

Airport Consultative Committee – Gatwick Airport (ACC)

25 September 2018

Stuart Holder
Civil Aviation Authority
CAA House, 45-59 Kingsway
London WC2B 6TE

Dear Stuart

RE: Initial Consultation on Future economic regulation of Gatwick Airport Limited (CAP1684)

Gatwick Airport Limited (GAL) and the Gatwick Airport Consultative Committee (ACC), representing Gatwick's airline users are pleased to submit this joint response to your consultation CAP1684. Over the past month we have worked together to explore the process and timetable for the work we can collectively undertake over the next 6 months to support the CAA in considering the economic licence to apply to GAL after March 2021.

GAL and the ACC expect a number of workstreams to run concurrently between now and April 2019, starting with continued discussion around the Core Service Standards and the launch of an additional programme of passenger research. These are elements which the CAA identified as important to understand consumer interests.

In the following sections we outline the main components of the work programme, along with an indicative timetable.

Core Service Standards (CSS)

GAL has commenced consultation with airlines and members of the Passenger Advisory Group (PAG) about the current CSS scheme, with a view to reassessing jointly whether these measures continue to be relevant and comprehensive. The early stages of this engagement have involved presentations by GAL (to airlines and PAG) of data on the airport's current performance trends, research methodologies, and passengers' views on aspects of service.

GAL and the ACC anticipate that this consultation on CSS will continue over the next few months and the proposed standards will be informed and validated with further evidence from passenger surveys, focus groups and benchmarking data, with the aim of agreeing an updated set of metrics during February 2019.

Additional Passenger Research

GAL gathers extensive passenger research on an ongoing basis on many aspects of service and facilities at the airport. Airlines too, routinely seek passengers' feedback on their airport experience. In addition, GAL propose to commission, in partnership with the airline community, further independent research on passengers expectations of the airport over the next decade. The airline community would appoint an independent consultant to ensure their views were appropriately represented in the research. GAL and the airlines expect that this research would inform and validate both revised core service standards and future investment priorities. It would build on prior research undertaken by GAL in 2016 to explore consumers'

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views on resilience and on-time performance, and could further develop our joint understanding of consumer priorities in terms of service, performance and value for money.

GAL's updated Master Plan

GAL intends to bring forward an update to its 2012 Master Plan before the end of 2018. As well as airport users, GAL intends to consult with a wider array of stakeholders on the proposals within this updated Master Plan. The updated Master Plan will set out several scenarios for future development of the airport for the 2020s and beyond which GAL anticipates will provide useful longer term context for airlines when considering GAL's proposals for extending commitments beyond March 2021.

Capital Investment Programme (CIP)

The CIP is subject to its own annual consultative process, involving airlines and passenger representatives. Consultation on the 2019 CIP will commence, as normal, this autumn with an invitation by GAL to airlines and passenger representatives for user inputs, followed by a series of workshops to discuss latest evidence on the drivers for investment and the emerging shape of the programme by category. The 2019 CIP will cover the period to March 2024. GAL expect that the 2019 CIP will be informed by the Master Plan, the proposed core service standards, and passenger research. The timeline for 2019 CIP publication has been adjusted to take account of these additional inputs and would therefore be published in July 2019 rather than May, as in 2018. This change of timeline has been agreed by the ACC.

Extended Contracts and Commitments

GAL has already undertaken, as part of its current commitments to airlines, to bring forward proposals for the extension of commitments beyond March 2021, no later than two years before this date. To fulfil this undertaking, GAL intends to publish this autumn its proposals for extending commitments, including pricing, and to consult with airlines on these proposals.

GAL and the ACC would look to reach consensus, but recognise that it may not be achieved, and that individual airlines and/or their associations may wish to raise further matters for consideration by GAL and/or the CAA.

Timetable for consultation on extending commitments

A more detailed timetable is attached at Appendix 1 - key workstreams outlined above are summarised as follows:

Date	Activity
Sep '18 - Feb '19	GAL, airlines and PAG revisit Core Service Standards
Oct '18 - Feb '19	Passenger research and benchmarking activities
Oct '18 - Spring '19	Gatwick Master Plan consultation process
Nov '18 - May '19	Capital Investment Programme consultation
Nov '18 - Feb '19	GAL publish proposed Commitments. Period of multi-lateral and bi-lateral consultation with airlines and PAG
Mar '19	Feedback to CAA

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This programme allows ample time for further exploration of any issues through 2019, consistent with the timetable set out by the CAA.

Conclusion

GAL and the ACC agree that a collaborative approach to negotiating a new set of arrangements is both desirable and, we believe, achievable. We also recognise that doing so in a timely manner offers business certainty for all parties. We trust the process and timeline outlined above demonstrates a robust but realistic path to achieving this.

Yours sincerely



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Jamie Hobbs
Chair
Airport Consultative Committee

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