

# **CAGNE** **Communities Against Gatwick** **Noise and Emissions**

The umbrella aviation community and environment group

## **Economic regulation of Gatwick Airport Limited: consultation on new commitments**

**CAGNE response sent 23<sup>rd</sup> November 2020** to economicregulation@caa.co.uk by no later than 30 November 2020.

CAGNE, the umbrella aviation community and environment group for Sussex, Surrey and Kent, respond to the CAA consultation on CAP 1973.

We do not support the CAA recommendation to support the proposals put forward by Gatwick Airport for the following reasons:

- We call for the same Gatwick Airport commitment to communities on the ground, as it states, in relation to the privileged few that fly (Page 13 1.10).
  1. The report identifies GATCOM as the Gatwick consultative committee to aid communications, but omits to recognise that the body does not have a fair or balanced community voice, or an environmental representative; as such, it is a flawed forum biased towards Gatwick Airport and dominated by those who seek to profit from the industry – this includes local authorities that have a vested interest.
  2. It also refers to the CAA and ICCAN – sadly both are seen as a ‘tick box’ exercise that does not balance the concerns of communities impacted by aircraft/ Gatwick Airport operations; as such, communities do not trust the process as it is seen purely to benefit aviation. Thus the ‘silent majority’ have no fair or balanced voice at Gatwick Airport. The Arrivals Review, NMB, NCF and NEX are examples of this imbalance, which ICCAN and CAA have both been party to.
  3. Because of Gatwick Airport management’s lack of fair and balanced consultative and noise forums, we find the CAP 1616 process flawed as the engagement has been limited and biased to those that shout the loudest and does not include others that may be impacted by flawed decision-making at Gatwick concerning airspace and surface access decisions.
- We would like to strongly object to Gatwick Airport being able to write off the cost (£10m) of their commercial exercise to build a new runway as a second

runway as they lost out to the more commercially-viable airport, Heathrow, through the extensive work of the Airports Commission as instigated by government. To suggest that this can be written off against potential cost of their desire to progress rebuilding the emergency runway through planning process of a Development Consent Order.

A commercial organisation should not be able to subsidise their desire for commercial gain against a competitor in this manner, as other industries are not offered the same from expansion/ growth desires for greater profits. This may be deemed as a significant infrastructure project, but the facts remain that Gatwick services a very limited number of ABC 1 citizens who are able to fly for leisure, whilst other UK citizens subsidise the aviation industry in the fact that they pay no VAT or duty on fuel.

- (Page 6 point 1) Competition is to be encouraged but not if it is at the expense of communities' wellbeing and demise of house values due to a commercial organisation's business plans for greater profits. (Point 2) We raise the fact that the consumer is also the person who does not fly; as such, we see no acceptance in the report of their view or desire to have aircraft numbers reduced.
- (Point 4) *'including stronger than expected traffic growth and generally high levels of passenger satisfaction.'*

We suggest that the paper is too weighted towards passenger benefits and not the cost of aircraft noise to the government via the NHS. Growth comes at a price to communities endeavouring to work and bring up families, with the loss of productivity in the workplace and classroom due to night noise.

- (Point 5) *'Covid-19 has had a particularly strong impact on traffic at Gatwick.'* (and page 16 of CAA introduction)

Gatwick Airport offers a **false economy**<sup>i</sup>. In the last recession, passenger numbers at Gatwick dipped by 11% and took 6 years to recover. By contrast, Heathrow's numbers dipped by 3% and took 4 years to recover. Again, COVID has hit Gatwick hard due to its unsustainable business plan of leisure travel, whereby the consumer has no desire to fly when there is a pandemic, has little trust in the industry concerning safety, and are well aware of the impact that flying has on the planet. We can therefore expect Gatwick to be a 'roller coaster or highs and lows' as it is too reliant upon leisure travel, low-cost flights and surplus consumer spend. With over 80% of flights to Europe, it was bound to suffer post-Brexit, even without the COVID factor added in.<sup>ii</sup>

- (Page 7 point 10)

CAGNE find that the following are omitted from this section and should be included:

1. To reduce noise
2. To monitor and reduce small particles and improve air quality
3. To educate the flyer as to the carbon and pollution being emitted by flying

4. Fair Trade - Gatwick made £156m from shopping inside the terminal shopping malls; this goes against fair trade as retailers outside of the airport do not receive the same benefits, and yet airline and airport staff (as well as construction staff) benefit from tax-free shopping which is surely a benefit-in-kind and should be taxed accordingly. The net retail income increased by £7.4 million or 5.0% during the period ended 31 December 2019, compared to a 0.3% increase in passengers.

|                                 | <b>Period ended<br/>31 December<br/>2019<br/>£m</b> | Period ended<br>31 December<br>2018<br>£m | Year ended<br>31 March<br>2019<br>£m |
|---------------------------------|---|---|--------------------------------------|
| <b>Retail income</b>            |   |   |                                      |
| Duty and tax-free               | <b>47.8</b>   | 47.1                                      | 59.1                                 |
| Specialist shops                | <b>36.9</b>   | 35.3                                      | 44.1                                 |
| Catering                        | <b>37.5</b>   | 32.4                                      | 41.8                                 |
| Bureau de change                | <b>21.4</b>   | 21.2                                      | 26.6                                 |
| Other retail                    | <b>15.8</b>   | 15.2                                      | 19.7                                 |
|                                 | <b>159.4</b>  | 151.2                                     | 191.3                                |
| Less: retail expenditure        | <b>(3.4)</b>  | (2.6)                                     | (3.4)                                |
| Net retail income               | <b>156.0</b>  | 148.6                                     | 187.9                                |
| Passengers (m)                  | <b>36.9</b>   | 36.8                                      | 46.4                                 |
| Net retail income per passenger | <b>£4.23</b>  | £4.04                                     | £4.05                                |

5. Economic cost analysis on the health impacts of night flights compared to commercial gain.

- We refer to the statement (page 11) '1.3 One further proposed change is the removal of a provision<sup>10</sup> that would have allowed GAL to recover certain costs related to its proposal for an additional runway to the south (which in 2014 was still under consideration by the Airports Commission). While GAL is no longer actively pursuing plans for this additional runway, in 2019 it published a new Master Plan which includes a proposal to which under GAL's proposed new commitments, it would bear all of the planning, development and delivery costs associated with this project during the next regulatory period, with no impact on its proposed price cap.'

And page 28 'to recover up to £10 million per year of costs related to the second runway if it receives Government support.28 '

For this commercial business to seek financial tax breaks, especially as the GIP shareholders, including the Gatwick CEO, received considerable financial dividends (£2.9bn) on the sale of 50.01% of its shares to the French infrastructure corporation VINCI, is **unacceptable**.

- (point 1.6 and page 17) The passenger should pay the full price of flying in view of the emissions emitted into the atmosphere; as such, we object to any cap that does not reflect this and the fact that airlines do not currently pay any VAT or duty.

We use C10 as an example of why Gatwick Airport should not receive any tax breaks – *‘In addition to higher revenues from regulated charges, GAL also generated higher commercial revenues than our forecast, in part at least because of the impact of strong traffic growth. Operating costs were also higher than our forecast, but not by enough to offset the impact of higher than expected revenues.’*

- (2.27) Any performance drop should be associated with lack of demand due to growth of Climate Change awareness and staycations rather than poor ground services and disputes, as offered. (C11) Discounting costs to airlines by GAL would not reflect the damage that flying is having on the planet; as such, airlines and airports, the polluters, should pay. We welcome additional charges as a capacity constrainer to reduce demand and so reduce emissions.
- (point 11.11 page 13) *‘a new runway availability measure, with penalties payable if the runway is closed for more than 15 minutes, to replace the previous aerodrome congestion/availability term;’*

(2.13) This promise is all on the proviso that Gatwick Airport are successful in obtaining planning permissions to rebuild the emergency runway as a new runway. This process of a Development Consent Order has yet to begin and so we do not see how the CAA (unless they are supportive of such a Climate Change disaster to go forward) should remove these commitments by this commercial organisation from CAP 1973. Gatwick are not in a position to make such commitments, as this runway rebuild will be strongly opposed by communities.

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<sup>i</sup> <https://www.itv.com/news/london/2020-04-24/gatwick-warns-demand-for-flights-could-take-four-years-to-recover-from-coronavirus-impact/>

<sup>ii</sup> <http://www.mediacentre.gatwickairport.com/press-releases/2019/2020-04-24-gatwick-publishes-annual-results.aspx>

### **CAGNE introduction**

CAGNE, Communities Against Gatwick Noise Emissions is the umbrella aviation community and environmental group for Sussex, Surrey and Kent. Both name and logo are protected by trademark and copyright.

CAGNE was formed on the 17<sup>th</sup> February 2014 due to the ADNID trial departure route being instigated by Gatwick Airport for a PRNAV route (concentrated flight path) over rural areas not previously flown over.

CAGNE has grown and diversified since as an umbrella community group to embrace the many issues that Gatwick presents through their desire for growth including new flight paths, changes to flight paths, increases in noise, and a major campaigning/lobbying force opposing the second and third runway.

CAGNE was at the forefront in opposing the expansion of Gatwick Airport with a second runway for sound reasons and will object strongly to the emergency runway

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being used as an interim measure.

CAGNE has an extensive network of members covering areas to the east, west, north and south of the airport concerned with totality of aircraft noise produced by arrivals and departures, environmental issues, airspace and surface access for Sussex and Surrey and beyond.

The CAGNE committee consists of volunteers/residents to the east and west of the airport coming from many professional backgrounds including aviation.

An Annual General Meeting open to the public takes place each year in February where the chair and committee are elected.

CAGNE sends out informative newsletters to members, consult its members to formalise responses, and is active on social media – Facebook, twitter and instagram.

CAGNE has an environmental campaign called Pledge to Fly Less.

CAGNE also operates an independent forum ([www.cagnepcforum.org.uk](http://www.cagnepcforum.org.uk)) to engage and consult with town and parish councils called the CAGNE Town and Parish Council Aviation Forum. This is for councillor and is run by councillors.

CAGNE is not just concerned with Gatwick Airport, but all airspace and gets involved in other airports in the UK and overseas; the environmental damage aviation has on climate change and air quality worldwide.

We work closely with CPRE Sussex and Surrey and other CPRE offices as well as other bodies such as SECA, Extinction Rebellion, Sussex Wildlife Trust, Aviation Environment Federation, Members of Parliament, local authorities and other aviation community groups in the UK and overseas. CAGNE has a seat on Gatwick groups – Noise Management Board, NCF and attends GATCOM.

Est Feb 2014  
#PledgeToFlyLess  
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