

Airport Consultative Committee – Gatwick Airport (ACC)

Robert Toal
Civil Aviation Authority

27th September 2024

Dear Robert

Re: Economic regulation of Gatwick Airport Limited: second consultation on extending the current commitments CAP3012.

The Airline Consultative Committee (ACC) welcomes the opportunity to respond to the CAA's second consultation relating to the extension of the current commitments period. The following comments reflect the collective opinion of the ACC member airlines.

Summary

The ACC letter covers the areas that are affecting the community.

1. Service Quality, highlight areas where improvements to service standards (and the measurement of) would be beneficial to consumers. Gatwick is a seasonal airport, and the measures must reflect this.
2. Capital Investment & Consultation, highlight the need to improve the link between performance and capital spend.
3. Northern Runway Project.
4. Price.
5. Consultation the theme of the letter is the need for improved consultation and focus on improvements that better incorporate airline input and see benefit to our collective customers as output.
6. Conclusion, how the CAA's involvement can foster a more collaborative environment. To ensure that relationships ensure high standards at the airport and are of benefit to consumers.

Service Quality

Changes to the Core Service Standards (CSS) have been being discussed since early 2023 and agreement has been reached in some areas. However, there are a number of areas where discussion has continued, and we have felt that agreement is possible but as yet has not been concluded. There are also other areas where it is clear that resolving differences will be more complicated.

The ACC wrote to GAL on 22nd March 2024 to reflect where we were on our discussions of the CSS review, discussion on these points remains ongoing with no deadline to conclude them. (See Appendix I).

Security

Central Passenger Search

ACC have requested a move to 99% within 8 minutes with all passengers measured – this simplifies the measurement of the security queue. The ACC understands that GAL wish to retain the current measurement standard until the NGSCP programme has been completed. The NGSCP programme is underway and while we hold the view that a move to 99% within 8 can be implemented concurrent with the programme, we are willing to engage in a phased approach. The ACC is currently providing alleviations to the 95%/5 min measure as part of the programme. This needs further discussion to find mutual agreement.

Transfer Passenger Measurement

ACC request to measure transfer passenger security queues in-line with Central Passenger search standards. The ACC is satisfied with GAL's confirmation that transfer passengers will be measured in line with central passenger search standards from the time that the transfer facility is available at Gatwick. However, there is no firm date as to when this is going to happen as it is linked to the NGSCP programme roll out. The transfer facility was closed in 2020, and we do not have a coherent plan from GAL as to how it will be successfully reopened.

Staff / Crew Search – Terminals

We are disappointed that GAL remain unwilling to discuss changes to the staff search security standards. We are confident that this is a reasonable request and is in the collective interest of the airport, airline customers and consumers for all operational staff to be able to rapidly process through security to perform their airside duties.

The ACC request to implement a 97% within 5 minutes for all staff search points, and a maximum queue time of 7 minutes for Jubilee and Atlantic House staff search. The ACC has clearly articulated the imperative for aircrew to have a consistent expectation of maximum queue times for security. The maximum queue time proposed by the ACC of 7 minutes is linked to the first wave success of airlines based in LGW and aligns with the crew report times, airport wide OTD targets and ultimately the experience and perception of service by consumers of Gatwick's operation.

Pier Service

Both in the 2019 service review and in this service review, the ACC have requested to change Pier Service Level (PSL) to a moving monthly measure. The ACC does not believe that a Moving Annual measure reflects the customer experience or effectively prioritises improvements to pier served capacity in the interests of consumers. The ACC asks the CAA to review the current approach to the PSL CSS – helping GAL and the ACC develop a measurement that accommodates the seasonal nature of the Gatwick operation and ensures that monthly and seasonal parity of operational costs and customer experience is forefront. The current annual approach to PSL measurement enables a structural imbalance in customer experience to prevail between Winter to Summer seasons while peak hour PSL failings persist.

Runway Availability / Airfield Travel Times

In the last few years airlines have seen significant disruption on the runway (and airfield travel time). The current CSS measure does not take these issues into consideration. The ACC therefore proposed a new approach to measuring Runway Availability (and Airfield Travel Time). While the ACC has not yet tabled any proposals regarding a change in rebate levels it is worth noting that the costs of disruption incurred by airline customers and impact to consumers is vastly greater than the minimum levels of rebate paid either under the current runway availability measure or the proposed deferred movement measure. The ACC are considering the latest proposal from GAL on airfield service standards.

Bag drop serviceability

This is not currently measured and is a key piece of infrastructure impacting the consumer journey and is an area that remains under discussion. The ACC understands that there are issues out of GAL's direct control, which should be appropriately exempted. The ACC and GAL continue to discuss how the new measure would work e.g. x percent of a zone or x percent of a terminal.

The ACC would like to see a strengthening of the link between Core Service Standards and Capital investment. The emphasis should be on Core Service Standards to have a direct connection to capital spending, this should be directly tied to financial investments to ensure they are meaningful and actionable. There should be an ongoing evaluation of metrics to ensure they remain relevant based on current conditions and consumer needs. The ACC are concerned that the standards always report positively and do not act as a suitable motivator. As targets are consistently met without addressing current issues, there is a lack of genuine progress toward directing capital spending towards improvements. Allowing for amber or red statuses could help in identifying areas that require attention and resources.

Capital Investment and Consultation

Airlines have consistently highlighted the insufficient investment in airfield assets and passenger facilities during the last commitments period this has been a recurring theme in our feedback to the CAA. GAL's own CIP indicates that from 2024 the facilities are full and have made no plans to solve this for five years. The ACC have expressed significant dissatisfaction with the consultation process, where such concerns have been raised and not acted on. Some projects have had inadequate engagement and there have been instances where airlines felt their feedback was not adequately considered or acted upon, for example, Pier 6 and Gate 45. (See Appendix II).

There appears to be a disconnect between the Capital Investment Plan and the actual capital spent, and investment delayed and or reduced leading to suboptimal outcomes for both airlines and passengers. As stated earlier in our letter ensuring investments directly translate into improved service standards is crucial for maintaining high levels of passenger satisfaction and operational efficiency.

It is in all parties interests that consultation processes are improved to ensure that all stakeholders have a voice and that their feedback is considered in decision-making.

This further extension to Contracts and Commitments extends the period to 10 years, which sees some investment projects being deferred to later in the period. The ACC requests that any extension to the commitments see projects related to airfield and terminal infrastructure delivered within the first stage of the extension in order to deliver much needed resilience as early as possible.

The current Capital Plan is split into two scenarios: with or without the Northern Runway. The proposed CIP assumes the approval of the Northern Runway, which is still under review. This assumption can lead to misallocation of resources and deferred investments in other critical areas.

In our November 2020 letter to the CAA the ACC submitted the following paragraph:

- *Before the current pandemic, we had agreed a new consultation framework with GAL that included all projects over £1M being subject to dialogue with the airlines and relevant documentation for projects will need to be signed off by both GAL and the ACC. We also agreed that we would review all emerging projects and before the Capital Investment consultation we would collectively agree which projects should be prioritised. The ACC have not yet seen sufficient evidence that GAL are committed to enacting this framework and therefore we request that the CAA makes capital consultation part of the review process during the commitments period.*

The ACC have a concern on our interaction with GAL, particular around how consultations are handled, with a need for a more open dialogue rather than shutting-down responses. Collaborative strategies would be beneficial to both parties to ensure that matters are effectively raised and discussed. To address these points the ACC and GAL need to develop a structured framework for assessing the alignment of CSS with capital investments, a review of CSS metrics and measurements and strengthening of reporting on CSS scores and fostering better communication between GAL and the ACC. We would like to ensure that this is part of any ongoing reviews that are carried out by the CAA.

Second Runway

Pre-Financing of the Second Runway

The pre-financing of Gatwick's second runway involves allocating funds in advance to cover the costs associated with its development. While the ACC understands that this approach can help reduce the overall financial risk and ensure a smoother pattern of charges over time, it also means that a significant portion of the current Capital Investment Plan (CIP) is already earmarked for the second runway, with 25% of the CIP allocated to this project.

The airlines represented in the ACC recognise that this extension proposal currently considers the period that the DCO outcome will be decided and have concerns as to whether this extension should be for the whole proposed 4 years of April 2025 to March 2029 when GAL are still awaiting a decision from the DCO. We would ask that in the CAA's decision paper they develop and communicate clear contingency plans for both scenarios – approval or rejection of the DCO.

Price

The ACC cannot comment on specific price details due to commercial sensitivities.

The ACC would like to acknowledge that the shift from the Retail Price Index (RPI) to the Consumer Price Index (CPI) is seen as a positive move. CPI is considered a more accurate measure of inflation as it reflects the spending patterns of consumers more closely than RPI. This change should lead to more stable and predictable pricing structures, benefiting both airlines and passengers.

The ACC would welcome the CAA's input into a review of the financial elements and mechanisms that underpin the rebates, the ACC query whether rebates funding from passenger charges is fair and equitable. The current system allows GAL to use funds from airline charges which are ultimately paid by passengers to cover their failures, which raises concerns about fairness and accountability. Ensuring that penalties are

sufficient to drive necessary changes is essential, where passengers are not unfairly burdened by the costs of operational failures.

Oversight and Monitoring

The CAA plays a crucial role in overseeing the engagement between GAL and the ACC as well as the Airport Operators Committee (AOC). The CAA's responsibilities include ensuring that GAL's commitments align with consumer interests and maintaining high service standards. Given the complexities and ongoing discussions between GAL and the ACC, we would like the CAA to adopt a more proactive stance in governance and monitoring; to include and not be limited to:

1. **Regular Reviews:** The CAA should outline a clear schedule for periodic reviews of GAL's commitments and performance. This ensures that any deviations or issues are promptly identified and addressed.
2. **Interventions:** The CAA should specify potential interventions if GAL fails to meet agreed standards or if there are unresolved disputes with the ACC/AOC. This could involve mediation, adjustments to commitments, or other regulatory actions.
3. **Transparency:** The CAA should ensure that all stakeholders, including airlines and passengers, are kept informed about the outcomes of reviews and any actions taken. This transparency builds trust and ensures accountability.

By taking these steps, the CAA can help to foster a more collaborative and effective relationship between GAL and the ACC/AOC, ultimately benefiting consumers and maintaining high service standards.

As the ACC stated in their letter to the CAA in November 2020 when the contracts and commitments were last extended, we proposed that the CAA undertake a formal mid-term review, is supported by annual reviews. These reviews should include.

- Service Quality, performance, progress against new measures and how the exemption process is working.
- Capital consultation, investment levels and progress on airfield and passenger investment.
- Pricing & Traffic, net and gross pricing paths and discounting levels.

The ACC believes that there is a lack of constructive dialogue between the airport and the airline community as evidenced throughout our letter. The ACC/AOC have sought to improve this by undergoing an audit and change process and we hope that the CAA will support improvements and assist with the quality of dialogue and depth of consultation between airport and airlines in the coming months. It is in all parties' interests to strengthen Service Standards, which requires strong consultation on capital investment and engagement with the airlines.

Yours Sincerely



Ross Kennedy
ACC Chairman
CC. ACC Committee

Airport Consultative Committee – Gatwick Airport (ACC)

Bronwen Jones
Development Director

22nd March 2024

Dear Bronwen,

Re: CSS Review

The ACC write to summarise the current status of the ongoing CSS review. We hope that this letter will serve as a catalyst for the ACC, GAL, and CAA to work towards resolving remaining differences and finalise the current period of open review.

Security

Central Passenger Search

ACC Request move to 99% within 8 minutes with all passengers measured – simplifies the measurement of security queue time measurement.

- The ACC understands that GAL wished to retain the current measurement standard until the NGSCP programme has been completed. The ACC holds the view that a move to 99% within 8 can be implemented concurrent with the NGSCP programme and is willing to engage in further discussion around a phased approach to a new measurement while the programme completes.
- The ACC is currently providing alleviations to the 95%/5min measure as part of the NGSCP programme.

Transfer Passenger Measurement

ACC request to measure transfer passenger security queues in-line with Central Passenger search standards.

- The ACC is satisfied with GAL's confirmation that transfer passengers will be measured in line with central passenger search standards from the time that the transfer facility is available at Gatwick.

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Staff / Crew Search - Terminals

ACC request to implement a 97% within 5 minutes for all staff search points.

ACC request to implement a maximum queue time of 7 minutes for Jubilee and Atlantic House staff search.

- The ACC is disappointed that GAL are not minded to implement either of these ACC requests.
- The ACC holds the view that measurement in the terminals for staff search should be the same as the measurement for Jubilee House and Atlantic House, it is in the collective interest of the airport, airline customers and consumers for all operational staff to be able to rapidly process through security to perform their airside duties.
- The ACC has clearly articulated the imperative for aircrew to have a consistent expectation of maximum queue times for security. The maximum queue time proposed by the ACC of 7 minutes is linked to the first wave success of airlines based in LGW and aligns with the crew report times, airport wide OTD targets and ultimately the experience and perception of service by consumers of Gatwick's operation.

External Control Posts

ACC request for measurement of queue times through external control posts to be made whenever these posts are open.

Arrivals Baggage Reclaim Availability

ACC and GAL agree that when 3 or more carousels are out of service then ASS arrival bag measure should be suspended.

Outbound Baggage

No change proposed to outbound baggage measures.

FIDS

No change proposed to FIDS measures.

Bag drop serviceability.

This is an area still in discussion. It is a proposed new measure we believe it should be terminal and zone specific. The ACC understands that there are issues out of GAL's direct control, which should be appropriately exempted, however the ACC believe the measure should apply to significant outages as we have seen in the last six months, e.g. x percent of a zone of x percent of a terminal.

PSE

No change proposed to PSE measures.

- The ACC has asked GAL to make available, ideally via the Airport Community App, real time information on out of service assets. The ACC believes that greater visibility of reported out of service assets will be beneficial to the airport community – helping to improve awareness of what assets are unavailable, why and when they will be returned to service.

Inter-Terminal Shuttle Availability

No change proposed to Shuttle availability measure.

Stands, Jetties and FEGP availability.

No change proposed to stands, jetties and FEGP availability measures.

Pier Service

ACC request, as in previous years, to change PSL to a moving monthly measure.

- The ACC does not believe that a Moving Annual measure effectively prioritises improvements to pier served capacity in the interests of consumers.
- The ACC asks the CAA to review the current approach to the PSL CSS – helping GAL and the ACC develop a system of measurement that accommodates the seasonal nature of the Gatwick operation and ensures that monthly and seasonal parity of operations costs and customer experience is forefront.
- The current annual approach to PSL measurement allows a structural imbalance in customer experience to prevail from winter to summer seasons.

Runway Availability

The ACC have proposed a new approach to measuring Runway Availability (and Airfield Travel Time).

- The ACC proposal takes the form of an operations scorecard which assigns a score, depending on performance to 4 key operations factors. (Runway Availability/ASRT to ASAT duration/Taxi time vs. declared taxi time and arrival flow rates).
- The ACC was pleased by the initially positive reception to the proposal but notes that GAL's willingness to construct a new CSS based on the proposal has cooled recently.
- The ACC does not believe that the deferred movement CSS proposal tabled by GAL adequately accommodates failures of individual elements of the operation which could lead to disruption.
- There is no doubt that a well-considered list of exemptions will be required (for either the ACC or GAL proposal) – the ACC is of course willing to engage in the process of determining the exemption criteria to ensure that GAL is not unfairly penalised for failures beyond its control.
- While the ACC has not yet tabled any proposals regarding a change in rebate levels it is worth noting that the costs of disruption incurred by airline customers and consumers is vastly greater than the maximum levels of rebate paid either under the current runway availability measure or the proposed deferred movement measure.

Airfield Travel Times

[See Runway Availability]

Aircraft Wash Stands Availability

Joint proposal to assess volume of usage of wash stands and assess need to maintain measurement of this facility after Summer 2024.

Community App Availability

The ACC awaits GAL's proposal for an "overall system" measurement.

- The community app availability measure is a proposal for a new measure to be introduced in recognition of the importance of the community app to the operation of the airport. The ACC welcomes GAL's desire to implement a measure of availability. The ACC supports the concept of the community app providing freely accessible data to the whole airport community.

QSM: Departure Lounge Seating – Cleanliness - Way Finding - Flight Information - Passenger WIFI

Current measurements will remain as-is until further review is deemed necessary. The ACC supports GAL's efforts to improve the quality and reliability of surveying, ensuring that technology is appropriately used to capture passenger feedback in a neutral and un-biased way. The ACC supports GAL's proposal to introduce static feedback capture points at key points of the passenger journey as a way of supplementing core QSM data.

Special Assistance

GAL have proposed a penalty based on the achievement of ECAC arrivals targets; discussions are still ongoing to agree the minimum level of airline pre-notifications needed to be achieved. We have proposed at the PRM working group that year one is measured at 65% pre-notification, year 2 68% and year 2 70%.

- The ACC understands the link between good pre-notification rates and quality of SA delivery – it is hesitant to agree to any criteria that would be unduly affected by the performance of any individual airline on pre-notification while SA is a community service.

Airline Service Standards

Check-in queue time

The ACC recognises that check-in queue time is an important factor in customers' experience of Gatwick Airport and the airline with which they have chosen to fly. The ACC and GAL have discussed concerns with the accuracy of check-in queue measures, ranging from the definition of different check-in zones to the under and over recording of queue times. The ACC supports a thorough review of the way in which check-in queue times are determined, following which, and when confidence in the measurement has been restored the ACC would be content to review the measure.

The ACC has expressed concern that inaccurate check-in queue times could incorrectly steer infrastructure or allocation decisions and impact on airline and handler ability to deliver sub-30-minute queues.

Arrivals Bag Performance

The ACC and GAL agree that core hours should be removed from this measure.

The ACC has proposed the following automatic exclusions which could lead to failure to achieve arrival bag performance:

- Ramp works impacting journey from aircraft to belt.
- Errors in belt allocation

The ACC looks forward to finalising the current CSS review and seeing the implementation of new and revised standards which help to deliver a safe, stable, and positive experience for customers at Gatwick. The ACC believes there is value in the ACC, GAL and the CAA collaborating to resolve the outstanding areas of divergence between the ACC and GAL.

Yours Sincerely



Ross Kennedy
ACC Chairman
CC: Maureen Spence (Gatwick Airport)

Airline Consultative Committee – Gatwick Airport (ACC)
&
Airline Operators Committee – Gatwick Airport (AOC)

Brownen Jones
Development Director

By Email

5th Sep 2024

Dear Bronwen

Gate 45

This letter is sent to GAL on behalf of the AOC and ACC.

The ACC and AOC members involved in the consultation process for this project have expressed concerns regarding the adequacy of the consultation. The data sheet distributed to the community outlines the project's scope, which includes refreshing the appearance of worn gate rooms and upgrading the seating. We support the proposed enhancements, as the current condition of the gate rooms appears outdated and worn. We do not support the addition of any additional gate rooms to Gate 45.

During a meeting in August 2024 regarding Gate 45, the project team announced the requirement to add two extra gate rooms. However, there has been no prior consultation regarding this modification to the scope of this project. When questions were made about the necessity of these additional gate rooms, no clear explanation was provided. The rationale behind the need for two extra gate rooms remains unclear, raising questions about the sufficiency of existing gates to support remote operations and whether additional stands are being planned by GAL for these new gate rooms. We request that GAL clearly outline the potential risks associated with not incorporating these additional gate rooms into the Gate 45 scope.

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The project team conducted walkthroughs and trials with airlines and the coaching company. These trials demonstrated that open gate rooms were unsuitable, with the airlines articulating the advantages of closed gate rooms for the management of customers and protection of OTP. Despite this, due to the unexplained requirement for two additional gate rooms, we were informed that the new gate design for Gate 45 would adopt a hybrid/open design. This decision was made contrary to the evidence from trials and feedback provided by both the airlines and the coaching company. GAL appear to have decided on a major piece of infrastructure based on internal need that has been poorly communicated to the community and do not appear to have adequately taken into account airline, handler and coaching provider feedback on a project that solely affects these three users and their customers.

Consultation Timeline:

March '24 – Consultation was pre-TG2, with TG2 due in Apr '24. We were told at that time GAL were gathering additional requirements around PRM, SRC and domestic reconciliation. There was no mention of extra gate rooms.

22nd May '24 – The project had reached TG3 with a design freeze on 05Jun (this included a Bank Holiday), it did not lead to a lot of time for changes and further consultation. At this meeting we were told that GAL had to deliver additional gate capacity for October '24, and the preference was for open gates. From this meeting trials with airlines were added. Airlines asked where the need for 2 extra gate rooms had come from and why this was not on the datasheet.

Jun '24 – Informed that following trials a 'hybrid' gate was favoured by GAL. Even though feedback from the trials from both the coaching company and airlines was that hybrid gates did not work.

Aug '24 – Told that hybrid gate met the capacity requirements and delivers 2 additional gate rooms. Again, the community asked where the need for 2 extra gate rooms came from. When asked what the next steps were following this meeting no adequate information or clarity was provided by GAL.

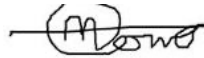
The ACC has still not seen a justification from GAL for the additional two gate rooms being added into the Gate 45.

For clarity, the AOC and ACC do not support GAL proceeding with the addition of two gate rooms to Gate 45. Both committees agree with and support the project in its initial scope, i.e. A look and feel refresh to a very tired part of the airport to improve customer experience which maintains the current closed gate room design principal.

Yours Sincerely



Ross Kennedy
Chairman ACC



Mark Gower
Chairman AOC

CC: Maureen Spence GAL
Rob Toal CAA