Bank Charges		0	0	0			
Sundry		0	0	0			
licences & Subscriptions		0	0	0			
Subtotal		0	0	0			
Depreciation on buildings		0	0	0			
Depreciation on fixtures & Equipment		0	0	0			
Depreciation on motor vehicles		0	0	0			
Subtotal		0	0	0			
Total		0	0	0			
Notes:							
*Non exhaustive list - Insert or delete line items as appropriate							
***Allocation of revenue or costs between core and non core activities - where judgement used, set out rationale for approach taken							
****Please provide information - causes, etc - on material variations							

Table 2.1 Year Ending		Core Airport Management Operational Expenditure Subvention Scheme Analysis of Airport Operations for forthcoming 12 months financial period.							
	(Economic) Core Airport Activities	(Non-Economic) Core Airport Activities	Non Core Airport Activities	Total per audited P&L	Description ***	Final (YEAR) Figures	Projected movement between final (YEAR) figures & projected (YEAR)	Details re projected movements****	
Sales									
Retail Sales	0	0							
Airport Charges, Commissions and landing fees	0	0							
Other Commercial Revenue	0	0	0	0					
Cost of Sales									
Opening Stock	0	0							
Purchases	0	0							
Closing stock	0	0	0	0					
Gross profit / (loss)	0	0	0	0					
Administrative expenses excluding Depreciation (table 1.4)	0	0	0	0					
<i>Subtotal</i>	0	0	0	0					
Depreciation (table 1.2)	0	0							
Capital expenditure grants released	0	0	0	0					
Operating profit / (loss)	0	0	0	0					
Interest receivable	0	0	0	0					
Interest payable	0	0	0	0					
Exceptional Items	0	0	0	0					
Net Profit / (loss) before Subvention	0	0	0	0					
Operating subvention sought									
Notes:									
*** Allocation of revenue or costs between core and non core activities - where judgement used, set out rationale for ap						Signature: Chairman of Board Date			
**** Please provide information - causes, etc - on material variations									

Core Airport Management Operational Expenditure Subvention Scheme							
Table 2.2 Administrative Expenses breakdown for forthcoming year							
Administrative expenses*	(Economic) Core Airport Activities	(Non-Economic) Core Airport Activities	Non Core Airport Activities	Total	Description ***	Final (YEAR) Figures	Projected movement between final (YEAR) figures & projected (YEAR)
Wages & Salaries		0	0	0			
Employer's PRSI contributions	0	0	0	0			
Directors' pension costs	0	0	0	0			
Staff pension costs	0	0	0	0			
Directors' Salary		0	0	0			
Computer Software & Costs		0	0	0			
Foam	0	0	0	0			
Fuel	0	0	0	0			
Rent payable	0	0	0	0			
Rates	0	0	0	0			
Insurance		0	0	0			
Advertising & marketing		0	0	0			
Light & heat		0	0	0			
Flight Checking Services		0	0	0			
Repairs and maintenance		0	0	0			
Training		0	0	0			
printing, Stationery and Office exps		0	0	0			
Telephone & Postage	0	0	0	0			
Motor Expenses	0	0	0	0			
Uniform & clothing		0	0	0			
Travelling and Subsistence		0	0	0			
legal, Professional & Consultancy		0	0	0			
Accountancy		0	0	0			
Audit		0	0	0			
Cleaning & Refuse		0	0	0			
Bank Charges		0	0	0			
Sundry		0	0	0			
licences & Subscriptions		0	0	0			
Subtotal		0	0	0			
Depreciation on buildings		0	0	0			
Depreciation on fixtures & Equipment		0	0	0			
Depreciation on motor vehicles		0	0	0			
Subtotal		0	0	0			
Total		0	0	0			

Notes:
 *Non exhaustive list - Insert or delete line items as appropriate
 ***Allocation of revenue or costs between core and non core activities - where judgement used, set out rationale for approach taken
 ****Please provide information - reasons, etc - on material projected movements

Table 3: PPR-O - Wages and Pension Costs

AIRPORT NAME					
Wages & Pension Costs - PROJECTIONS for year ended 31 Dec XXX					
ATC	A	B	C	(A+B) x C	E
Employee Tag	Total Wages incl Employers PRSI €	Employers Pension Contribution €	% time on ATC	Total Eligible Cost €	Amount of Claim to DTASS €
Sub- Total					

Fire					
Employee Tag	Total Wages incl Employers PRSI €	Employers Pension Contribution €	% time on Fire	Total Eligible Cost €	Amount of Claim to DTASS €
Sub- Total					

Security					
Employee Tag	Total Wages incl Employers PRSI €	Employers Pension Contribution €	% time on Security	Total Eligible Cost €	Amount of Claim to DTASS €
Sub- Total					

Note: Employee information should be provided on an anonymised basis



An Roinn Iompair
Department of Transport