

# Performance monitoring report for first half of 2016

**Date of issue: 5 December 2016**

## **Gatwick Airport Limited**

### 1. Introduction

This report provides an update on performance at Gatwick in the first half of financial year 2016/17, from April to September 2016.

Gatwick Airport is continuing to perform well for passengers and airlines and has delivered consistently good service performance in nearly all areas, achieving 95% of its monthly Core Service Standards in the first half of 2016/17, up from 92% in the previous year.

All of the data in this report have been made available to airline users during the first half of 2016/17. In publishing this report, Gatwick Airport welcomes feedback from airlines users, passenger representatives and the CAA.

## 2. Traffic

Gatwick Airport served 42.3 million passengers in the rolling 12 month period to September 2016. This was an increase of 6.9% over the same period in the previous year. In the six month period April-September 2016, Gatwick served 25.0 million passengers, an increase of 6.3% on the same period in 2015. The growth in passenger numbers was due to a combination of a higher number of Air Traffic Movements (ATMs) and larger average aircraft size.

Table 1: Traffic data

	1h 2016/17	1h 2015/16	% change
<b>Passenger traffic (m)</b>	25.0	23.5	6.3%
<b>ATMs (k)</b>	155.0	148.9	4.1%
<b>Seats per ATM</b>	185	181	2.2%
<b>Load factor (%)</b>	87.2%	87.2%	no change
<b>Passengers per ATM</b>	161.4	158.0	2.2%

A number of airlines have increased frequencies on European routes and introduced new destinations. As a result, there were 5,436 more ATMs on European routes than in the prior year, carrying an additional 1.0 million passengers. The biggest growth was seen in southern European destinations, most notably Spain, Italy, the Canary Islands and Greece.

North American routes showed particularly strong growth in the period, with an increase of 0.5 million passengers or 39.5% compared to the prior year. Two airlines in particular contributed to this growth: the Canadian carrier WestJet began operating from Gatwick in May 2016, flying to six destinations in Canada, while Norwegian Air Shuttle more than doubled the number of passengers on its services to destinations across the USA. Traffic on North African routes has continued to decline, with 1,415 fewer ATMs: a reduction of 36.2% leading to a drop in passenger numbers of 0.3 million or 42.7%. Egypt was affected most: all flights to Sharm El Sheikh have been cancelled, with a reduction of 0.2 million passengers compared to the same period in the prior year.

Additional information on our traffic trends is available in our monthly traffic updates<sup>1</sup>.

<sup>1</sup> <http://www.gatwickairport.com/business-community/about-gatwick/our-performance/monthly-traffic-figures/>

## 3. Service Quality

This section provides an overview of service quality at Gatwick. It provides an overview of our performance against the Core Service Standards to which we have committed and against other metrics important to our passengers, including baggage delivery and on time performance. Our published monthly reports contain a brief description of the service quality metrics<sup>2</sup>.

### Core Service Standards

Under the Commitments framework, Gatwick has agreed targets across a range of services with our airline community. These Core Service Standards specify the standards we are committed to delivering through the operations and facilities we provide to users. Where we fail to achieve the target in a given month, we issue a rebate on the airport charge to the airlines operating in the affected terminal.

There are 21 Core Service Standards, 18 of which have individual measures for each terminal (the exceptions to this are the measures relating to the inter-terminal shuttle system, external control post security queuing and the airfield congestion term). In total, Gatwick's performance is measured against 40 separate service targets for each month, giving 240 scores for a 6 month period.

The sections below describe performance across these measures, grouped into four categories: Quality of Service Metrics (QSM); security search; passenger operational metrics; and airfield operational metrics. Out of 240 total scores, 229 were passed, giving a pass rate of 95%. This remains a very good performance.

#### QSM metrics

The QSM (Quality of Service Monitor) survey generates a set of passenger experience metrics. These are interview-based perception scores and capture how our passengers perceive Gatwick on a 1 to 5 scale (where 5 is 'Excellent'; 4 is 'Good'; 3 is 'Average'; 2 'Poor' and 1 'Extremely Poor'), across four different categories: seating availability, cleanliness, wayfinding and flight information. The scores are calculated as moving annual totals (MATs).

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<sup>2</sup> Gatwick's monthly service quality reports can be accessed here: <http://www.gatwickairport.com/business-community/about-gatwick/our-performance/>

Table 2: QSM scores

		Target	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16
Departure lounge seating availability	North	3.80	4.12	4.12	4.12	4.11	4.10	4.09
	South	3.80	4.02	4.01	4.01	3.97	3.94	3.93
Cleanliness	North	4.00	4.02	4.03	4.03	4.03	4.03	4.05
	South	4.00	4.15	4.14	4.14	4.14	4.14	4.14
Wayfinding	North	4.10	4.11	4.12	4.12	4.11	4.12	4.12
	South	4.10	4.24	4.24	4.24	4.24	4.25	4.25
Flight information	North	4.20	4.38	4.37	4.37	4.36	4.36	4.36
	South	4.20	4.44	4.44	4.44	4.46	4.46	4.46

Over the period all the QSM targets have been passed.

### Security Search

The security metrics measure security queueing performance in 15 minutes periods across the day. The main targets are:

- Queues should be less than 5 minutes in more than 95% of 15 minute periods in a month in central passenger search;
- Queues should be less than 15 minutes in more than 98% of 15 minute periods in a month in central passenger search;
- There should not be any queues longer than 30 minutes in central passenger search;
- There are also targets for transfer passenger search, staff search and external control posts.

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Table 3: Security search scores

		Target	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16
Central <5 minutes	North	95.00%	95.50%	95.40%	87.79%	83.87%	91.45%	96.96%
	South	95.00%	96.29%	95.16%	95.21%	82.62%	91.29%	95.88%
Central <15 minutes	North	98.00%	99.92%	99.84%	98.17%	96.90%	98.91%	100.00%
	South	98.00%	99.79%	99.92%	99.63%	98.19%	99.64%	100.00%
Central >30 minutes	North	0	-	-	-	2*	1*	-
	South	0	-	-	-	-	-	-
Transfer <10 minutes	North	95.00%	96.88%	98.59%	96.46%	98.79%	99.90%	99.17%
	South	95.00%	96.88%	98.79%	99.58%	98.19%	99.80%	99.27%
Staff <5 minutes	North	95.00%	99.61%	99.92%	99.92%	99.95%	99.97%	100.00%
	South	95.00%	100.00%	99.92%	99.87%	99.80%	99.77%	99.71%
External <15 minutes	All	95.00%	100.00%	99.92%	99.92%	100.00%	100.00%	100.00%

\*indicates the number of daily occurrences in the month when the target was not met.

Overall security performance was good in the first half of 2016/17, despite some teething problems in North Terminal. Gatwick is often seen as market-leading in driving efficiency and innovation in our security product. Similar to the South Terminal in 2015, in 2016 we did experience some issues relating to the implementation of our Generation II security product in the North Terminal. This was further impacted by ongoing rail strike issues on the Southern Rail network (leading to less predictable and more peaked passenger flows to security) and an unanticipated increase in the volume of hand luggage carried by passengers. The situation improved significantly in August and recovered completely in September.

### Passenger operational metrics

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The passenger operational metrics are a range of measures targeting the availability of specific facilities services at the airport. These measures range from availability of Passenger Sensitive Equipment (PSE) such as escalators and lifts, to that of the inter-terminal shuttle and the baggage system.

**Table 4: Passenger operational scores**

		Target	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16
PSE priority	North	99.00%	99.68%	99.36%	99.75%	99.67%	99.12%	99.08%
	South	99.00%	99.67%	99.69%	99.80%	99.62%	99.50%	99.57%
PSE general	North	99.00%	99.72%	99.52%	99.64%	99.42%	99.41%	99.13%
	South	99.00%	99.71%	99.79%	99.82%	99.27%	99.32%	99.49%
Shuttle - monthly	One	99.00%	99.98%	99.86%	99.86%	99.96%	100.00%	99.92%
	Both	97.00%	99.36%	99.23%	99.23%	99.71%	99.34%	99.20%
Outbound baggage Daily	North	0	1	-	-	-	-	-
	South	0	-	-	-	-	-	-
Outbound baggage Monthly	North	99.00%	99.71%	99.95%	99.83%	99.83%	99.90%	99.91%
	South	99.00%	99.85%	99.96%	99.96%	99.97%	99.96%	99.95%
Arrivals baggage reclaim availability	North	99.00%	99.59%	99.91%	99.47%	99.92%	99.84%	99.85%
	South	99.00%	99.80%	99.58%	99.91%	99.92%	99.75%	99.90%

Overall we achieved a very good performance across these measures, with only one single day failure of the daily outbound baggage target.

### Airfield operational metrics

The airfield operational metrics, like the passenger operational metrics, measure the availability for use of specific assets.

Table 5: Airfield operational scores

		Target	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16
Stands	North	99.00%	99.81%	99.99%	99.98%	99.63%	99.85%	99.81%
	South	99.00%	99.78%	99.99%	99.97%	99.32%	99.69%	99.74%
Jetties	North	99.00%	99.78%	99.84%	99.92%	99.91%	99.85%	99.91%
	South	99.00%	99.88%	99.82%	99.76%	99.74%	99.74%	99.82%
Pier Service	North	95.00%	96.48%	96.51%	96.53%	96.45%	96.45%	96.41%
	South	95.00%	97.18%	97.46%	97.74%	97.96%	97.96%	97.90%
FEGP	North	99.00%	99.91%	99.76%	99.89%	99.94%	99.92%	99.95%
	South	99.00%	99.93%	100.00%	99.95%	99.94%	99.98%	99.89%
Congestion term	All	0	-	-	1	-	-	1

We met most of these targets. The exception were two occurrences (in June and September) when the runway suffered a minor “breakout” to the surface. This caused the Aerodrome Congestion Term to be failed on these days as the main runway had to be shut for repairs to the surface. In these instances the operation was moved to the northern standby runway.

## Airline Service Standards

Airline Service Standards are the performance metrics which we apply to our airline customers. These are targeted at areas we identified in our Commitments as being of key concern to our passengers, but which are not under our direct control.

The two metrics we identified in our Commitments which are important that airlines meet are inbound baggage delivery and check-in queuing. These two functions are both controlled by the airlines but delivered by the airline’s nominated ground handling company. The metrics are designed to create an incentive for airlines to deliver a minimum level of service acceptable to passengers in these areas. If an airline fails to achieve the target in a given month, then a deduction is made from any Core Service Standard rebate they would otherwise have been

entitled to in that month. If no rebate is owed (because Gatwick met all relevant service standards in that month), then the airline concerned is not subject to any financial penalty.

### Inbound Baggage Delivery

The first airline service standards measure is inbound baggage delivery. The standard is divided into separate metrics for small/medium sized aircraft (such as a Boeing 737 or airbus A319) and large aircraft (such as Boeing 777, Airbus A380 or Boeing Dreamliners). The target is for the last bag off an aircraft to be delivered to the baggage carousel (for pickup by a passenger) within 35 minutes for small and medium sized aircraft and within 50 minutes for large aircraft. Gatwick Airport incentivises its airline users to achieve these targets for at least 95% of respective flights each month.

**Table 5: Baggage delivery performance**

		Target	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16
Inbound baggage	<55 min	97.00%	99.48%	99.50%	99.50%	99.50%	99.00%	99.40%
	S/M <35 min	95.00%	94.29%	93.22%	89.29%	87.64%	85.23%	85.86%
	L <50 min	95.00%	97.34%	95.83%	93.84%	94.17%	89.88%	92.61%

In addition to this, Gatwick operates an incentive scheme for inbound baggage for the ground handlers (top line in table above). As in previous years there is a variation in performance between carriers and agents, and over the summer the financial difficulties of Aviator has negatively impacted on the baggage delivery performance of its customer airlines.

### Check in Queuing

In our Commitments, we indicated that this metric would be introduced once a robust measurement system had been identified. This metric was not yet operational during 2014/15. A suitable measurement system has however, now been trialled and is being deployed in check-in zones across the airport. Discussions are taking place with the airlines to enable this as to be used to generate this performance metric. We expect to place the new queue measurement into service once the technology has been appropriately validated and we have consulted with airlines.

The new queue measurement system will also enable us to offer services to both airlines and passengers. Real time information to airlines should enable better real time service delivery and improved resource scheduling. We may also be able to provide passengers with expected queue time information to help them better manage their travel as well as airline choice.

## Other performance indicator

### On time performance

On time performance is not part of the core or airline service standards, however it is important to passengers, airlines and airports. This has been covered in a previous briefing paper.

On time performance is driven by a range of different factors, including:

- Weather (such as high wind, snow, thunderstorms)
- Air space congestion and disruption
- Airline schedules
- Ground handling performance
- Ramp congestion

The table below illustrates how airline punctuality varied month by month during the first half of 2016. It is important to note that at an airport of the size and complexity of Gatwick airline-specific factors, such as ground handling performance, can have wider effects. For example, if an airline struggles to offload baggage from an aircraft on time, then this might have an impact not only on the directly affected aircraft, but also on the next aircraft due to use the affected stand.

**Table 6: On time performance**

		Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16
On-time performance	Arrivals	78.04%	69.10%	51.20%	54.24%	63.00%	61.61%
	Departures	76.09%	66.80%	48.90%	49.20%	58.40%	58.37%

Punctuality has become a major problem over the past two years due in particular to European airspace congestion and disruption. The past three years have seen the proportion of flights at Gatwick adversely affected by airspace restriction increase from 13% in July 2013 to 38% in July 2016. This presents significant challenges for the airport community as the delayed aircraft spend more time on the ground than expected when they were scheduled. This places additional strain on the resourcing of the ground handling operation.

The challenge to on time performance created by the constraints within European airspace is so severe that it requires all parties at the airport working together to help mitigate the impact on passengers. Gatwick is working actively with the airline community to help improve the on time performance of the airlines on our campus. This includes work to help the airlines be ready for the start of the day, increased use of collaborative working, and other operational initiatives to help

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support the operation. While infrastructure takes time to plan and build in a busy operational environment (and is therefore not a short term solution), we are examining whether there is additional infrastructure which may help support airline operations and tackle these challenges.