EXECUTIVE SUMMARY

Gatwick Airport Limited (GAL) undertook a study to understand its current position and the future skills and employment needs at the airport. This included the consideration of employment forecasts under three scenarios: growth to 2025; continued growth to 2050 with one runway; and a second runway scenario to 2050.

This report presents a summary of the key findings of the study and is intended for use by GAL and businesses on the airport as well as the Local Enterprise Partnership (LEP), Local Authorities, and education providers.

The key findings are as follows:

- The airport makes a significant employment contribution to the local and regional economy - it provides 21,000 direct on-airport jobs and supports a further 10,100 jobs which are direct off-airport, indirect and induced jobs.
- The majority of Gatwick’s employees travel from 14 local authorities stretching from Croydon in the north, to Brighton and Hove in the south.
- The local area provides a strong base from which to recruit qualified staff, and a large proportion of the population have good qualifications.
- Crawley provides a greater number of staff than any other borough (34%).
- Almost half of those working on the airport are employed by airlines or airline handing agents. Most staff work full time and the majority work in shifts.
- The most common age of staff is 25-34 and the number of young people (aged 16-24) working on the airport has decreased in recent years presenting a key opportunity for Gatwick to work with skills providers and colleges.
- Gatwick employs people across a range of skills and qualification levels demonstrating that the airport provides an opportunity for employment for all - as well as opportunities to progress with additional training once in employment.
- Gatwick will see significant growth in employment as part of its current investment plans and a potential second runway scenario.
- Under the second runway scenario there will be a number of significant peaks in construction jobs between 2020 and 2040.
- Growth will be seen across the full range of job types and skills with or without a second runway; with job numbers forecast to increase up to 6,700 by 2050 with one runway and nearly 28,600 with a second runway.
- There are opportunities for GAL and its local and regional partners (including the LEP, Local Authorities and skills and training providers) to work collaboratively to ensure that the economic and employment benefits are maximised and accrue locally.
Gatwick Airport Limited (GAL) has a vision “to compete and grow to become London’s airport of choice”

GAL’s values drive their behaviour, and their corporate values influence their business approach to:

- Deliver great service every day
- Be better than the rest
- Work together as one team

In order to achieve this vision GAL works closely with its employers and local partners to ensure that the airport has access to a workforce with the right kind of skills and qualifications to support its operation and future growth.

Gatwick is the world’s most efficient single runway airport and it is the second largest airport in the UK. Gatwick has invested £1.2 billion in improving its buildings and services since 2009, with a further £1.3 billion of investment planned.

The airport makes a significant employment contribution to the local and regional economy - it provides 21,000 direct on-airport jobs and supports a further 10,100 jobs which are direct off-airport, indirect and induced jobs.

Jobs are categorised into three groups:

- Direct jobs are entirely related to and dependent on the operation of the airport – these can be within (21,000) or outside (2,200) the airport boundary.
- Indirect jobs (1,900) are those created by the airport and businesses located at the airport purchasing goods and services from local suppliers, who in turn may purchase further goods and services from local suppliers.
- Induced jobs (6,000) relate to further employment supported by the expenditure of those whose incomes derive directly from the airport.

Figure 1. Employment at the airport (2012)

Source: RPS and Optimal Economics (based on 2012 Employment and Travel Survey)
An employment zone has been identified based on the ‘travel to work’ catchment area of the largest proportion of the airport’s employees.

The study showed that 92% of the airport’s employees travel from 30 local authorities which sit within four different Local Enterprise Partnerships: Coast to Capital, South East, London and Enterprise M3. A core employment zone was identified covering the 14 authorities where the largest proportion (84%) of employees live.

Most of the airport’s employees live locally with 34% in Crawley, 10% in Mid Sussex and a further 28% across Reigate & Banstead, Horsham, Brighton and Hove and Croydon.

Gatwick’s local area provides a strong base from which to recruit well qualified staff

Within Gatwick’s wider employment zone there are 2.1 million people in employment, almost 50% of the figure for London. Unemployment rates are relatively low and the percentage of young people not in education employment or training (NEET) is below the national average.

Professional occupations account for the largest percentage of total occupations in the employment zone (20% compared to 22% in London) with the highest percentage in Brighton and Hove and Croydon (23%) and the lowest in Arun and Adur (13-14%).

Skilled trade occupations are more prevalent across the wider study area when compared with London.

Gatwick makes a positive contribution to incomes across the employment zone

Median workplace wages in Crawley are among the highest in the wider employment zone, second only to London and the affluent Mole Valley. The wages for Crawley workers are higher than those for Crawley residents. This suggests that the high value-added jobs at Gatwick have wide-reaching impacts on the employment zone, including offering higher paying jobs to some Crawley residents as well as across the South East.
3 | GATWICK’S EMPLOYMENT CHARACTERISTICS

Almost half (48%) of those working on the airport are employed by airlines or airline handling agents, with 13% employed by GAL and 14% by catering and retail companies.

Most staff work full time and the vast majority (84%) work in shifts, although shift work reduced from 88% in 2008 to 84% in 2012. Around one third of employees work a five day shift pattern and a third work a four day shift. Non shift workers tend to work a standard five days per week.

The most common age group of staff is 25-34 but the number of young people (16-24) decreased between 2008 and 2012, presenting a key opportunity for Gatwick to continue to work with local schools and colleges to attract younger workers to roles at the airport.

- Gatwick employs more males (63%) than females (37%), a difference which has increased since 2008 as a result of the airport’s construction programme. This reflects a wider problem of attracting women into the construction industry.
- The majority of employees are white (86%) this is largely reflective of the ethnic makeup of the wider study area (in which 86% of the population are also white).

Figure 3. Job type at Gatwick Airport
Source: GAL, Gatwick Airport and Employment and Travel Survey
May 2012
The largest proportion of employees work as air cabin crew (21%) followed by passenger services, sales and clerical staff (17%) and management/professional (13%).

In recent years, Gatwick has seen growth in management and professional staff but a reduction in passenger service, sales and clerical roles. This is consistent with changing ways in which the airport operates, with an increased reliance on technology solutions.

Staff at Gatwick Airport, both GAL and non-GAL have a wide range of skills and qualifications. Figure 4 evaluates the skills levels of employees by their job types to identify which jobs are most reliant upon workers at different skills levels.

More than half of all workers employed in Management/Professional "Other" jobs, Air Traffic Control (ATC)/Flight Ops and IT have a Level 4 qualification or above and most "Unskilled Baggage Handling" workers have a Level 2 Diploma or below.
Gatwick Airport offers jobs across all skill levels and opportunities for progression

Figure 4. Skills level analysis of Gatwick Airport employees by job type—percent of employees with specified skills level by profession

Source: GAL Gatwick Airport and Employment and Travel Survey May 2012. Note: percentages may not add to 100 because of rounding.

The table provides the percentage of employees by profession who are qualified to each level. For example, of those working in IT 72% are qualified to Level 4 and above, 5% to Level 3, 13% to Level 2, 3% to Level 1 and 10% were classified as ‘other’.
Opportunities for progression at Gatwick

As the figure below demonstrates, the airport provides employment opportunities for people at all skills levels; and once employed at the airport there are opportunities for progression within and between job types.

Source: GAL website

Figure 5. Real life examples of progression at Gatwick

Lee started work as a baggage handler, he used this experience to get a new job in Airfield Operations and was then promoted to Airfield Controller. To become an Airfield Controller he completed six weeks of classroom training followed by an interview and exam.

Ryan started working for GAL as an apprentice and after six years is now an Engineering Team Leader.
4 | PLANNING FOR THE FUTURE

To take full advantage of the future growth opportunities at Gatwick, the airport is planning ahead to better understand its future skills and employment needs.

The airport is on a growth trajectory – passenger numbers grew by 7.6% between 2013-14, when the airport served 38 million passengers. This was surpassed in the year to March 2016 when the airport handled 41 million passengers.

GAL are planning for two potential future scenarios as a single runway (R1) airport and as a two runway (R2) airport - both will mean a significant increase in jobs and employment.

The R1 scenario refers to the airport remaining as a single runway airport, with increased capacity as a result of air traffic growth associated with Gatwick’s investment programme. The R2 scenario is based on the expectation that the new runway would open in 2025 and reach full capacity in 2050. With two runways the airport is expected to handle 95 million passengers per annum (over double the R1 scenario) and would result in a new terminal and expansion and upgrading of existing facilities.

Table: Employment Forecasts (additional job creation) under the two airport development scenarios

<table>
<thead>
<tr>
<th></th>
<th>R1</th>
<th>R2</th>
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<tr>
<td></td>
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<td>0 - 300</td>
<td>400 - 800</td>
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<td>Airport</td>
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<td>600 - 1,900</td>
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<tr>
<td>Indirect</td>
<td>0 - 300</td>
<td>300 - 600</td>
</tr>
<tr>
<td></td>
<td>-600 - 0</td>
<td>500 - 1,600</td>
</tr>
<tr>
<td>Induced</td>
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<td>1,700 - 1,900</td>
</tr>
<tr>
<td></td>
<td>1,000 - 1,300</td>
<td>5,600 - 6,200</td>
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<td>Total</td>
<td>+3,800 - 4,500</td>
<td>+7,900 - 8,800</td>
</tr>
<tr>
<td></td>
<td>+5,000 - 6,600</td>
<td>+25,600 - 28,600</td>
</tr>
</tbody>
</table>

Source: RPS and Optimal Economics. High/low productivity
Figure 7. Airport Development Scenarios

### R1 scenario

**41m → 45m**
Increase in passengers from 41 million per year (March 2016) to 45 million per year by 2022

**2.5bn**
£2.5 billion Capital Investment Programme (£1.2 billion since 2009)

Upgrades to train station and North Terminal

Increase in peak capacity from 3,000 to 4,350 per hour at check in

**+ 30,000sq ft**
30,000sq ft of additional retail space

### R2 scenario

**95m → 132%**
95 million passengers per year (132% increase on current) by 2050

2025 → 2050
New runway opens 2025 reaching full capacity by 2050

Third terminal constructed and expanded facilities

**x 10,000 more**
Demand for 10,000 construction jobs across 4 phases between 2020 and 2041

**Peak construction employment will be equivalent to 8% of the local construction workforce.**
The future of work at Gatwick

Arup modelled future job scenarios based on expected traffic growth rates and a Future of Aviation workshop conducted with Arup’s internal Airport Planning Team; these show estimated numbers for both GAL and non-GAL employment, and for 2025 R1, 2050 R1, and 2050 R2 scenarios.

Looking forward, technological change and increased focus on customer service come out as two major themes which will shape future employment needs. In the future, technology will make the airport more efficient but the overall number of employees will continue to grow across all skills levels, with changes in technology requiring employees to adapt. Even in the face of automation and self-service, the demand for excellence in customer service will drive the demand for a wide range of customer-centred and technical skills.

GAL employment

Under both scenarios, GAL and the airport will see growth in jobs more widely. In particular, GAL expect to see a significant increase in the number of operational staff employed by them by 2025, and again by 2050.
Figure 10 shows Arup’s forecasts by company type (excluding GAL employment). It suggests that there will be an increase in staff required across all companies with airlines seeing the largest increase under all three scenarios followed by ‘freight, fuel, handling agent, landside and property’ and then retail.

There will be a continued demand for construction workers and trades to deliver the remainder of the Gatwick Capital Investment Programme, with numbers increasing significantly if Gatwick expands to incorporate a second runway.

Under the second runway scenario, there will be an additional, time-limited requirement for construction staff associated with the development of the second runway and a third terminal. The peak employment phase will be equivalent to around 8% of the construction workforce in the local area. Employment requirements across the phases will vary as outlined in Figure 11.

Source: Arup analysis of likely jobs growth scenarios based on number of operational passes issued by Gatwick ID Centre October 2015 and analysis from Future of Aviation workshop.

Figure 10. Non-GAL employment growth forecasts

Figure 11. Construction employment at Gatwick - peak dates and estimated numbers

<table>
<thead>
<tr>
<th>Phase</th>
<th>Capital Cost</th>
<th>Average Employment</th>
<th>Peak Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>£1,700m</td>
<td>3,300</td>
<td>2020/21-2024/25</td>
</tr>
<tr>
<td>Phase 2</td>
<td>£2,100m</td>
<td>3,200</td>
<td>2025/26-2029/30</td>
</tr>
<tr>
<td>Phase 3</td>
<td>£1,200m</td>
<td>1,800</td>
<td>2030/31-2034/35</td>
</tr>
<tr>
<td>Phase 4</td>
<td>£1,400m</td>
<td>2,100</td>
<td>2035/36-2040/41</td>
</tr>
</tbody>
</table>

Source: GAL, based on calculations by Bechtel.

Under both scenarios Gatwick will need access to a work-ready and qualified workforce to deliver its expansion plans. The study found that key to this will be developing the ‘Gatwick brand’ to ensure that construction jobs employed by a range of contractors and sub-contractors are marketed as contributing to a high profile programme.

At upper skills levels, management and professional, IT, and ATC, Flight Ops jobs all require the highest level of formal qualifications; and Skilled Mechanics, Customs, Police and Fire roles also require highly qualified individuals. GAL is committed to working with its partners to ensure that the airport has access to people with the relevant qualifications to fill these highly-skilled roles.

For those roles which require lower level (or no) qualifications such as Passenger Services, Sales, Clerical Staff, Baggage Handling, Catering, Cleaning and Housekeeping it will be important for the airport to ensure that it continues to recruit employees with the right skills and qualifications as well as with the competencies required to enter the workplace.

The airport offers a diverse range of work opportunities at all levels and a future priority will be to ensure that local people with low or no qualifications have the competencies that they need to enter the workforce.
5 | TRAINING AND DEVELOPMENT

GAL works closely with its local partners and businesses on the airport to support training and development for new and existing staff.

The company focus is on security and operational training and development; environment, health and safety and leadership and management; as well as personal effectiveness, project management and statutory fire training.

An engineering apprenticeship programme has been in place since 1977, with 229 people having been through the scheme, with a significant number remaining in technical and managerial roles, as well as ongoing graduate programmes in leadership, engineering and IT.

Relationships with schools and colleges currently focus mainly on STEM (science, technology, engineering and maths) topics, with some sponsorship activity supporting young enterprise.

Opportunities for collaboration with airport partners have been identified during this research, and GAL has established a Resourcing Alliance to work together on common issues, including recruitment, retention, wages, travel to work and shift patterns, skills and career progression; and recruitment processes, including referencing and security passes.

GAL is committed to supporting opportunities for all at the airport and is looking to best practice from employment and training programmes across the UK and beyond. Based on the research, GAL understands the importance of work experience and occupation- and industry-based training programmes for young workers.

Evidence suggests that training has a positive impact on participants’ employment and earnings. In particular, on the job training and employment programmes that reflect the needs of local communities have been demonstrated to have some of the greatest impacts. By taking this evidence forward, GAL aims to make sure that training and employment programmes will have significant and lasting impacts for employees.

Case study: commitment to training and progression at Gatwick

In 2015 easyJet opened a new £2.7m state of the art training centre which hosts world class facilities including classrooms, a cabin simulator, evacuation slide and fire training rig. The centre itself created 40 new jobs and will train over 1,000 people a year.

Training to join easyJet’s 6,000 strong crew will start with a month long course at the academy which will also provide 60% of easyJet’s annual recurrent training needs.

EasyJet have also launched a programme to increase the number of female pilots, offering 10 cadet places each year for women who want to become pilots and to promote Science, Technology, Engineering and Maths subjects to younger women.
For Gatwick Airport Limited there are a number of key challenges and opportunities to improve local employment and upskilling aligned to the airport’s needs. Working collaboratively with its partners will be crucial to addressing these to ensure that the airport is well-positioned and able to grow; that the local economy continues to benefit from Gatwick’s operation and expansion; and that local residents are well placed to take up the new employment opportunities emerging in the next 10 to 25 years.

In order to achieve this GAL will need to work collaboratively with the Local Enterprise Partnership and its sub-regions, Local Authorities, education and skills providers (including Higher and Further Education) as well as its airport business partners.

**Opportunities**

- **Building and consolidating strategic relationships** with the LEP, local authorities and business partners to ensure that wider economic strategies are aligned to the growth of the airport (particularly ensuring that housing and transport provision supports the needs of the local area).
- **Focusing on key geographies** will help Gatwick and its partners ensure that the economic and employment benefits of the airport’s growth are felt in the areas that need it most.
- **Working with education and skills providers to support local people in gaining the right skills and competencies** to take advantage of current and future employment opportunities at the airport.
For more information on this report, and to find out more about Gatwick’s employment and skills activities please contact alison.addy@gatwickairport.com

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