

Consumer Panel minutes

1-4pm Thursday 17 December 2015

Attendees

Consumer Panel

Keith Richards (KR)	Chair	Robert Laslett (RL)
Sarah Chambers (SC)		Trisha McAuley (TM)
Ann Frye (AF)		Adam Scorer (ASc)
Steven Gould (SG)		Claire Whyley (CW)

Invited guests

James Tallack (JT)	CAA (PPT)	Dame Deirdre Hutton (DH)	CAA (Chair)
Peter Drissell (PD)	CAA (AvSec)	Tim Johnson	CAA (PPT)
David Elbourne (DE)	CAA (AvSec)	Peter Kirk (PK)	CAA (AvSec)
Stephen Gifford	CAA (MCG)	Maggie Kwok (MK)	CAA (MCG)
Andrew Haines (AH)	CAA (CEO)	Phil Roberts (PR)	CAA (SARG)

Apologies

Anthony Smith (AS)	Panel Member	Martin Jones	DfT
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Minutes by James Tallack, Panel Secretary

1. Introduction

KR updated Panel members on the following activities since the previous meeting in October:

- A meeting with ABTA to discuss the UK implementation of the new Package Travel Directive (KR highlighted that ATOL and the PTD were areas he wanted the Panel to focus on in 2016);
- A meeting with HAL on passenger research in the context of the Panel's role in scrutinising the CAA's emerging approach to the next Heathrow price review (H7);
- Discussions with SARG on airspace policy, with a particular focus on where the consumer interest lies and with a view to a discussion with the Panel in early 2016;
- KR's involvement in the independent air display challenge panel set up by the CAA following the Shoreham incident, where the quality of membership and engagement was noted;
- An agreement with the AOA to hold a roundtable with the Panel on 11 April 2016.

Actions

No actions.

2. Strategic overview by Andrew Haines

AH welcomed the new Panel members to the CAA and stated that the CAA's decision to start paying the Panel was a clear signal of the value their input had brought to the CAA since the Panel was set up in 2012. AH then gave a short presentation setting out key events over 2015, the opportunities and challenges that the CAA would be facing in 2016 and beyond and how these would be addressed through the CAA's new strategic plan. An open discussion followed.

Key comments/responses/questions

- AH said he was keen for there to be a consumer-centred approach to issues such as H7 and runway capacity, and saw both legislation and some stakeholders as being on side for this. The Panel was seen as having an important role to play in these areas.
- Concern was expressed about the impact of the financial challenges facing the CAA on its ability to ensure that the next Heathrow price control (H7) was based on a robust understanding of consumer needs. AH stated that H7 would not be subject to the same constraints as the CAA generally.
- It was agreed that the Panel should have a better understanding of the CAA's risk appetite. A future Panel discussion on risk was suggested. JT was asked to circulate the CAA's risk principles to the Panel.
- KR asked if AH and DDH's expectations of the Panel were being met. DDH stated that it was increasingly clear whether or not the Panel had been consulted when papers came to the Board for approval. AH identified ADR, ATOL, H7 and runway expansion as key areas of focus for the Panel in 2016-17.
- A view was expressed that the CAA risked being seen as too 'light touch' in its enforcement of consumer and competition law. Opportunities to address this included the surface access review and a possible project on unfair terms and unfair commercial practices. AH stated that the CAA's powers and remit were quite limited in these areas, with only a small team responsible. However, AH was clear that the CAA would pass issues on to better placed authorities (e.g. CMA) if it felt there was consumer harm but the CAA lacked powers to address it.

Actions

JT to circulate CAA's risk principles to the Panel and consider opportunities for a future Panel discussion on risk.

3. Discussion of safety and security issues

The discussion focused on a paper tabled by the Panel which synthesised issues considered by the Panel over the three years since inception, but particularly following the 2014 Flight MH17 and 2015 Sharm el Sheikh incidents. These issues included: apparently inconsistent responses to the 'same' safety or security risk; coordination of communication to stranded passengers; the potentially disproportionate impact of security measures on consumers with special needs, particularly disabled consumers; and the application of airline cancellation and rebooking policies following safety or security incidents.

KR opened the discussion by stating that the objective of the paper was to help the Panel continue to develop its understanding of the CAA's role with regard to safety and, in particular, security – an area where the Panel had experienced less contact with the CAA (partly due to security being a relatively new CAA function) and where the Panel's interest had been piqued by recent events, such as Sharm el Sheikh. KR said that a common theme in the issues raised by the Panel was public communication around security events and that it was not challenging the CAA's underlying approach.

It was agreed that the time available for discussion would not allow for a full exploration of all of the issues raised by the Panel and that CAA colleagues would take an action to draft a paper responding in detail to the specific questions raised.

Key comments/responses/questions

- PD started the discussion by setting out clearly the respective roles of DfT and CAA in the development of security policy and in the implementation of such policy, and explaining the fundamental principle of host state responsibility, which gives the UK only indirect influence over aviation security arrangements outside the UK.
- After clarifying that the decision to temporarily ban hold luggage on return flights from Sharm el Sheikh resulted from DfT instruction to UK airlines, the Panel queried how implementation of both short-term and routine security measures factored in the needs of all consumers. There was particular concern about reports of disabled passengers being flown home without essential mobility equipment that could not be carried in the hold. It was accepted that ways of reducing the impact on certain consumers were usually found fairly quickly after measures with a particularly harmful impact on individuals were put in place; however the Panel felt that more could be done to anticipate these impacts in advance, perhaps through regular consultation with disability groups and paying close attention to the 'culture' of UK airports and airlines.
- The Panel welcomed the news that DfT plans to do some work on public communication around the issue of airport security as this would hopefully address the perceived inconsistency between different airports highlighted in recent CAA research.
- KR summarised the main concerns of the Panel in this area as being: ensuring that the nuances of consumer needs are taken account of when implementing security measures; and ensuring that the high level findings from recent research on apparent consumer demand for information are interrogated more deeply.

Actions

PK undertook to produce a note answering the Panel's questions in more detail.

4. Heathrow price review (H7)

SG summarised the paper circulated to the Panel in advance, highlighting the shift towards outcomes-based regulation that the CAA intended to make, and the important role that could be played by a consumer consultation group (CCG) in developing and monitoring the delivery of outcomes. KR stated that the CAA had gone about engaging the Panel in a very

positive way as the CAA developed its thinking on H7 and that he wanted to ensure that the Panel would continue to be closely involved in the process.

Key comments/responses/questions

- The Panel clarified that the outcomes set out in the paper were simply examples and that the 'real world' outcomes would be developed on the basis of robust consumer insight.
- It was felt that the CCG should be set up and run by Heathrow, with the CAA having a coordination and assurance role, with strong involvement in setting the CCG's parameters. However, it was noted that a CCG would only be effective if it was embraced by HAL.
- The CCG would be quite different from the Panel in terms of focus and governance but there would be real value in having one or two Panel members on the CCG to provide a link. Trust and responsibility were highlighted as key issues with regard to the position of CCG chair – it was suggested that the Panel might have a role here in holding the chair to account.
- The need to get the CCG set up and started early on in the H7 review was emphasised. It was felt that the CCG would do its most valuable work in the early stages of HAL's business planning, and that the Panel would have an important role in ensuring that the CCG was set up properly and would have the right skills and abilities to fulfil its brief.
- The inclusion of a discrete workstream on resilience in the H7 work programme was strongly supported. It was felt that this was essential given that capacity constraints at Heathrow would extend beyond the H7 price control. The Panel also noted that the trend towards larger aircraft could worsen impacts on passengers during disruption as there would be more people in the airport to look after, despite the number of slots remaining the same. The Panel agreed that taking current slots away to increase the amount of 'slack' in the system would be counterproductive and not necessarily in the interests of consumers, but advised the CAA to look carefully at how new slots are created if new capacity is added at Heathrow. Finally, the Panel noted the CAA's concerns about worsening punctuality at Gatwick as well as Heathrow and agreed that the CAA should be looking at short term measures to improve the situation, including making poor performance public to put pressure on airport management.

Actions

CAA to provide an update to the Panel in February once its 'scene setting' consultation had been approved by the Board.