

CONSUMER CHALLENGE BOARD (CCB)

**WEDNESDAY 14 JUNE 2017
10.00 – 15.00 AT CAA HOUSE**

Minutes

Present	Apologies	Guests
<ul style="list-style-type: none"> ▪ Jeff Halliwell (JH) - Chair ▪ David Holden (DH) ▪ Isabel Liu (IL) ▪ Trisha McAuley (TM) ▪ Jayne Scott (JS) ▪ Claire Whyley (CW) ▪ Amy Breckell (AB) - Secretariat 	N/A	N/A

Summary of Open Board Meeting Actions

Action ID	Origin		Status	Date Identified	Owner	Action
CCB_A005	Board Meeting	001	New	14-Jun	JH & AB	Develop MOU between CCB and CAA Consumer Panel.
CCB_A006	Board Meeting	001	New	14-Jun	JH	Propose an expenses policy to the CAA
CCB_A007	Board Meeting	001	New	14-Jun	IL	Circulate Transport Focus expenses policy around the CCB
CCB_A008	Board Meeting	001	New	14-Jun	AB	Publish expenses policy once finalised on the CCB section of the CAA website
CCB_A009	Board Meeting	001	New	14-Jun	AB	Work with CAA communications team to develop a simple logo and unique documents for the CCB.
CCB_A010	Board Meeting	001	New	14-Jun	AB	Liaise with stakeholders (e.g. HAL) to make them aware of our presence on the CAA website and suggest that they have a link on their own website to the CCB page.
CCB_A011	Board Meeting	001	New	14-Jun	DH	Draft website content that is accessible to the consumer
CCB_A012	Board Meeting	001	New	14-Jun	AB	Organise Huddle training for the CCB
CCB_A013	Board Meeting	001	New	14-Jun	JH	Communicate to HAL the CCB's current thinking on HAL's consumer engagement at meetings planned for July (see below)
CCB_A014	Board Meeting	001	New	14-Jun	CW	Talk to CAA Consumer Panel about engagement with persons with reduced mobility (PRM)

1. Welcome

- a. JH welcomed all CCB members to the first formal CCB meeting.

2. Operational Processes

2.1 Terms of reference (ToR)

- a. CCB members noted they are satisfied with the ToR.
- b. The CCB agreed that 'open and transparent' working practises should be adopted.
- c. A board member suggested the CCB may want to formally agree how the CCB and CAA Consumer Panel will work together. It was highlighted that there is a description of how roles differ between the CCB and CAA Consumer Panel in the ToR. The CCB agreed to develop a memorandum of understanding (MOU) between the two bodies.
- d. The responsibilities section which references consulting other stakeholders was discussed. The CCB agreed that its consultation with other stakeholders will include a board spectrum of consumer groups although highlighted that it is Heathrow Airport Limited's (HAL) responsibility to engage with all consumer groups in the preparation of its H7 business plan.

ACTION JH and AB to develop MOU between CCB and CAA Consumer Panel.

2.2 Escalation process

- a. The CCB noted that as HAL had signed off the ToR it was assumed that HAL agreed with the escalation process.
- b. The CCB reported they are satisfied with the policy, however, it was to be hoped that it would not be necessary to use it.

2.3 Observers

- a. It was noted that according to the ToR, the Chair could invite guests to CCB meetings to give presentations. Unless invited to stay, the presenters would leave the meeting after their presentation.
- b. The CCB noted that the ToR establishes the right to have meetings without outside observers, although such meetings would have minutes published. Observers would therefore attend CCB meetings by agreement only, and the agenda would be structured accordingly.
- c. Observers would participate in discussions at the discretion of the Chair.

2.4 Quorum

- a. The CCB decided that the quorum would be 3. This does not always have to include JH (Chair), because the Chair can be nominated in JH's absence.

2.5 Distinguishing between Board and Fact Finding meetings

- a. The CCB decided that formal board meetings would be where CCB decisions are made and that such meetings would be minuted and published.
- b. Noting that at stakeholder engagement meetings, confidential information may be shared, notes of such meetings would be published but give only a top-level description of matters discussed.

3. Admin

3.1 Expenses Policy

- a. It was agreed that it is appropriate for the CCB to have a publicly transparent policy for the reimbursement of members' out-of-pocket expenses. The CAA has proposed a draft policy, but there were a number of inconsistencies noted.
- b. JH took an action to go back to the CAA and propose an expenses policy that took into account the CCB's views. It was suggested the CCB could propose adopting the policy of another public sector organisation. The CCB agreed that once the expenses policy is finalised that it will be published on the CCB section of the CAA website.

ACTION JH propose an expenses policy to the CAA.

ACTION IL circulate Transport Focus expenses policy for review by CCB members.

ACTION AB to publish expenses policy once finalised on the CCB section of the CAA website.

3.2 Website

- a. The CCB decided it would be more practical to use a section of the CAA's website, as opposed to creating a separate website.
- b. The CAA has confirmed that the CCB would have full sign-off of the content on the CCB section of the CAA website. This would include documents uploaded and these would not be reviewed by the CAA.
- c. The CCB had requested if their section on the CAA website could have a different look. The CAA had reported that this is not possible as the CAA website templates are all pre-defined and unable to be changed (including all colours and fonts).
- d. The CAA offered to develop a simple logo and document templates with a distinctive look/feel unique to the CCB. The CCB accepted this offer.
- e. It was agreed that the CCB should inform stakeholders of their website and suggested that stakeholders have a link on their websites to the CCB.
- f. The CCB agreed the content of the website should be accessible to the consumer.

ACTION AB to work with CAA communications team to develop a simple logo and unique documents for the CCB.

ACTION AB to liaise with stakeholders (e.g. HAL) to make them aware of the CCB presence on the CAA website and suggest that they have a link on their own website to the CCB page.

ACTION DH to draft website content that is accessible to the consumer.

3.3 Email addresses

- a. CCB agreed that board members would not have CCB specific email addresses. All communication should go through the secretariat (AB).
- b. The secretariat (AB) will have a personal CCB email address created to communicate with stakeholders.
- c. The email address on the CCB website will be info@h7ccb.co.uk

- d. The CCB decided for security reasons that all documentation from stakeholders should only be sent to the secretariat (AB). Documentation would be shared and collaboratively worked on using Huddle.
- e. The CCB requested the CAA provide Huddle training.
ACTION AB organise Huddle training for the CCB.

3.4 Hours log

- a. The CAA has agreed to pay members a flat rate of 3 days each month until September 2017.
- b. The CCB will keep timesheets and record actual hours worked.
- c. In September the Chair and the CAA will review the time commitment required from members going forward. Time recording will facilitate this review.

4. Heathrow Willingness to Pay (WTP) Consumer Research Brief

- a. The CCB noted that HAL's WTP proposal was a good piece of work, but it is the only piece of work which is specifically dedicated to H7.
- b. If timescales for H7 remain as currently stated, the CCB expressed some concern about HAL's ability to develop a comprehensive plan for consumer engagement and understanding of the full spectrum of future consumer needs. However, it was noted that the possibility of a delay of H7 is under consideration and this would provide HAL the opportunity to develop a much more comprehensive engagement plan.
- c. It was noted that by the end of July 2017 HAL is proposing to provide the CCB with a consumer engagement plan. However, the CCB felt that this work is theoretical unless the timeline moves.
- d. In summary, the CCB felt that while they could comment on the proposed WTP research as a discrete piece of work, it lacks a wider context. Such a context might start with broader, deliberative research into future consumer requirements.
- e. If timelines are extended, the CCB would expect HAL to build on their consumer research. The CCB recognised their role to work constructively with HAL, while recognising that the responsibility to do so lies with HAL.
- f. The CCB felt that as the decision on timescales will be finalised at the end of June that no more immediate action beyond an email to HAL was required (see appendix).
- g. The CCB appreciated that HAL has been open to engaging with the CCB, had shared a lot of information and done pre-work on CAA outcome based regulation with an emphasis on passenger outcomes.
- h. It was highlighted that most of HAL's consumer engagement the CCB has seen so far was reactive, and HAL should be doing some proactive research. It was suggested that HAL could benefit from engaging with monopoly providers in other regulated sectors, which are subject to similar requirements to engage with consumers in the preparation of their business plans. JH has put HAL in contact with Anglian Water to share their approach to consumer engagement.
- i. A board member commented that many companies' consumer engagement plans are publicly available. The CCB agreed they would expect HAL to be seeking out this information for themselves.

- j. A board member pointed out that it appeared that the business plan submitted to and approved by the CAA, could subsequently be changed in agreement between HAL and airports, in respect of specific capital investments. Should there be an ongoing role for consumer representation in the implementation phase, as happens in e.g. the water sector? The CCB recognised that this was not within its current remit but that the CAA might consider how to ensure an ongoing requirement for consumer input post H7 approval.

ACTION JH to communicate to HAL the CCB's current thinking on HAL's consumer engagement at meetings planned for July (see below).

5. Future work schedule

- a. The CCB will be developing a work and stakeholder engagement plan, including developing a shared sense of what good looks like in terms of consumer engagement.
- b. This work plan will include meeting stakeholders and customers. The CCB will consider looking at the consumer engagement undertaken by other UK airports and other regulated monopolies.

6. Future meeting dates and locations

- a. The following meetings are planned:
 - 3rd July JH and AB to meet the London Airport Consultative Committee (LACC) Executive at HAL
 - 3rd July JH and AB to meet HAL's Head of Regulatory Performance at HAL
 - 10th July the CCB to meet Virgin Atlantic at Virgin HQ
 - 12th July JH, IL and DH to meet HAL's Head of Regulatory Performance at HAL
 - 17th July JH to meet HAL's Regulation, Economics and Strategy Director
 - 20th July JH to meet Which's Head of Campaigns at their offices in Paddington
 - 24th July the CCB to have a Board meeting at CAA House
 - 25th July JH to meet HAL's CEO, and Regulation, Economics and Strategy Director at HAL
 - 26th July JH to meet HAL's Board at HAL
 - 7th Aug the CCB to have a Board meeting at CAA House

7. AOB

- a. N/A

Appendix

Contents

- 4.f email to HAL

From: David Holden <davidgholden@gmail.com>
Sent: 26 May 2017 14:12
To: Trisha McAuley; Breckell Amy; 'Jeff Halliwell'; 'Claire Whyley'; 'Isabel Liu'; scottross10@btinternet.com
Subject: Re: Heathrow WTP Research Brief

Thanks all for your comments on the note to HAL re the WTP work.

Good to see that we are all broadly in agreement and share the same concerns.

Unless anyone disagrees I don't intent to make a further comment to HAL on the brief as I think our concerns on timescale and lack of more exploratory work have been captured in my original note.

I hope that's OK.

Thanks

David H.

On 26/05/2017 13:38, Trisha McAuley wrote:

Hi David

Thanks for sending this through. Your response is good and makes the key points. A couple of things:

- Picking up on Jayne's, and your, point on the tight timescale, I would want us to be clear to HAL, and for them to understand (which I am sure they do?) that completion of this work does not mean that the job is done. We will be looking at the totality of HAL's research agenda to identify any gaps and they need to be open to returning to things if needed.
- That the service propositions on which consumers will be asked to make choices are not restricted to those previously determined in Q6 or those identified by HAL. Consumers may identify other services that are important to them. Presumably this will be covered in the qualitative phase but it looks more implicit than explicit in the brief.

I know you know all of this so apologies for "teaching a granny to suck eggs!" But hope it helps.

Trisha

From: David Holden [<mailto:davidgholden@gmail.com>]
Sent: 25 May 2017 12:11
To: Breckell Amy <Amy.Breckell@caa.co.uk>; Jeff Halliwell <jeffrey.halliwell@btinternet.com>; trisha@mcauleypm.co.uk; Claire Whyley <cwhyley@gmail.com>; Isabel Liu (jliu@ChicagoBooth.edu) <jliu@ChicagoBooth.edu>; scottross10@btinternet.com
Subject: Fwd: Re: Heathrow WTP Research Brief

Hi All,

Ref Date Time Location
CCB-001 14/06/17 10.00-15.00 CAA House 45-59 Kingsway London WC2B 6TE

Please see below my response to Tim Wheen's requests for comments on the WTP brief. I have agreed this response with Jeff as it was our first 'formally' expressed view on the extend to which HAL is conducting high quality consumer engagement.

Amy will add my response to our agenda for the next board meeting, which means that it will be reported and published within the minutes.

I attach the brief. If you have any comments please fell free to feedback to me and I can pass them on to Tim.

Thanks

David H.

----- Forwarded Message -----

Subject:Re: Heathrow WTP Research Brief
Date:Thu, 25 May 2017 12:00:18 +0100
From:David Holden <davidgholden@gmail.com>
To:Tim Wheen <Tim_Wheen@heathrow.com>
CC:Kathryn Greenhalgh <Kathryn_Greenhalgh@heathrow.com>

Hi Tim,

I hope you are well and not too stressed by the current time pressures.

I have had a chance to read the brief, and the report from the previous WTP H6 work.

The brief is very well written and comprehensive, covering all the important parameters of the work.

I am glad to see that you have included the requirement that the results be supported with external validation. As discussed I think this is going to be essential in validating the work and making it more persuasive to all stakeholders.

My only other main comment on the brief is that Heathrow should require the agency to deliver a working Excel-based model of the results which will allow Heathrow to experiment with different service level scenarios and observe willingness to pay. The model should also be able to accept costs estimates from HAL of service improvements, and so produce an optimum set of improvements that maximise consumer satisfaction within a specified budget.

We recognise the time pressure Heathrow is under to complete the WTP project in order to feed into business planning as per the current timetable. However, we feel that the research timetable runs the risk of not adequately reflecting the future needs of

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passengers. Time allowing we would prefer to see a much more fundamental review of the current service attributes and a much greater understanding of the likely passenger experience in H7 and so uncovering future service attributes. This understanding would then feed into a renewed broader based WTP exercise and ultimately into the H7 business plan.

Kind Regards

David H.

On 19/05/2017 10:06, Tim Wheen wrote:

Hi David

I hope you are well?

As we have previously discussed, we would welcome your input into the research brief that we are proposing to send out, to update our business thinking towards passengers willingness to pay for the services that they receive from Heathrow.

Attached is the current version of the research brief.

Once you are comfortable with the research brief, we are proposing to send it to the following research agencies:

- Accent
- Illuminas
- IPSOS MORI
- Systra

But if you have any additional recommendations of other agencies we should consider, please let me know?

If you would like to discuss the brief please give me a call on 07920 537 438.

Best wishes,

Tim

Tim Wheen
Head of Research and Commercial Insights
Marketing, Research and Insight

Heathrow Airport
The Compass Centre, Nelson Road
Hounslow, Middlesex, TW6 2GW

m: +44 (0)7920 537 438
w: heathrow.com t: twitter.com/heathrowairport
a: heathrow.com/apps

-----Original Message-----
From: Tim Wheen
Sent: 07 May 2017 18:25

Ref Date Time Location
CCB-001 14/06/17 10.00-15.00 CAA House 45-59 Kingsway London WC2B 6TE



To: 'David Holden'; Kathryn Greenhalgh
Subject: RE: Meeting and WTP

Hi David

It was good to see you last week and we look forward to continuing the conversation tomorrow.

As we discussed when we first met, please find attached the WTP report from the work that we did back in 2013 as part of our Q6 planning process.

In terms of the brief for the piece we are proposing for H7, we should in a position to share this with you tomorrow.

See you on Monday

All the best

Tim

-----Original Message-----

From: David Holden [<mailto:davidgholden@gmail.com>]
Sent: 27 April 2017 10:55
To: Tim Wheen; George Efkolides; Kathryn Greenhalgh
Subject: Meeting and WTP

Hello All,

I hope you are well.

Thanks for your time on Tuesday, it was great to meet with you and very useful from my point of view.

I have been discussing with our Chair Jeff Halliwell on the appropriate way forward in terms of my involvement in the WTP work. We have agreed that my guidance on the brief, proposals, methodology etc is helpful to the overall process, though as we discussed I must maintain a certain degree of 'distance'.

I will leave it to you to forward the documents that would benefit from my comment. Also, if you think a further meeting would be useful please do not hesitate to contact me.

Kind Regards

David H.

Dr. David Holden

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