

21st August 2026

Via email.

Dear David and Judith

RESPONSE TO H8 SERVICE QUALITY – INDICATIVE MTI TARGETS AND INCENTIVES

We very much welcome the opportunity to comment further on the CAA's indicative options for H8 service quality targets and incentives.

We have deliberately kept this response brief. The HPF and its H8 Sub-Committee have engaged extensively on service quality throughout Constructive Engagement and in our previous submissions to the CAA. We do not repeat those arguments here.

Our underlying position also remains unchanged. The MTI framework should be simple, stretching and focused on the outcomes passengers actually experience. Financial incentives should be meaningful, proportionate to the importance of the passenger outcome and sufficiently strong to encourage improvement rather than simply reward 'Business As Usual'.

These targets should not, however, be considered in isolation from the wider H8 settlement. The CAA should ensure a clear line of sight between the service standards it expects Heathrow to achieve and the capital and operating expenditure necessary to deliver them. The framework should also take account of forecast passenger growth and the additional pressure that increasing volumes and terminal congestion may place on service delivery.

Ambitious targets are appropriate, but the regulatory settlement must make their achievement realistically possible.

Against that background, we have five particular comments on the indicative proposals.

1. Terminal 5 Transit System – a minimum backstop

Following a helpful discussion with British Airways and the AOC, we agree that there should be appropriate performance measures including a minimum backstop for the Terminal 5 transit system. We reach that conclusion from the passenger perspective.

The transit system is an important part of the operation of Terminal 5 and particularly important to connecting passengers, for example those arriving in the early morning waves of long-haul flights. We understand that by the end of this year, T5 will have a fleet of new trains operating on the system, delivering an increase in the capacity available today.

Where infrastructure is critical to the successful completion of a passenger journey, the regulatory framework should establish both an incentive capacity target and a minimum acceptable level of performance below which service should not be allowed to fall without consequence.

Averages and incentive thresholds can sometimes disguise periods of materially poorer performance. A minimum backstop provides an important additional protection against that risk.

We therefore encourage the CAA to include an appropriate minimum performance threshold for the T5 transit system within the final H8 framework, alongside a general capacity measure ensuring that the new trains are used to benefit passengers.

2. Departures Baggage – the target should be 99%

We believe the proposed baggage performance target should be **99% rather than 98%**.

Baggage is one of the most fundamental elements of the passenger journey. When it works, passengers understandably take it for granted. When it does not, the impact can extend well beyond the airport journey itself.

A two per cent failure or unavailability rate may appear small when expressed as a percentage, but at the scale of Heathrow it potentially represents a significant number of affected passenger journeys, particularly as we understand that it may not capture major system outages that cause disproportionate disruption to passengers.

H8 should establish expectations appropriate to the performance of a major international hub and provide a meaningful incentive for continuing improvement. In our view, 99% represents the more appropriate level of ambition.

We recognise, however, that a higher target must not create perverse operational incentives. We understand there is a concern that protecting a 99% availability target could lead to reduced flexibility over when airlines are able to introduce baggage into the system, potentially creating a poorer outcome for passengers despite an apparently stronger regulatory metric.

The CAA should therefore satisfy itself that the definition and operation of the measure contain appropriate safeguards so that improving performance against the MTI also improves the number of passengers travelling successfully with their baggage.

The objective should be better passenger outcomes, not simply a better statistic.

3. Passenger Assistance – target, rebate and measurement

Our greatest concern remains Passenger Assistance.

In our previous H8 submission we questioned whether the proposed satisfaction target was sufficiently ambitious and made the broader point that passengers requiring assistance should not be expected to accept a lower standard of service than other

passengers. We also argued that the financial incentives attached to Passenger Assistance should be meaningful.

We recognise that the CAA's latest proposal moves the overall satisfaction target to **4.10**, but we remain concerned about both the level of the target and the proposed **0.30% rebate incentive**.

Passengers requiring assistance can be particularly affected when service fails. A failure may mean more than inconvenience: it can result in distress, loss of dignity, missed flights or an inability to navigate the airport independently.

The regulatory consequence of poor performance should reflect that importance.

We recognise that the proposed 4.10 target is above recently published performance and that achieving it consistently may depend upon the passenger-assistance capital improvements discussed during Constructive Engagement.

The CAA should therefore ensure that the investment necessary to deliver the standard is reflected within the H8 capital settlement and consider whether an appropriate trajectory is required as those improvements are delivered.

We would not support lowering the ultimate ambition simply because the investment needed to achieve it has not yet been made.

We also question whether a moving annual average is the most appropriate basis for this particular MTI.

Passenger Assistance demand varies significantly during the year and service failures during peak periods can be particularly damaging. Strong performance during quieter months should not be capable of masking materially poorer performance when demand is highest.

We would therefore encourage the CAA to consider a shorter measurement period, or an additional peak-period safeguard, so that the incentive rewards consistently high-quality service throughout the year.

We also continue to believe that aggregate satisfaction measures need to be interpreted carefully. Good average performance should not conceal materially poorer experiences at particular terminals, stages of the journey or periods of disruption. The robustness and representativeness of the underlying measurement therefore remain important.

4. Aircraft Stand-Related Assets – maintaining the incentive

We are concerned by the proposed reduction in the rebate incentive for a number of aircraft stand-related assets from **0.30% to 0.15%**.

We understand the CAA's need to create capacity within the overall incentive framework for new measures. However, we do not believe this should be achieved by materially weakening incentives attached to infrastructure which directly supports the reliable and punctual operation of the airport.

The availability of stand-related assets may not always be immediately visible to passengers, but their consequences certainly are.

Poor availability can contribute to delays, reduced resilience and disruption to the passenger journey. These are therefore not simply operational measures; they ultimately support passenger outcomes.

We would consequently prefer the **existing 0.30% incentive** to be maintained for these measures.

If reductions are necessary to accommodate new measures within the overall framework, we believe there is a stronger case for considering modest reductions in the rebate weightings attached to Cleanliness, Wayfinding and Wi-Fi.

All three remain important aspects of the passenger experience and should continue to be measured and incentivised. However, the consequences of failure are generally less significant than failures in infrastructure which directly affect punctuality, resilience and the successful completion of the passenger journey.

Given the significant investment and service improvement associated with Next Generation Security, the CAA may also wish to consider whether a very modest rebalancing across the aggregate security-related incentives could be achieved without weakening the strong passenger focus that those measures rightly retain.

This would allow the CAA to accommodate new measures while preserving stronger financial consequences in areas where failure can have a direct operational impact on passengers.

5. Arrivals Baggage Reclaim – protecting the end of the journey

We also believe the incentive attached to baggage reclaim availability deserves reconsideration. The importance of baggage does not end when an aircraft arrives at Heathrow.

For an arriving passenger, receiving their baggage promptly and reliably is one of the final and most fundamental elements of the airport journey.

A failure of reclaim infrastructure can affect large numbers of passengers simultaneously, create significant congestion in the baggage hall and leave passengers uncertain about when or whether their baggage will arrive. We therefore question whether the proposed weighting adequately reflects the importance of baggage reclaim to the arriving passenger experience.

In considering how incentive capacity should be allocated across the MTI framework, we believe baggage reclaim should retain a meaningful financial incentive and should take

priority over measures where failure has a materially smaller impact on the successful completion of the passenger journey.

This is another area where the regulatory metric should reflect the experience of the passenger rather than simply the operational category into which the asset happens to fall.

Conclusion

We broadly support an H8 service-quality framework which concentrates regulatory attention and financial incentives on outcomes that matter to passengers.

Our comments at this stage are therefore deliberately focused. We ask the CAA to reconsider five elements of the indicative package:

- introduce an appropriate **minimum performance backstop for the Terminal 5 transit system**;
- increase the **departures baggage target from 98% to 99%**, while ensuring the higher target does not create unintended operational consequences which worsen passenger outcomes;
- reconsider the **Passenger Assistance target, 0.30% rebate and moving annual average measurement**, while ensuring that the capital investment necessary to achieve the required service standard is properly reflected within the wider H8 settlement;
- maintain the **0.30% rebate incentive for aircraft stand-related assets** and, if reallocation is required, consider modest reductions elsewhere where the passenger consequences of failure are less significant; and
- ensure that **arrivals baggage reclaim availability** retains a meaningful incentive proportionate to its importance to the arriving passenger journey.

These points are consistent with the position we have taken throughout H8: incentives should be proportionate to the passenger benefit being sought, targets should encourage genuine improvement, and bonuses should represent performance beyond 'Business As Usual' rather than payment for delivering what passengers should reasonably expect in the first place.

The effectiveness of these measures will ultimately depend upon their alignment with the wider H8 settlement. Where the CAA sets stretching passenger-service targets, it should ensure that its decisions on capital and operating expenditure, together with the governance of those investments, provide Heathrow with a realistic route to achieving them.

The test remains a simple one: **does the framework incentivise Heathrow to deliver the service passengers should reasonably expect from one of the world's leading international airports ?**

Kind regards

MARK

Mark A Izatt

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ABOUT CISHA

CISHA ensures independent oversight of the way Heathrow Airport engages with stakeholders. The Council and its forums work with stakeholders to make progress on the issues that matter to them. We hold the airport to account and work to help ensure it is the best neighbour it can be. We fulfil the role of an Airport Consultative Committee (ACC) as set out in Section 35 of the Civil Aviation Act.

CISHA membership is made up of six forums: Local Community Forum (LCF), Noise & Airspace Community Forum (NACF), Heathrow Airport Transport Forum (HATF), Heathrow Sustainable Economic Growth Taskforce (HSEG Taskforce), Heathrow Air Quality Working Group (HAQWG), and Heathrow Passenger Forum (HPF). CISHA quarterly meetings also include representation from other stakeholders such as the local councils, airlines, the business community, and airport user groups.

ABOUT HPF

The Heathrow Passenger Forum monitors the end-to-end passenger experience. It considers any issue in connection with Heathrow Airport that would impact passengers and reports its conclusions and recommendations to CISHA and the airport. The Forum does this in four ways: (1) Monitoring the procedures and facilities available to passengers and making recommendations for their improvement to Heathrow Airport. (2) Holding quarterly meetings to receive briefings and opinions from Heathrow Airport stakeholders and external experts and using the outcomes and insights to make recommendations to CISHA and the airport. (3) Providing a passenger perspective on airport developments and (4) Contributing to government and CAA consultations that impact the Heathrow passenger.

ABOUT THE H8 SUB-COMMITTEE

In advance of H8 the Civil Aviation Authority (CAA) and Heathrow determined that passengers should be better represented during the H8 regulatory framework. The HPF along with Heathrow advanced a way of doing this using a combination of 2 existing members of the HPF together with 4 new independent members, selected specifically for this work. As well as being regular travellers they would also have different sectorial expertise and be comfortable and experienced of strategic scrutiny. One of those 4

would be non-UK based to ensure the transfer passenger was considered and we also included an extra care expert.