

# Increasing airport resilience – seminar note

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**Tuesday 21 June 2016: 10:30-12:30pm**

**CAA House, Kingsway, London**

<b>CAA</b>	<b>HAL</b>	<b>Airlines</b>
Stephen Gifford	Richard Hepburn	Mark Gardiner (LACC/BA)
Rob Toal	Matt Greenfield	David Milford (BA)
Abigail Grenfell	Kathryn Greenhalgh	David Wood (BA)
Samina Kahn	John Proudlove	Andrew Cunningham (AOC)
Freya Whiteman	Mark Burgess	Bette Wiley (AA)
Rebecca Roberts-Hughes		
Graham French		
Jonathon Sharratt		
Rod Gander		
James Tallack		
Beth Courbould		

## **Welcome and introductions**

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1. The CAA welcomed attendees and explained that the purpose of the seminar was to discuss and gather views on the CAA's proposed approach to increasing airport resilience through the H7 review. The CAA had circulated a paper outlining the proposed scope of the workstream, key areas of progress already made in increasing airport resilience and identifying areas where further work may benefit resilience. The discussion through the seminar would be considered alongside responses to the strategic themes discussion document.
2. The CAA acknowledged the good progress that had been made in Q6 to improve airport resilience regarding significant disruptive events and considered H7 presents an opportunity to build on this progress in regards

to day-to-day disruption from capacity constraints and congestion. The CAA noted that one of the key drivers for considering this aspect of resilience as part of H7 was the fact that capacity will remain constrained for at least the next 10 years.

3. The CAA also said it hoped a collaborative approach to resilience could be taken, as has been the case in the past, and noted that the role of the CAA in the process of improving resilience would be an ongoing and iterative process.

## **Discussion**

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### **Scope of resilience work in H7**

4. The CAA provided an overview of the wider resilience work it was undertaking, outside the H7 process, on the operating resilience of the UK's infrastructure in the context of increasing capacity constraints. A request for information as part of this project has been published, and the CAA expects to publish its findings by spring 2017. The CAA is also commissioning a piece of consumer research into consumers' experiences and attitudes towards day-to-day disruption and how they view the trade-offs between capacity, cost and service levels.
5. The CAA also outlined the airspace change process consultation which had recently closed. The CAA expects to publish a further consultation on updated guidelines for the airspace change process in early 2017 and that there are clear transitional processes in place in the meantime.
6. The airline community questioned what the issue the CAA was trying to address through the focus on resilience in H7. The CAA explained it wanted to test whether the current regulatory arrangements and incentives are appropriate to address resilience issues at the airport to ensure that passenger impacts from disruption caused by capacity constraints and congestion are minimised.

7. The CAA acknowledged that airlines and the airport had significant concerns about the impact of airspace issues on resilience. The airlines highlighted particular concerns with the delay of London Airspace Management Programme (LAMP), and that they believed few improvements in resilience at Heathrow could be achieved in the absence of LAMP. HAL and the airline community agreed that the majority of resilience issues at the airport are caused by airspace challenges. The CAA noted these concerns and recognised the importance of airspace in driving resilience improvements, but also considered that there are airport specific resilience issues that can and should be explored in H7.
8. HAL and the airline community agreed that going forward there should be further alignment between the investment strategies relating to NATS and the airport, and that without closer collaboration on airspace issues it will be challenging to improve resilience. CAA noted that it had written to NATS to clarify that NATS' licence obligations are to ensure the most efficient and expeditious flow of traffic across the entire UK airspace network, without undue discrimination or excessive detriment to particular users.

### **Proposed approach to increase resilience through H7**

9. The CAA outlined that it considers H7 is an opportunity to explore with the industry whether further resilience improvements at Heathrow are needed to mitigate the impacts of capacity constraints and congestion on consumers. The CAA considers the industry is best placed to do this using a collaborative approach to find innovative ways to address these issues, using CAA support and intervention where appropriate.
10. The CAA suggested there may be scope to improve resilience in groundhandling activities, for example through greater collaboration and information sharing, or through measuring baggage performance. A number of points were raised:
  - The airline community questioned if the CAA thinks groundhandling activities are a significant issue for resilience. The CAA responded

that groundhandling activities can have a significant impact on performance and resilience at the airport and wanted to explore whether further improvements are needed in this area.

- The airline community said airlines and the airport have already collaborated to put additional investment into baggage infrastructure to reduce disruption and increase capacity.
- HAL said there is already a culture of continuous improvement on baggage issues at the airport.
- HAL noted they were hosting a groundhandling conference in the coming weeks to begin discussion on improvements in groundhandling activities, and that further regulatory intervention was not required, though the CAA's presence would be welcomed.
- On baggage prioritisation, the airline community said there has been a lot of investment by HAL to improve information flows, for example through the connections programme, so that connections work as smoothly as possible.

11. The CAA said it wanted to examine the effectiveness of the Aerodrome Congestion Term (ACT), and whether it could be used to improve resilience. A number of points were raised:

- HAL said that the process for ACT was well-established, but that it was always going to be a complex and subjective area. HAL said they see a lot of collaboration in agreeing the ACT; that HAL is working to make the term more transparent; and that it is not clear where regulatory intervention could be required here.
- HAL also noted that it may be considered a burdensome process as it generates a lot of data that may not necessarily drive the right behaviours, for example in managing the airfield.
- The airline community said they thought there was room for improvement in the measures, to make it less subjective and incentivise better behaviour, but that it was probably the best measure currently available in the Service Quality Rebates and Bonuses scheme.

12. The airline community asked what scope there is for improving capacity planning as part of H7. The CAA said that its wider resilience work would be considering the capacity declaration and scheduling process from a UK perspective and that as this work progressed, there may be improvements that can be considered in H7. The CAA also noted that it would be interested to explore as part of its wider resilience work, options around better coordination and information sharing to improve capacity planning across the airport and in airspace amongst stakeholders across the South East.
13. The CAA asked if there are improvements that could be considered relating to capacity planning and governance within the operation resilience plan to achieve greater transparency.
- The airline community said there have been improvements to capacity planning processes and governance at Heathrow and that the CAA may not be sufficiently sighted on the day-to-day interactions between stakeholders on this issue.
  - HAL and the airline community agreed that it would be beneficial for the CAA to have a deeper understanding of this area, for example by visiting the APOC centre and understanding the resilience considerations airlines insert into their schedules, which the CAA welcomed.
  - HAL considered industry-wide capacity planning improvements were needed. They said they have good local planning and collaboration with airlines, but that this operates in isolation because of the lack of industry-wide alignment and coordination across the South East.
  - The airline community agreed and suggested that the CAA needs to provide more leadership in encouraging the coordination of capacity in London and the South East. They also added that performance at EU level has a big impact on resilience at Heathrow.
  - HAL said one potential improvement could be a more robust approach to the enforcement of cancellations as part of the Demand v Capacity process. The airline community considered one of the issues in this area was the accuracy of forecasting by the Met Office

and that cancellations made due to forecasted adverse weather that does not materialise affected operations and consumers.

14. The CAA summarised that the ACT appears to be working well, but there remains potential for fine tuning. Also, as the CAA's project on wider resilience progresses, it will look for opportunities to improve resilience as part of H7.

### **Airport charges and resilience**

15. The CAA said it would like HAL and the airline community to explore how the structure of charges could be used to incentivise better on-time performance and the efficient use of the runway. A number of points were raised in the following discussion:

- The airline community and HAL agreed there is already a good process in place for discussing the structure of airport charges, and that there are not currently obvious improvements to be made. Neither HAL or the airline community supported the proposal of considering if airport charges could be used to incentivise better on-time performance.
- The airline community said that airspace issues also impacted charges. They also said that airlines already experience the financial consequences of disruption of delay, so adding further charges would have little effect.
- HAL said it would be an improvement to have further CAA involvement in the existing process to discuss charge structure with the airline community and HAL.

### **Other areas impacting resilience**

16. The CAA asked if there were other areas not captured in the seminar paper that would benefit from consideration as part of the H7 resilience work. A number of points were raised:

- The airline community noted that there is already a huge amount of work done by the airlines and HAL to improve day-to-day resilience and minimise disruption.
  - HAL agreed with the airline community, and offered to give the CAA a tour of APOC to highlight the daily efforts being made to improve resilience and the extent of collaboration already in place, which the CAA welcomed.
17. The CAA noted that no other areas were identified by stakeholders for further work to improve airport resilience. However, the CAA noted that it was keen to have an ongoing conversation on where it could support the existing work of HAL and airline community, and also identify further improvements that could be made.

## Next steps

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18. HAL and the airline community said they would engage further with CAA to better explain the issues and current work on resilience and baggage.
19. The airline community requested further information on the consumer research regarding resilience the CAA is commissioning. The CAA explained the research intends to better understand passenger views on the trade-offs between capacity, cost and service levels and the extent to which resilience (or the lack of it) is an issue. The airline community noted that during Q6 the CAA consulted on the Terms of References for research, and would like that process to continue. The CAA responded that the key areas of the research were circulated and that the ITT could also be shared.
20. The CAA thanked stakeholders for their attendance and input and confirmed that it would continue to engage and keep them updated on next steps.