**EXPLANATORY MEMORANDUM TO**

# THE AIRPORTS SLOT ALLOCATION (ALLEVIATION OF USAGE REQUIREMENTS) REGULATIONS 2026

**2026 No. [XXXX]**

## 1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for Transport and is laid before Parliament by Command of His Majesty.

1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

## 2. Declaration

2.1 Keir Mather, Parliamentary Under-Secretary of State, Minister for Aviation, Maritime and Decarbonisation at the Department for Transport confirms that this Explanatory Memorandum meets the required standard.

2.2 Ian Elston, Deputy Director for Airport, Airspace, Resilience and Connectivity, at the Department for Transport confirms that this Explanatory Memorandum meets the required standard.

## 3. Contact

3.1 Mamta Mehta at the Department for Transport can be contacted by email at the following address with any queries regarding the Instrument: slotconsultation@dft.gov.uk. Alternatively, the Department can be contacted by telephone: 0300 330 3000.

## Part One: Explanation, and context, of the Instrument

## 4. Overview of the Instrument

***What does the legislation do?***

4.1 This instrument will enable airlines that hold slots at Heathrow, Gatwick, Stansted, Manchester, Luton, London City, Birmingham, Bristol and Leeds Bradford airport to return up to 10% of slots they have been allocated for the scheduling period which runs from 29 March 2026 to 24 October 2026 (sometimes referred to as the "summer 2026 season"). It will also enable airlines to return up to 10% of the slots they are allocated at these airports for the scheduling period which runs from 25 October 2026 to 27 March 2027 (sometimes referred to as the "winter 2026 season"). This is in light of the current conflict in the Middle East which is impacting the ability of airlines to operate their schedules and use their slots as planned.

***Where does the legislation extend to, and apply?***

4.2 The territorial extent of this Instrument is England and Wales and Scotland.

4.3 The territorial application of this Instrument is England and Wales and Scotland.

4.4 Aerodromes are a transferred matter in relation to Northern Ireland. As there are currently no coordinated airports in Northern Ireland, there is no need for the legislation to extend to or apply in Northern Ireland. Therefore, an agreement with Northern Ireland Executive is not required.

## 5. Policy Context

***What is being done and why?***

5.1 An airport 'slot' is a permission to use all necessary airport infrastructure to operate an aircraft at a specified date and time for take-off or landing. Allocation of airport slots is governed by assimilated European Union law, Regulation (EEC) No 95/93 on common rules for the allocation of slots at United Kingdom airports ("Regulation 95/93"). This sets out the rules and requirements for the allocation and coordination of slots at slot coordinated airports based on neutral, transparent and non-discriminatory rules. For slot coordination purposes, airports are divided into three different categories;

<u>Level 1 (non-coordinated)</u>: airports where the capacity of the airport infrastructure is generally adequate to meet the demands of airport users at all times.

<u>Level 2 (schedules facilitated):</u> airports where there is potential for congestion during some periods of the day, week, or season which can be resolved by schedule adjustments mutually agreed between the airlines and facilitator. A facilitator is appointed to facilitate the operations of airlines using or planning to use the airport.

<u>Level 3 (coordinated):</u> airports where capacity providers have not developed sufficient infrastructure, or where governments have imposed conditions that make it impossible to meet demand. A coordinator is appointed to allocate slots to airlines and other aircraft operators using or planning to use the airport as a means of managing the declared slot capacity.

5.2 Slot coordination is an international exercise facilitated by the International Air Transport Association (IATA) and carried out in accordance with dates specified in the Calendar of Coordination Activities. The current coordinated airports in the UK are; Heathrow, Gatwick, Stansted, Manchester, Luton, London City, Birmingham, Bristol and Leeds Bradford airport (summer only). Slots at these airports are allocated twice a year, once for the summer season and once for the winter season. The two allocations are carried out as two separate exercises with no overlap, link or relation between the summer and winter seasons. Not all airlines hold slots for both seasons. For airlines holding slots in both the summer and winter seasons, the number of slots held varies between the two seasons.

5.3 Regulation 95/93 sets out the '80:20 rule' stipulating that, provided an airline has used its slots at least 80% of the time in the preceding season (either winter or summer), it is entitled to those slots in the upcoming equivalent season. The entitlement to slots in the upcoming equivalent season is referred to as historic rights to slots. Historic rights mean that an airline can be allocated the same slot in perpetuity, provided it continues to meet the 80% slot usage requirement. An airline's historic rights to slots are assessed and confirmed to the airlines in accordance with the Calendar of Coordination Activities. The Calendar specifies the Slot Historic List (SHL) deadline which is the date by which coordinators of coordinated airports must provide each airline with the details of their historic slots.

5.4 Airport slots have significant competitive, operational, and financial value to the airlines which hold them. Under ordinary circumstances, the 80:20 rule helps to encourage efficient use of scarce airport capacity whilst allowing airlines a degree of flexibility in their operations. However, the current conflict in the Middle East is having an impact on the aviation industry and airlines' ability to operate, including increased operational costs due to higher fuel cost as well as longer flight times due to changes in flight paths to avoid closed or high-risk airspace. Airlines are also seeing a reduction in passenger demand for destinations near conflict zones, but also to other destinations due to rising passenger concern around flying more generally. The conflict in the Middle East, and the impacts of it, is not something that airlines could have predicted or exercise any control over. It is therefore considered necessary to provide some relief from the slot usage requirements and enable airlines to return a proportion of their slots for summer 2026 and winter 2026 seasons without prejudice to their historic rights to the slots.

5.5 This is intended to protect the resilience of the sector by discouraging inefficient slot use by mitigating the risk that empty or near-empty 'ghost flights' will be operated in order to retain airlines' historic rights to their slots. It also mitigates the negative impact such flights would have on the environment and protects future connectivity.

***What was the previous policy, how is this different?***

5.6 Previously, Regulation 95/93 enabled an airline to return slots before 31 January for the following summer season, or before 31 August for the following winter season, to the coordinator for reallocation. The slots returned to the coordinator before those dates were not taken into account for the calculation of 80:20 usage requirement, and the airline no longer had historic rights to those slots. There was no provision for airlines to return slots in-season, that is to say when summer or winter season has already commenced. The airlines could also not retain historic rights to any slots that were returned to the coordinator and the coordinator would reallocate the slots.

5.7 Now, through this legislation:

a) As before, airlines will be able to return slots allocated before 31 January for the following summer season, or before 31 August for the following winter season, to the coordinator. The returned slots will not be taken into account for the purpose of the 80:20 usage requirement calculation, the airline will forfeit its historic rights to the slots and the slots will be reallocated.

5.8 Additionally, for the summer 2026 season, which commenced on 29 March 2026, airlines will be able to return slots in-season. Airlines will be able to return up to 10% of the slots allocated to them for that scheduling period. Airlines will need to return up to 5% of slots by 10 July 2026 and up to an additional 5% before 11 October 2026 (being 14 days before the end of the season). Provided that an airline is not permanently ceasing services concerned, slots are returned within those timescales, and that passengers are given at least 14 days' notice of cancellation of the corresponding flights, the slots will be considered to have been operated for the purposes of the usage calculation and airlines will retain their historic rights to those slots.

5.9 Also additionally, for the winter 2026 season, which will commence on 25 October 2026, airlines will be able to return up to 10% of the slots allocated to them for that scheduling period. Airlines will be able to return up to 5% of slots by 15 November 2026 and up to an additional 5% before 14 March 2027 (being 14 days before the end of the season). Provided that an airline is not permanently ceasing services concerned, slots are returned within those timescales, and that passengers are given at least 14 days' notice of cancellation of the corresponding flights, the slots will be considered to have been operated for the purposes of the usage calculation and airlines will retain their historic rights to those slots.

## 6. Legislative and Legal Context

***How has the law changed?***

6.1 Under section 3 of the European Union (Withdrawal) Act 2018, Regulation 95/93 was retained in the domestic law of the United Kingdom. Such law is now assimilated law.

6.2 This Instrument is made in exercise of powers in section 14(3) of the Retained EU Law (Revocation and Reform) Act 2023 (c.28) ("the REUL Act"). Section 14(3) powers give the UK Government the ability to revoke and to replace any secondary direct assimilated law with any alternative measure the Government considers appropriate provided there is no increase in regulatory burden.

6.3 The powers are being used to revoke and replace Article 10(3) of Regulation 95/93 with provisions which alleviate usual slots usage requirements for a specific time period to provide relief to airlines in circumstances of the current Middle East conflict by providing that, subject to certain conditions, certain percentages of slots allocated for the respective summer and winter seasons in the period 29 March 2026 to 27 March 2027 which are returned to the coordinator before certain dates will not be taken into account for purposes of the usage calculation to assess achievement of the 80:20 usage requirement.

6.4 This change to the law provides time-limited relief in the circumstances of the current Middle East conflict in that airlines can, by certain dates and subject to certain conditions, confidently return up to 10% of their allocated slots which they are unable to use in the specified period without risking permanent loss of those slots which would otherwise have occurred in light of the usual 80:20 usage requirement.

***Why was this approach taken to change the law?***

6.5 The REUL Act powers provide an effective route for implementing the change in the timeliest manner.

## 7. Consultation

***Summary of consultation outcome and methodology***

7.1 The Department for Transport carried out a targeted industry consultation with airports, air carriers and industry bodies to seek views on proposed alleviation through a 10% hand back measure for summer 2026 season and winter 2026 season. The consultation received 59 responses: 38 from airlines (passenger and cargo), 9 from airports, and 12 from other stakeholders. Support for alleviation via the proposed hand back provision was strong among airlines, with only 2 airlines opposing. Airports were unanimously opposed. Among other stakeholders, 9 supported the proposal and 3 opposed it.

7.2 Respondents supporting the hand-back measure viewed it as a proportionate, targeted tool to support operational planning and reduce passenger disruption. Airlines argued that without a hand-back mechanism, they would not be able to adjust their schedules early enough to provide passengers with meaningful notice, even where known risks to operations exist. While supportive overall, most airlines considered the proposed 10% limit on hand back too low and suggested it should be increased to at least 20%. Respondents opposed to the proposal were against alleviation in principle rather than the hand back mechanism specifically. They argued that existing Justified Non-Utilisation of Slots (JNUS) provisions are sufficient to enable cancellations where operational constraints, including fuel shortages, arise. While opposed to alleviation, some airports suggested that, if implemented, the hand back provision should be set at 5%.

7.3 The Department for Transport's alleviation proposal also included a prohibition on reallocation of slots that are handed back. Despite divided views on alleviation, there was broad consensus across all respondents that the prohibition on reallocation of handed-back slots should be removed. They emphasised that this would reduce wasted capacity, particularly given uncertainty around the Middle East conflict and potential fuel supply constraints. If conditions improve, reallocation would allow airlines to reinstate more of their originally planned services.

7.4 The decision has been made to offer alleviation through a 10% slot hand back provision, split into 5% and 5%, for the summer 2026 and winter 2026 seasons, without prohibition on reallocation of slots that are handed back. This is to support advance planning, schedule optimisation and reduce the risk of last-minute disruption for passengers. Allowing reallocation of slots is likely to deliver greater overall benefit by avoiding wasted airport capacity compared to the potential reduction on demand for jet fuel that a prohibition on reallocation of slots would achieve.

## 8. Applicable Guidance

8.1 The Department for Transport is not producing any specific guidance on the amendments provided for in this Instrument. We will write to industry stakeholders notifying them of the Instrument coming into force and the provisions within it.

## Part Two: Impact and the Better Regulation Framework

## 9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this Instrument as it falls under the "urgent measures" procedure of the Better Regulation Framework.

***Impact on businesses, charities and voluntary bodies***

9.2 The impact on business is not easily quantifiable, but in the Department's view, the benefits are likely to significantly exceed the costs. In the absence of government intervention to provide relief for the summer 2026 and winter 2026 seasons, there is a risk that airlines would lose existing slots, undermining their financial viability and threatening connectivity, or that they would operate loss-making and environmentally damaging flights in order to meet the 80% slot usage ratio so as to retain the slots for the summer 2027 and winter 2027 seasons.

9.3 The main benefits of relief are therefore expected to be that airlines with existing slot holdings will not have to fly loss-making flights 80% of the time in order to preserve those rights, and that the negative environmental impacts (including carbon emissions) associated with airlines running such flights will be avoided. Air passengers are expected to benefit from the proposed relief through the preservation of historic levels of connectivity once the conflict in the Middle East has ended (existing route networks and connections having been incrementally developed over many years).

9.4 The main costs of relief are expected to be that it will be more difficult for airlines seeking to accumulate long-term rights to slots. This could negatively impact new entry and competition amongst airlines. To the extent that the proposed relief results in airlines operating fewer flights, affected airports may also suffer a loss in airport charge income (and perhaps commercial income).

9.5 The legislation will directly impact one small business, Airport Coordination Limited (ACL). According to its published accounts, ACL has around 40 employees, which means that it classifies as a small business. ACL is currently the only slot coordinator for all coordinated airports in the UK. There will be some administrative costs incurred by ACL as a result of this legislation, these costs would be expected to be minor in the context of the sector. There is no specific action proposed to minimise the cost as ACL would generally be able to recover any additional costs it incurs via charges on users.

9.6 There is no increase in regulatory burden as a result of enabling airlines to return a proportion of slots they have been allocated for the summer 2026 and winter 2026 seasons. The alleviation does not create or act as an obstacle to trade, nor does it create a barrier for efficiency and profitability. Instead, it will help protect the financial viability of airlines and promote connectivity by ensuring that airlines are not penalised unnecessarily and do not lose their slots given they have no influence or control over the conflict in the Middle East or the consequential fuel supply issues.

9.7 There is no, or no significant, impact on the public sector because the legislation only impacts private sector entities or market participants. The legislation does not expand the responsibilities of regulators, agencies, or local authorities.

## 10. Monitoring and review

***What is the approach to monitoring and reviewing this legislation?***

10.1 The approach to monitoring this legislation is: monitoring of the policy content of the retained version of Regulation 95/93 will take place in the course of normal departmental business.

10.2 The Instrument does not include a statutory review clause and, in line with the requirements of the Small Business, Enterprise and Employment Act 2015, the Aviation Minister has made the following statement:

"This Instrument revokes and replaces assimilated legislation. The permanent element of the provision is restating a requirement that already exists, so a statutory review is therefore not required under section 28 of the Small Business, Enterprise and Employment Act 2015. The new provision introduced by this Instrument is temporary in nature and will cease to have effect before the end of the period of 5 years beginning with the commencement date. Given its limited duration, no statutory review period is applicable. The Department will, however, monitor the operation of the legislation on an ongoing basis."

# Part Three: Statements and Matters of Particular Interest to Parliament

## 11. Matters of special interest to Parliament

11.1 This Instrument is being laid before Parliament with expedited consideration. The Department has requested that the JCSI consider this SI urgently so that it may come into force on 19 June 2026 to mitigate risks to the aviation sector from the Middle East conflict.

## 12. European Convention on Human Rights

12.1 Keir Mather, Parliamentary Under-Secretary of State, Minister for Aviation, Maritime and Decarbonisation at the Department for Transport has made the following statement regarding Human Rights:

"In my view the provisions of the Airports Slot Allocation (Alleviation of Usage Requirements) Regulations 2026 are compatible with the Convention rights."

## 13. The Relevant European Union Acts

13.1 This Instrument is made under section 14(3) of the Retained EU Law (Revocation and Reform) Act 2023 (c.28) and therefore relates to the reform of assimilated law.

13.2 Under section 3 of the European Union (Withdrawal) Act 2018, Regulation 95/93 was retained in the domestic law of the United Kingdom. Such law is now assimilated law. This Instrument is made in exercise of powers in section 14(3) of the REUL Act (c.28). These powers give the UK Government the ability to revoke and to replace any secondary direct assimilated law provision with an alternative provision which the UK Government considers appropriate, provided there is no increase in regulatory burden. The powers are being used to revoke and replace Article 10(3) of Regulation 95/93 with provisions which alleviate usual slots usage requirements for a specific time period to provide relief to airlines in circumstances of the current Middle East conflict. This is done by providing that, subject to certain conditions, certain percentages of slots allocated for the respective summer and winter seasons in the period 29 March 2026 to 27 March 2027 which are returned to the coordinator before certain dates will not be taken into account for purposes of the usage calculation to assess achievement of the 80:20 usage requirement.

13.3 This change to the law provides time-limited relief in the circumstances of the current Middle East conflict in that airlines can, by certain dates and subject to certain conditions, confidently return up to 10% of their allocated slots which they are unable to use in the specified period without risking permanent loss of those slots due to reallocation by the coordinator as, in light of the usual 80:20 usage requirement, would otherwise be able to be done without the change to the law were the 80:20 usage requirement not satisfied.