

THE AIRPORT OPERATOR

THE OFFICIAL MAGAZINE OF THE AIRPORT OPERATORS ASSOCIATION



AIRPORTS INVESTMENT BOOM *Multi-billion plans*

AOA
THE VOICE OF UK AIRPORTS
SUMMER 2017

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EDINBURGH
Recipe for success

CORNWALL AIRPORT
NEWQUAY
Fastest-growing UK airport

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NEW AIRPORT CHIEF
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Sinclair heads for London City



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AIRPORT OPERATORS ASSOCIATION

Ed Anderson

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Public Affairs & PR Manager

Roger Koukkoullis

Operations, Safety & Commercial Director

Claire Humphries

Events & Member Relations Manager

Patricia Page

Executive Assistant & Office Manager

Avni Patel

Accounts Executive

AIRPORT OPERATORS ASSOCIATION

3 Birdcage Walk,
London SW1H 9JJ
United Kingdom

T: +44 (0)20 7799 3171
E: info@aoa.org.uk
F: +44 (0)20 7340 0999
W: www.aoa.org.uk

Michael Burrell
Editor

THE AIRPORT OPERATOR MAGAZINE IS PRODUCED BY

genium

Shimon Speigel
Creative Director

Jessica Horton
Graphic Designer

GENIUM
Studio 27

Quadrant Business Centre
135 Salisbury Road
London NW6 6RJ

T: +44 (0)20 7089 2622
E: hello@geniumcreative.com
W: www.geniumcreative.com



Welcome to this edition of the Operator, which is published online on the occasion of the summer 2017 aviation Parliamentary reception.

Following the General Election the reception will provide us with a timely opportunity to meet newly-elected and re-elected MPs and to explain how the Government and Parliament can take action that will enable UK aviation to continue to flourish.

We are delighted that Chris Grayling, who has been reappointed as Transport Secretary, has confirmed that the Department for Transport will be pressing ahead with its plans for a new Aviation Strategy. That will set a policy framework for our sector for the coming decade and we will be responding to all the forthcoming Aviation Strategy consultation documents.

During the election campaign we published our own AOA manifesto for UK airports, setting out a five-point plan for the incoming Government. You can read more detail on that elsewhere in this edition, but, in summary, our manifesto covered a framework for airport growth across the country, the impact of Brexit on aviation, airspace modernisation, Air Passenger Duty and the UK's border regime.

We emphasised the key role that airports play in helping to deliver the connectivity that the country needs for a successful economy and we explained why it is vital that the Government should prioritise a new legal framework for the UK's international aviation connectivity after Brexit. We set out a vision for modernising the UK's airspace, the

invisible infrastructure in the sky that has changed little since the 1960's, renewed our call for a 50% cut in Air Passenger Duty and emphasised the importance of having a well-resourced Border Force that will be able to cope with increased passenger flows.

As I write this introduction, the Government is embarking on the first stages of what will no doubt be a long and complex negotiation to implement the referendum vote for the UK to leave the European Union. The AOA has worked hard over recent months to explain to officials and politicians of all parties that aviation currently relies on the legal framework provided by EU-level air services agreements for flights to over 40 countries. We have also emphasised that early certainty on how these agreements will be replaced is vital, as airlines typically plan their routes 12 to 18 months in advance.

I am pleased to report that these points now seem to be increasingly well-understood in Whitehall and Westminster and especially in both the Department for Transport and the Department for Exiting the European Union, whose Secretary of State, David Davis, has referred to the aviation sector as a priority on a par with financial services.

In addition to lobbying on Brexit and the Aviation Strategy, this has been a busy spring and summer for the AOA team and its new Chief Executive, Karen Dee, on many fronts. In May we co-ordinated an exceptionally impressive Airports Safety Week, with airports around the country delivering a huge variety of imaginative activities that attracted attention not only from airport-based staff, but also from passengers, local communities and other European airports.

The AOA also delivered specialist conferences for our members on the environment, security and operations and safety and began the planning for our annual conference, which is to be held in a new venue this year on 30 and 31 October.

Meanwhile, I wish all of you a successful and prosperous summer season.

Ed Anderson, AOA Chairman

ED ANDERSON

Introduction to the Airport Operator



THE AOA IS PLEASED TO WORK WITH ITS CORPORATE PARTNERS, AND GOLD AND SILVER MEMBERS

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Gold Members



Silver Members



ANNUAL CONFERENCE BOOKING OPENS

Booking has opened for the AOA Annual Conference 2017 to be held on 30 and 31 October at a new venue – the completely refurbished Royal Lancaster Hotel, overlooking London's Hyde Park

Delegates who book by 13 September will be able to save £155 on places at the conference, dinner and awards ceremony – which this year will, for the first time, include three awards for Airports Safety Week events.

The October conference will conclude a bumper year for AOA conferences, which began in April with an environment specialist conference, held at The Crystal, East London, which describes itself as “one of the world’s most sustainable buildings”.

Issues discussed by the 70+ attendees included sustainable growth, climate change adaptation and mitigation and progress in cutting electricity, gas and water usage. The speakers included Tim May, Director for Aviation Policy & Head of Airports Noise Strategy

& Policy at the Department for Transport; Ian Jopson, Chair of Sustainable Aviation and Head of Environmental & Community Affairs, NATS; Tim Johnson, Director of the Aviation Environment Federation; Carrie Harris, Group Sustainability Manager, IAG and speakers from London City Airport, Gatwick, London Luton Airport and Manchester Airports Group.

Next up was the security conference, held in May at Mottram Hall, Cheshire, and sponsored by Rapiscan Systems. A panel discussion on the rising threat to airport operations from cyber security attracted a lot of attention. Other topics discussed included the opportunities and threats caused by the rapidly growing drone market, landside security and domestic extremism. Speakers included Peter Drissell, Director of Aviation

Security at the Civil Aviation Authority and Phil Williams, Head of the Risk Assessment and Incident Response team at the Department for Transport.

Rounding off the trio of specialist conferences for 2017 was the well-established Operations and Safety Conference, held in June at Carden Park Hotel, near Chester, and attended by over a hundred delegates and eight exhibitors. The subjects discussed included remote digital control towers and drones. The well-received keynote speaker was Robert Kay, Airbus UK’s Chief Engineer, who offered a compelling vision of future aviation trends. There were also presentations from NATS, the Civil Aviation Authority, Heathrow and London Luton Airports. ■

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GORDON DEWAR'S RECIPE FOR SUCCESS

The fastest growing airport in the UK for international passengers – up 21% in a year – is Edinburgh and Gordon Dewar, its Chief Executive, is very clear how that was achieved

It is, he says, down to the quality of his team, the commercial data-driven culture of today's airport and the natural advantages of its position close to Scotland's dynamic capital city.

When Dewar took over as Chief Executive in 2012, following BAA's decision to sell Edinburgh, the airport boasted 9 million passengers a year. Today that figure has risen sharply to over 12 million and further international growth looks certain.

Dewar's analysis of success starts with the high quality of the colleagues that he inherited and recruited. "You have to be very aware of what you bring personally" he says "and then make sure that you cover the bases with all the skills that you need to have. We have superb airport operators, really exceptional support services and we have invested very heavily in our commercial, projects and development teams".

This isn't Dewar's first spell at the airport. He was Managing Director from 2008 to 2010, but left to become Chief Executive of Bahrain Airport. On his return to Scotland two years' later Edinburgh was in a very different position, having just

ceased to be part of the group of airports owned by BAA and become a stand-alone enterprise with complete responsibility for its own future.

He believes that the new owners, Global Infrastructure Partners, recruited him because he had become a tried and tested airport operator, with six years' experience (initially at rival Glasgow Airport), because he already knew about Edinburgh Airport as a business and because he was already part of a Scottish network that would be important as the airport sought to realise its growth potential.

At the outset the most pressing challenge, he says, was to change the airport so that it could prosper alone, which meant, for example, recruiting a new finance team. The other challenge, as he describes it, was to bring in a completely

different culture: "Today the underlying culture is that we are a data-driven organisation. We hire good analytical talent who develop a good understanding of what the opportunities are and then we execute well. A key part of that is that we are taking high quality data to airlines to give them confidence that they will make money in Edinburgh".

Developing a long pipeline of prospects requires excellent evidence and hard work, he says, and can involve "keeping the plates spinning" for three to six years before a new deal is closed. It is made easier, he suggests, by the quality of the economy of the Edinburgh region: "the numbers really are phenomenally compelling". He points out that three out of four international visitors to Scotland already go through Edinburgh airport and says that his optimism about the future is largely

"People understand the benefits of having a growing international airport on their doorstep and there is not the same "intensity of concern" about local impact as there is, for example, among people living around Heathrow Airport"

based on this international market: “We are so bullish because of that inbound visitor. That is why there is such an opportunity. All the long-term plays in Scotland – the wealth and the investment – are coming in our direction”.

In the short-term, Dewar does have some concerns about Brexit. While the weakness of sterling is encouraging more visitors to come to Scotland, other effects are less positive. He says that uncertainty is never helpful and points to comments from US airlines that they are looking to pivot away from the UK while wait to see what will happen. Though optimistic that good open skies agreements will eventually be concluded, he worries about the short-term reaction and he also points out that aviation is very dependent on overall economic growth continuing.

That said, Dewar has some good things to say about Scotland’s politicians, reflecting that “the striking feature in Scotland is just how positive the overarching political support for aviation is. Scotland has always understood that international business is important. Being connected must be a good thing when you are on the periphery of an island off the north-west coast of Europe. We really operate in a quite supportive political environment”.

“We have superb airport operators, really exceptional support services and we have invested very heavily in our commercial, projects and development teams”

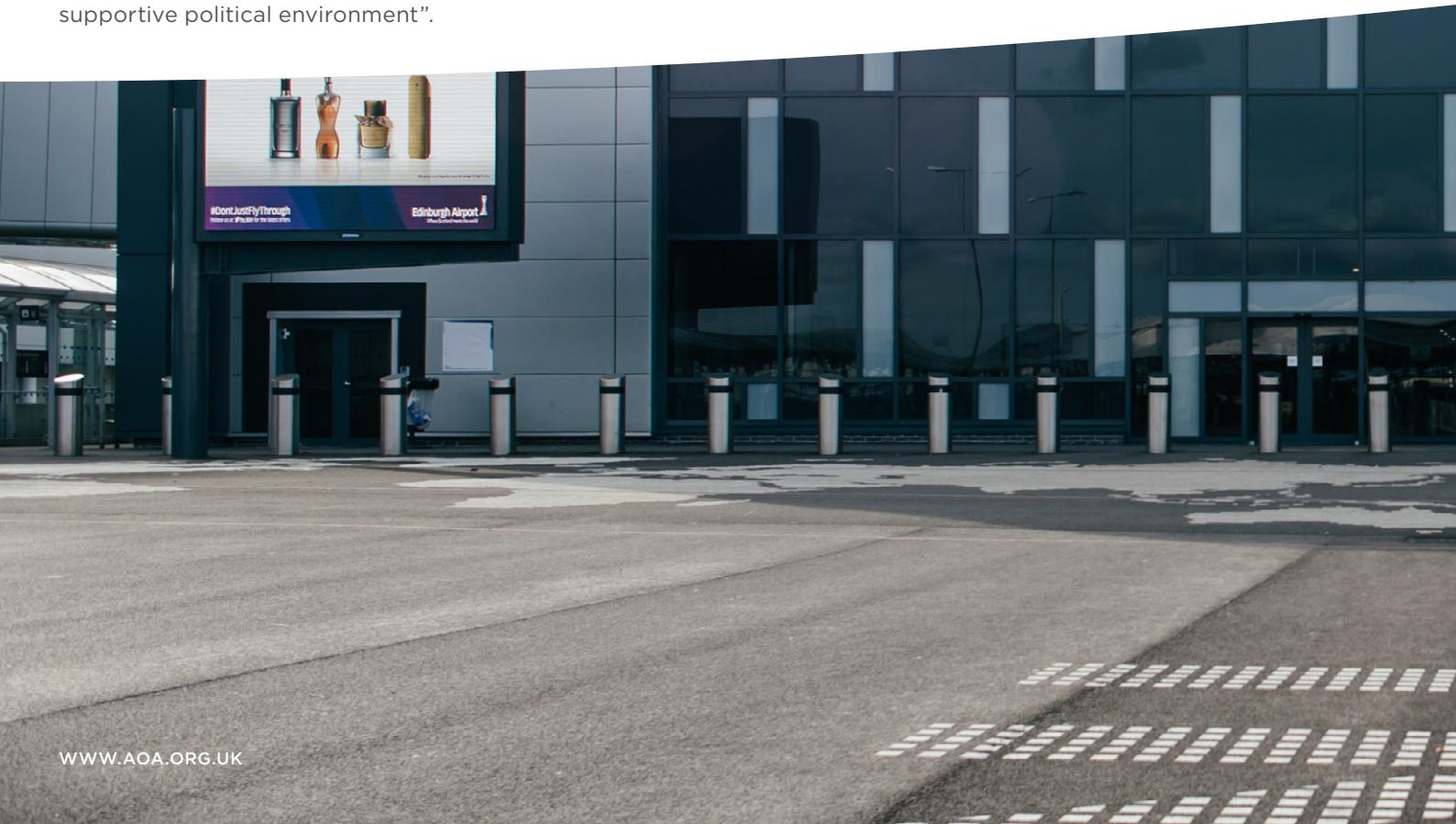
As tangible evidence in support of that argument he cites the Scottish Government’s decision to cut Air Passenger Duty by at least half. Scottish Ministers get, he says, that when Scotland’s airports are competing with airports across Europe it is “a no-brainer” that the level of APD, easily the most expensive departure tax in Europe, needs to be reduced. Dewar expresses confidence that detailed proposals will be published during the summer, enabling a reduction to take effect next year.

Edinburgh Airport also benefits, he says, from the strong support of its local community. People understand the benefits of having

a growing international airport on their doorstep and there is not the same “intensity of concern” about local impact as there is, for example, among people living around Heathrow Airport.

That said, the airport still takes community concerns very seriously and is currently in the closing stages of a closely-watched consultation on airspace change. Dewar says: “We have taken the view that the constraint on the more effective use of our existing runway is airspace. Existing airspace rules mean that at present we can only deal with one aircraft every two minutes and during the morning peak we regularly have queues of ten to twelve aircraft. With airspace change we could have one departure every minute, but we have to try to minimise the number of people affected”.

Dewar is proud of the efforts that the airport has made to ensure that the consultation will be as fair and thorough as possible, noting that it adopted every single enhancement to the consultation process that the Civil Aviation Authority is considering. The next step will be to publish the results of the second phase of the consultation, before



submitting a final proposal to the CAA towards the end of the year and Dewar is hopeful that new rules will be in place in time for the start of the summer season next year.

While making the best use of airspace is important for the airport, making the best use of terminal space is also crucial for Edinburgh's operational effectiveness and here Dewar points to the airport's work with its principal low-cost airlines – easyJet, Ryanair and Flybe – to achieve that. All three airlines now use a common self-service bag drop facility, with the result that more than half of the airport's passengers are going through just 12% of the check-in space and generally experiencing zero queues.

Dewar is also careful to note that, while it is international routes that offer the best growth prospects for Edinburgh, UK routes are also an important part of the overall mix, accounting for just under half of the total. Passengers to London are spoilt for choice, with 54 flights a day and four airlines offering flights to five different London airports.

Up next for consultation will be the airport's latest plans to improve surface access, including a new road link to the A8, though much has been done already, particularly in terms of public transport. The tram to central Edinburgh is up and running and this is now complemented by the opening of the new Edinburgh Gateway station on the nearby Fife Circle railway line, which provides an interchange with airport tram services. There are new bus routes as well to north Edinburgh, Lothian and West Lothian. Rail passengers aiming for Edinburgh Airport will discover that the airport has recently been designated a national railway station, which means that they can buy a through ticket to the airport, even though the last section of their journey will be by tram or bus. Thanks to these developments, almost one in three travellers to the airport now use public transport, which is the best proportion in the UK for a non-rail-connected airport.

Looking further ahead, the airport plans to close its existing second

cross-wind runway, which is unsuitable for frequent use and is, in fact, hardly ever used. Without having any effect on capacity that will release 400 acres of land for commercial uses, supporting further economic development west of Edinburgh. Land for a new second runway will be safeguarded, but is unlikely to be needed until around 2050.

Asked to conclude by stating the biggest challenge that Scotland's busiest airport now faces, Dewar declares that it is to continue to meet and exceed the high expectations that its passengers have developed. An example, he says, is that today no-one expects to have to wait more than four minutes to go through security at Edinburgh, so that even a little blip gets noticed. Ultimately it is all about the customer and so Dewar chooses a simple but important point for his final comment, emphasising that "we are very focussed on getting rid of queues". ■



AOA'S MANIFESTO FOR UK AIRPORTS

The AOA took the opportunity of the General Election on 8 June to publish a five-point manifesto for UK airports

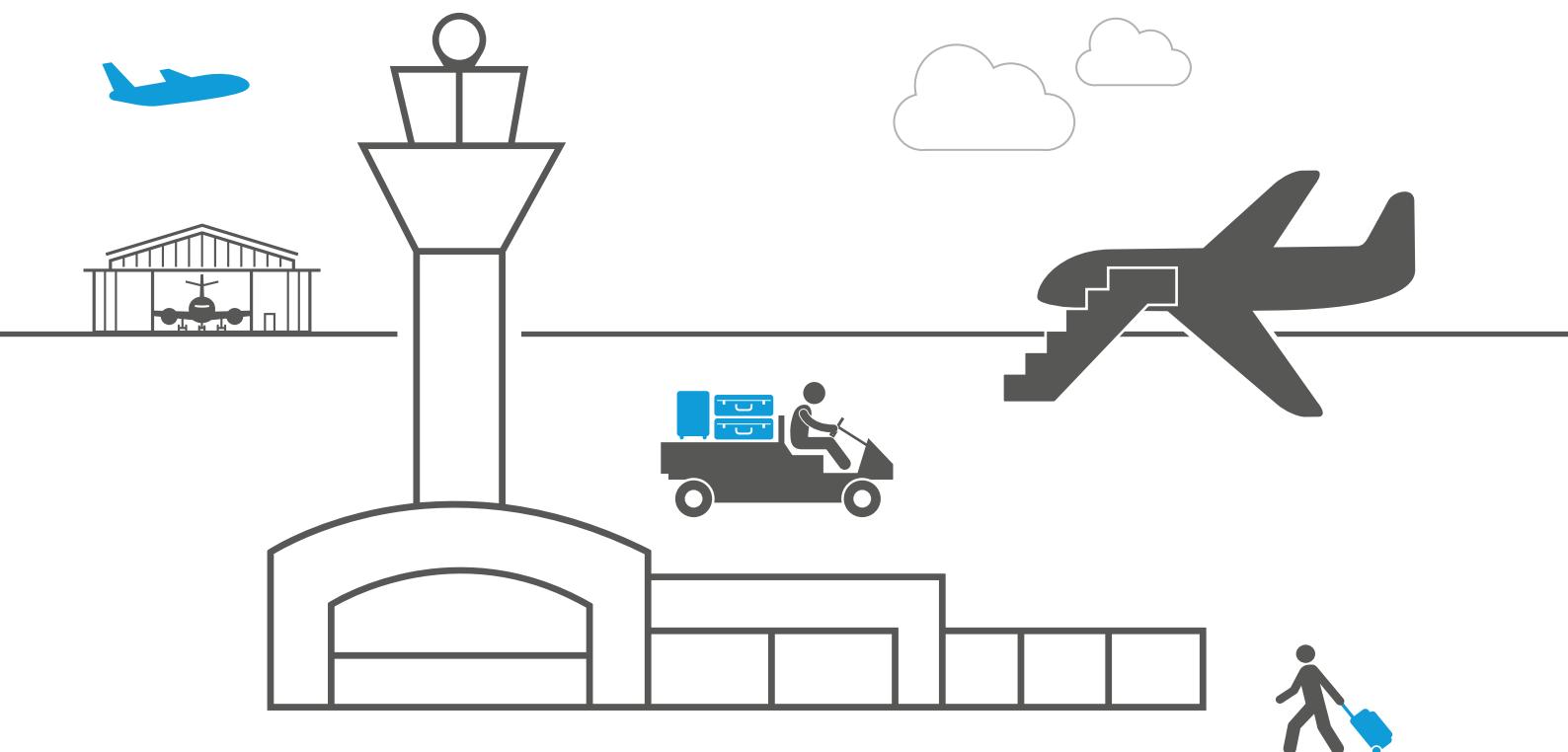
Chief Executive, Karen Dee, said that the manifesto “sets out an ambitious agenda for the Government and we look forward to working with Ministers and officials to deliver on this, enabling aviation to play its full part in helping to secure the UK’s future prosperity”.

The manifesto’s first priority is a new aviation strategy for the UK and, since the election, Chris Grayling, newly reappointed as Transport Secretary, has confirmed that the Department for Transport plans to press ahead with consultations on the proposed aviation strategy.

“We look forward to working with Ministers and officials to deliver on this manifesto, enabling aviation to play its full part in helping to secure the UK’s future prosperity”

The AOA will be urging the Government to include a fair strategy for growth for all UK airports, setting out an approach that will give airports the certainty they need to invest in their businesses and remove barriers to sustainable development.

There should also be a bold agenda to support the better use of existing capacity, addressing the country’s need for better surface access (road and rail connectivity) to UK airports. The strategy should include a plan to enable aviation to become



more sustainable, with three areas standing out as requiring inclusion: a support mechanism to enable the commercialisation and scaling-up of sustainable aviation fuels, support for airspace modernisation and support for the decarbonisation of airside vehicles. Finally, there should also be a strategy to support smaller airports.

Priority 2 in the manifesto is the UK's exit from the European Union. As negotiations on this commence in Brussels, UK Ministers are signalling that they acknowledge that aviation needs early consideration.

The AOA is calling on the Government to prioritise early certainty for the industry through transitional agreements and securing new air services agreements as part of the exit negotiations. The manifesto says that the objective should be to seek to replicate, as far as possible, the benefits that UK and EU consumers currently derive from the close integration of our respective aviation markets.

The manifesto's third priority is airspace modernisation, vital to ensure that forecast levels of traffic can be handled without delays and cancellations.

The AOA says that the Government should complete the consultation on UK airspace and deliver a stable long-term noise and airspace policy. It needs to prioritise and support industry efforts to deliver airspace modernisation and include airspace in the remit of the National Infrastructure Commission, recognising that it is a critical part of the UK's national infrastructure which requires long-term strategic decision making.

Priority 4 is a more globally competitive Air Passenger Duty. UK APD is the highest aviation tax levied on passengers in the EU and among the highest in the world.

The AOA says that the Government should reduce APD by 50% to bring it into line with our competitors and ensure that the UK is 'Brexit ready'. In the light of Scottish Government plans to cut its new Air Departure Tax, the AOA says that the Government should ensure that a cut in APD anywhere in the UK is matched immediately and fully in the rest of the country to prevent regional economic distortions.

Priority 5 in the manifesto is a secure but welcoming UK border regime.

Queue lengths at passport control have grown over the past few years and airports have seen longer queues at peak times.

The AOA says that the Government should provide additional resources to Border Force to ensure that it is better equipped to deal with increased passenger numbers, particularly at peak travel times. It should also work with industry to set out a five-year assessment of need, to adapt current performance measurement to better reflect passenger experience at the border and to adapt the border regime appropriately following Brexit.

The manifesto's five priorities will be the focus of the AOA's post-election political engagement programme which will target Ministers, officials, Opposition spokespeople, new MPs and members of the Commons Transport Select Committee. ■



[Click here to read the full manifesto](#)



"The five priorities will be the focus of the AOA's post-election political engagement programme targeting Ministers, officials, Opposition spokespeople, new MPs and members of the Commons Transport Select Committee"



Welcome to

Cornwall Airport Newquay



CORNWALL AIRPORT NEWQUAY, THE UK'S FASTEST GROWING AIRPORT

The story of how Cornwall Airport Newquay went from near closure to become the country's fastest-growing airport in 2016 is a fascinating one

But then you could say the same of the career of its Managing Director, Al Titterington, who began his career in aviation as a dispatcher/baggage handler at Leeds Bradford Airport before using a Master's degree in airport planning and management to kick-start a career in airport management that led him to Newquay via operational roles at Robin Hood and Coventry airports.

Arriving in Newquay as Operations Director in 2006, he played a key role in supporting the airfield's transition from an RAF base to a fully civilian airport in 2008. Two years' later he was promoted to Managing Director at what he candidly describes as "the worst possible time".

Recalling that period now, he says: "We suffered from the economic down-turn and the end of the low-cost bubble. Passenger numbers plummeted. The business didn't look like a business – for example, we had no management accounts – and the route development strategy was built on straw. We were months' away from going out of business".

Surviving that near-death experience was, he says, down to the financial support that the airport received from its owner, Cornwall Council, "a lot of plate-spinning" and a decision to "almost start again" with a strategy to rebuild the route network on a much more sustainable basis and to diversify the airport's business, reducing its dependence on passenger income by growing income from executive flights, aircraft training and property.

Newquay's controversial £5 per passenger airport development fee, introduced in 2006 and payable by all departing passengers over 16, kept the airport alive. In Titterington's view, "through the difficult times that income stream

was absolutely crucial to prop us up". But airlines hated it (Ryanair were "very opposed") and warned that for as long as it was retained it would make increasing capacity and flight frequency very difficult.

So, Titterington and his colleagues took a long, hard look at whether the better option for long-term sustainable growth would be to drop it. "We were going to sacrifice half a million pounds a year. The question was: 'Could we get it back?' We developed a business case that suggested that we could. We took that proposal to the airport's board and through the council's cabinet and scrutiny process. There was a lot of politics and bureaucracy and that can be frustrating, but we got the green light".

"Breaking through half a million passengers per year in the next three to four years is eminently achievable"



In the autumn of 2015 it was announced that the £5 development fee would be scrapped in March 2016 and, one-by-one, the airport's key airlines began to deliver on the growth commitments that they had made. By the end of 2016 it was clear that the new strategy had paid off handsomely, delivering the stunning 48% increase in passenger numbers that secured Cornwall Airport Newquay its place as the UK's fastest-growing airport.

This year got off to a strong start too, with the airport handling a record 41,000 passengers in April, a 39% increase compared to the same period last year, encouraging expectations that 2017 will see a fourth consecutive year of double-digit growth. Growth in 2018 and 2019 is more likely to be around 5%, but Titterington still believes that "breaking through half a million

"Newquay's controversial £5 per passenger airport development fee, introduced in 2006 and payable by all departing passengers over 16, kept the airport alive"

passengers per year in the next three to four years is eminently achievable". That would be good news for Cornwall Council, as it should mean that their operating subsidy (originally £3.5 million, now £1.3 million) will continue to decline and, according to Titterington, "within five to ten years it is possible that the airport could be profitable".

There are some headwinds, though, and one of these, in Titterington's view, is Brexit. Acknowledging that there are strongly held views on both sides of this issue, he is, nevertheless, clear that "from a business perspective I don't agree with Brexit. Cornwall has been one of the largest recipients of European funding, with the airport, for example, having



relied on it to build new hangers. I am concerned about not being part of the Single European Sky and the timing of trying to renegotiate new air services agreements. It does lead to risks and unknowns and Ryanair have warned about this".

He accepts that there are some positive effects, noting especially that the fall in the value of the pound helps to make Cornwall a more attractive destination for inbound tourists, but is still adamant that "Brexit provides more negatives than positives".

Another area of uncertainty for now is whether the airport will be able to make something of its hopes to become a UK spaceport. Titterington says that the major opportunity for the UK and Cornwall is for satellite deployment, but the big unknown is what rules the Civil Aviation Authority will impose. That will determine whether this unusual

diversification could be cost-effective. The airport has made a funding application to the UK Space Agency and awaits a decision on that, probably this autumn.

Cornwall Airport Newquay's leading airline is Flybe, which operates flights to a dozen UK cities, including the three most popular routes to London Gatwick, Manchester and Birmingham, and accounts for 73% of the airport's

total traffic. In Titterington's words: "We are working with them all the time. It is a very rock-solid relationship. They are key to us".

The fourth most popular route in 2016, thanks to a 162% increase in traffic, was the Aer Lingus Regional link to Dublin, now in its third year and offering a year-round service, with daily connections throughout the summer and in May this year Aer Lingus added a new route to Cork. Ireland is Cornwall's third-largest source of international tourists after Germany and France.





Ryanair returned to the airport in 2016 with new international routes to Alicante and Frankfurt Hahn and then in March this year added a further route to Faro in the Algarve, marking a 50% growth in Ryanair's operations from the airport.

Looking ahead, Titterington would clearly like to be able to offer a winter sun route from Newquay, pointing out that for many of the county's residents, who depend on incoming tourism in the summer, winter is when they take their main holidays. His confidence in the prospect of such a route operating from the winter of 2018/2019 suggests that the airport will soon have a link to the Canary Islands.

The bigger ambition, though, is for Cornwall Airport Newquay to lose its distinction as one of the only UK airports lacking a link to one of

Europe's major hub airports. On the Continent that might be Amsterdam, or perhaps Munich or Paris - but the bigger prize, until recently seen as out of reach, would be London Heathrow. Titterington comments that any of these, but particularly Heathrow, "could be transformational in terms of profitability and the economy of Cornwall".

For the Heathrow goal to be achieved, which might be possible as early as 2021, Cornwall Airport Newquay would need a lot of things to go right, including political support. Titterington says that the airport has "a significant political voice" on the issue: "We do get exposure right up to the Prime Minister. When Chris Grayling announced the Government's support for Heathrow, the Prime Minister's first comment on that was in a meeting with me at Newquay".

For Titterington the expansion of Heathrow is potentially as important to Cornwall as it is to London, since a route to the UK's hub airport would enable Cornwall to have onward connections to every continent of the globe, as well as easy access to London. But, for this to work, Cornwall Airport Newquay would need the support of the Council, the Government, Heathrow and the airlines. "Everything must come together", says Titterington, "Is that achievable? I think it is. Just a few weeks' ago I would have put the probability of success at about 2%, but now it is rapidly increasing to maybe 20%. We have the momentum with all of those parties".

Perhaps a Heathrow link, the latest dream of the UK's fastest-growing airport, really could become reality. ■

NEW CHIEF EXECUTIVE AT LONDON CITY AIRPORT

Robert Sinclair, currently CEO of Bristol Airport, is to replace Declan Collier as CEO of London City Airport

Sinclair is expected to take up his new role in October. A New Zealander, he was previously Chief Financial Officer of Auckland International Airport, following a 10-year career with UBS in investment banking. He became CEO of Bristol in 2008 and, during the period since, the airport has seen record growth in passenger numbers and profitability and the delivery of a £160 million development programme.

Collier is stepping down after more than five years at London City, the UK's 14th largest airport, shortly after the airport announced that it is to introduce the UK's first digital air traffic control tower in a pioneering step for British aviation and a year after the airport received planning permission for a £344 million transformation.

He said: "It has been a privilege and a pleasure to have been part of the airport's success story for more than five years. London City Airport is a great business and well placed to take advantage of future growth and new aircraft technologies as we embark on our City Airport development programme".

Meanwhile, Newcastle Airport has confirmed that its acting chief executive, Nick Jones, will take the job on a permanent basis, while David Laws, his predecessor at Newcastle, has been appointed Chief Executive of Leeds Bradford Airport.

Jones, who joined Newcastle as chief financial officer in 2015, has been interim chief executive at Newcastle, the UK's 11th largest airport, since Laws' departure last year. He takes the job on a permanent basis at a time when the airport is experiencing its strongest growth in almost a decade, with passenger numbers growing by 6% in 2016.

He said: "I am delighted to be confirmed as chief executive at one of the UK's most successful airports. I am passionate about the North East region and my aim will be to further improve connectivity for businesses as well as providing popular holiday destinations for people in the region. I also want to ensure we build upon our reputation for providing the most welcoming customer experience"

David Laws, who was Chief Executive at Newcastle Airport for ten years, takes over as Chief Executive of Leeds Bradford Airport, the UK's 15th largest, following the retirement of John Parkin. The airport has grown passenger numbers by 6% over the last year. Laws said: "I am very pleased and excited to be joining Leeds Bradford Airport at such a crucial time for the airport's growth and development. I have a real passion for airport development and am focused on delivering the very best customer journey possible. My ambition is to further improve, expand and develop the business in order for the airport to continually offer a wide range of services for leisure

and business passengers". In another departure, Birmingham Airport has announced that its Chief Executive, Paul Kehoe, is stepping down.

Kehoe, who leaves on 12 July, will be focussing on his regional commitments as chairman of Marketing Birmingham, president of the Greater Birmingham Chamber of Commerce and chairman of the West Midlands Growth Company.

He joined the airport, the UK's 7th largest, in 2008 and has seen passenger numbers there grow from 9.5 million to more than 12 million. Expansion of Birmingham's route network has included daily services to Delhi with Air India, A380 services to Dubai with Emirates and the introduction of 18 new airlines, including Qatar Airways, Jet2 and the return of British Airways. By the end of this year, Birmingham will have invested £450 million on developing its infrastructure, including a runway extension and a new air traffic control tower.

Kehoe said: "I planned originally to stay only for five years, but the challenge became so exciting that I stayed for another four. After delivering significant airline and passenger growth and completing all the major development projects which resulted in a doubling of the profit, generating significant dividends for shareholders and the region, I feel it is time for the next generation to take the business forward". ■

UK AIRPORTS SAFETY WEEK REACHES THOUSANDS

The AOA-coordinated UK Airports Safety Week, held from 8 to 14 May 2017, reached thousands of airport staff, passengers and local communities around the country

Roger Koukkoullis, AOA Operations and Safety Director, said he had been hugely impressed with the tremendous effort displayed across the UK, which had extended beyond traditional aviation safety issues to also encompass occupational health, the environment and well-being. The week had demonstrated a recognition that for an airport safety management system to be fully effective the safety culture must be collaborative and airport-wide.

Highlights of this year's Safety Week included the huge numbers of people reached by the events at Heathrow – about 600 people at Terminal 2 and 800 at Terminal 3, reflecting the airport's determination to bring safety issues to the attention of the entire community at the airport. One of the biggest successes and most popular of the attractions was the health bus, which even resulted in some airport staff being referred to their doctor for high blood pressure.

Learning from others was a key theme for London City Airport, whose airside safety team spent an entire day with the airfield operations and safety teams at Gatwick. It was an action-packed day that included going out on the airfield with the bird control unit, a runway inspection, a foreign object debris walk and attendance at a safety review group meeting. Back at London City staff played an interactive airside safety



game with passengers, hugely impressing two who worked for the World Health Organisation. Outreach to the local community in East London included a visit to a local primary school and a foreign object debris charity run raising money for a local children's hospice.

Leeds Bradford Airport invited pupils from a local primary school to visit the airport and tour the runway, apron, fire station and terminal building.

Across Yorkshire at Humberside Airport a visit to UK Search and Rescue gave everyone a chance to familiarise themselves with the rescue helicopters and learn more about their role in carrying out rescue missions in demanding situations. Later in the week rescue firefighting services came to the terminal and gave practical first aid and general fire safety demonstrations along with tours of the fire vehicles for the public. A health and wellbeing session in the terminal building gave staff and passengers an opportunity to learn about the benefits of correct diet and exercise from a world champion bench press winner.

"I have been hugely impressed with the tremendous effort displayed across the UK, which had extended beyond traditional aviation safety issues"

Roger Koukkoullis, AOA Operations and Safety Director

Health and wellbeing were also key focuses for George Best Belfast City Airport, who worked with their charity partner, Inspire, to conduct four sessions on mental health awareness, including hidden disabilities and autism awareness – this reflecting how unsettling travelling through an airport can be for a child on the autistic spectrum. A session with NIVAH, a Belfast-based drug and alcohol testing solutions company, showed people the effects of drugs and alcohol by using special goggles. That created some giggles, as well as a good discussion and better understanding.

Three awards will be presented later this year at the AOA Annual Conference and Awards dinner to commend the three best initiatives of this year's Airports Safety Week.

Looking ahead, Koukkoullis said he was determined to ensure that the AOA could demonstrate positive and tangible safety benefits flowing from Airports Safety Week, including using AOA forums, seminars, meetings and conferences to greater effect. This will be one of the subjects considered by the UK Airports Safety Week project team for 2018. ■





UK AIRPORTS REAPING THE BENEFITS OF WIFI SENSORS

Birmingham has become the latest UK airport to install WiFi sensors to improve the passenger experience and boost operational efficiency

The airport joins Bristol, Edinburgh and Manchester in adopting state-of-the-art WiFi sensors to enable it to collect real-time data on travel times, dwell times and movement patterns. Mobile device-detecting sensors automatically detect WiFi enabled mobile devices without passenger interaction.

Sensors have already been installed in Birmingham Airport's North immigration hall to measure and predict the wait time at the UK border and the airport is planning to extend its use to southbound security and immigration.

Chris Wilson, Head of Terminal Operations at Birmingham, said: "The data really helps us to understand the actual wait time for the border and helps discussion with the UK Border Force planning team and resourcing plans for the future. By sharing the information on screens, we help reduce passenger frustration by creating realistic wait time expectations".

The sensor system in use at Birmingham and the three other UK airports was designed by Denmark-based business intelligence company, BLIP Systems, founded in 2003.

The company's marketing manager, Christian Carstens, said: "Handling passenger flow smoothly and

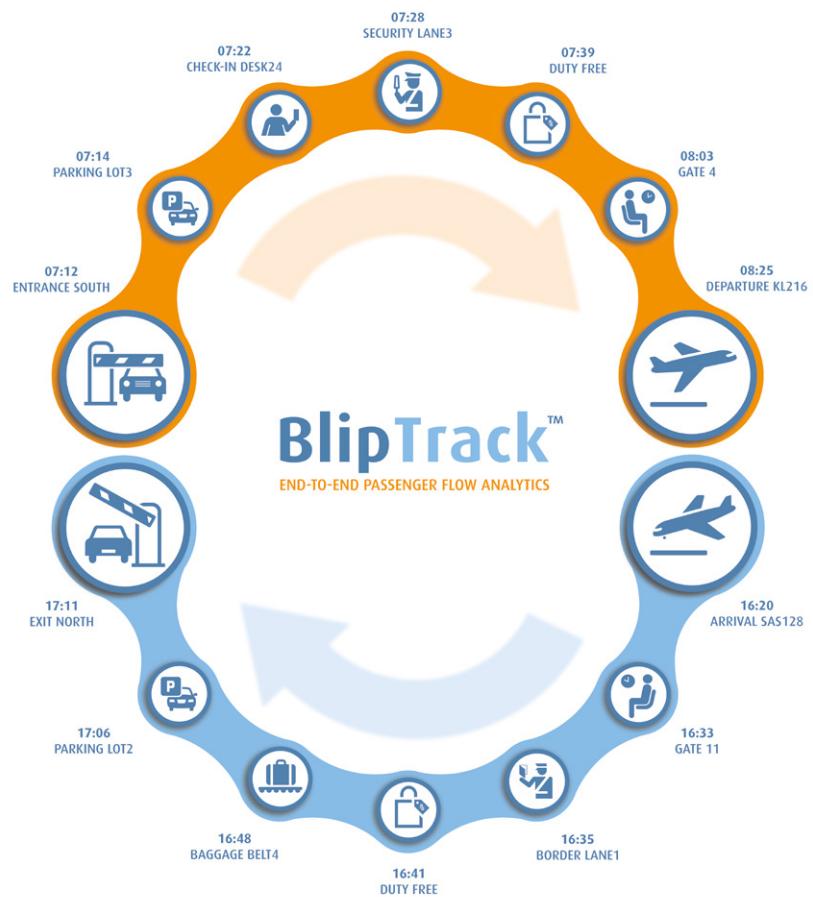
efficiently is key to the success of an airport and its image. Accurate wait time and flow information is crucial to provide a premium customer experience, improving capacity planning and maximising revenue. 94% of leisure travellers travel with a mobile device. With sensors that measure the movement of those





devices, airports can generate a cohesive passenger experience picture, including accurately measuring and predicting wait times, while simultaneously providing data about how passengers move and use the airport".

Carstens said: "As the solution measures passenger flow in real-time, it can provide early warning when predefined thresholds are exceeded. This enables airports to proactively initiate counter-measures before the situation escalates, for instance by opening additional processing lines. Ensuring that passengers experience a quick and easy passage through the first stages of their journey increases positive passenger experience at the airport. The less time passengers spend in airport processes, the more they will enjoy a more stress-free and pleasant travel experience in the concession areas, directly increasing non-aviation revenue".



Rick Mernock, Head of Performance at Manchester Airport, agreed. He said: "Making the passenger journey easy is the heart of our business and managing/reducing queue lengths is a critical part of our ability to achieve this. As aviation revenues decrease, the delivery of improved business opportunities for the airside retailers is also important to our overall business".

Edinburgh Airport stressed the benefits for the passenger. Chief Operating Officer, Adrian Witherow said: "We are able to keep our passengers fully informed 24/7, both in the terminal and online, about what to expect at security and our aim is to make that experience as smooth as possible". ■

"Accurate wait time and flow information is crucial to provide a premium customer experience, improving capacity planning and maximising revenue"

Christian Carstens, Marketing Manager, BLIP Systems



BOOM TIME FOR INVESTMENT IN UK AIRPORTS

UK airports are set to spend nearly £8.5 billion in capital investment over the next five years, according to new figures compiled by the AOA

The figures are based on the spending plans of the UK's top 20 airports and exclude Heathrow's planned £16 billion third runway expansion plans.

Gatwick CEO, Stewart Wingate, has announced that 2017/18 will be Gatwick's biggest year of investment, with a £240 million planned spend over the next twelve months, part of the airport's £2.5 billion transformation programme.

Liverpool John Lennon Airport launched a four-week consultation in

June and July on its updated Airport Master Plan, which sets out its plans for future development and growth until 2050. The plan includes a proposal for extension of the runway to enable long haul flights, extension of the terminal, a new parallel taxiway and additional aircraft stands.

London City has announced that it is to become the first UK airport to build and operate a digital air traffic control tower, with a multi-million pound investment in the technology. Working closely with NATS, the

airport has approved plans for a 50-metre digital tower developed by Saab Digital Air Traffic Solutions. A total of 14 high definition cameras will provide a 360-degree view of the airfield, with the images sent by secure super-fast fibre networks to air traffic controllers working in a new operations room at the NATS control centre in Swanwick, Hampshire. Construction will begin later this year and is due to be completed in 2018, with the tower fully operational in 2019.

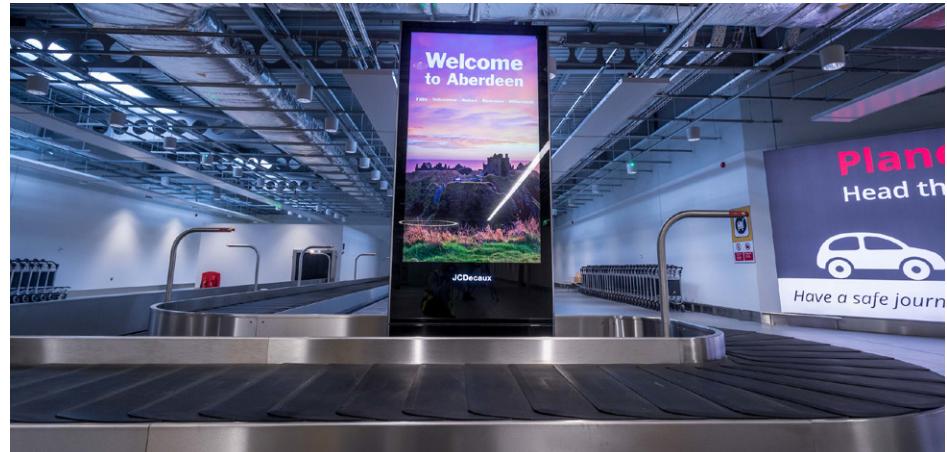


Chief executive, Declan Collier, said: "A pioneering new digital air traffic control system will enhance safety and improve resilience, setting a new standard for the global aviation industry to follow. This cutting-edge proven technology future-proofs London City Airport's air traffic control for the next 30 years and beyond".

This year London City will also begin construction on its £350 million City Airport Development Programme, which will include seven new aircraft stands, a parallel taxiway and a terminal extension.

Manchester Airport has unveiled the next phase of its £1 billion transformation programme, which will be one of the largest private sector investments in the north of England in decades.

Stansted Airport has secured planning permission for a new £130 million arrivals terminal to be built next to the current terminal. It will include larger immigration and baggage reclaim areas. Work will begin in late 2018 and is expected to take three years to complete. Once the terminal is open, Stansted will become the only airport



in the UK operating dedicated arrivals and departures terminals.

Meanwhile, Aberdeen Airport has launched the first phase of its terminal transformation project, with the opening on 30 May of its new international arrivals facilities. Passengers arriving from Stavanger were the first to be able to use the new passport control and baggage reclaim facilities and were greeted on arrival by Scotland's famous bagpipe band, The Red Hot Chilli Peppers. A new Northern Lights executive lounge for departing passengers opened on 1 July.

Bristol Airport's newly-expanded immigration hall, which includes ten of the latest ePassport gates, was officially opened by the UK's Immigration Minister, Brandon Lewis, on 22 June. As well as introducing the new gates, the enlarged accommodation has been redesigned to provide Border Force officers with a clearer view of passengers entering the Immigration Hall. The Government and Bristol Airport jointly funded the £2.3 million project. ■



USING DIGITAL TECHNOLOGY TO DRIVE EFFECTIVENESS

UK airports will continue to turn to technology innovation to drive operational effectiveness and to deliver sustainable business value, according to a leading international adviser to airports.

Los Angeles-based Management Consulting firm, Avasant has drawn on experience of technology innovation and business impact from airports worldwide, including both Gatwick and Heathrow, to develop a picture of how emerging technologies and innovation-driven strategic partnerships are transforming airports, cutting costs and providing a platform for sustainable revenue growth, particularly in ancillary revenues.

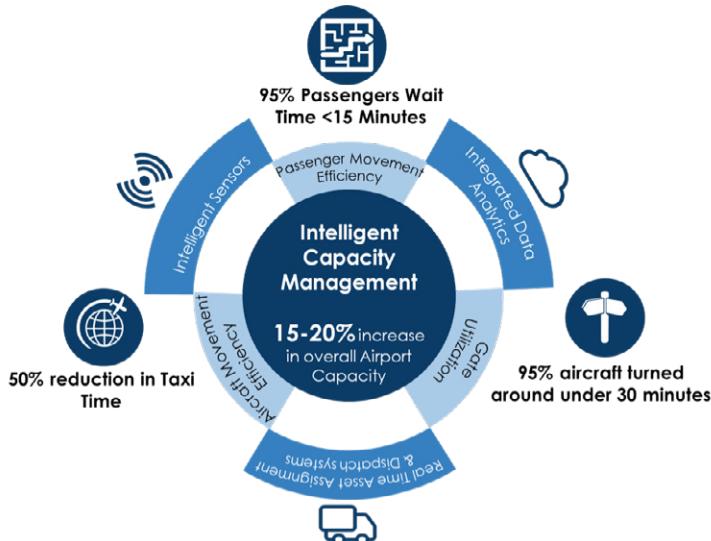
Transportation practice lead, Carlos Hernandez, said that airports are increasingly focussing on operational transformation as an alternative to significant new capital investment, driven by an approach which helps to reconcile airport innovation needs with high investment barriers. The approach eliminates the upfront capital cost and is based on strategic partners being compensated through a share in the business benefits realised.

Major levers of digital transformation at airports that Avasant has identified include customer experience and passenger flow improvements, optimisation of process, economic lifestyle and revenue optimisation and partnership innovations. Hernandez says that innovative technology solutions, directly linked to revenue and margins, are driving these levers. By reinventing their business models and defining new ones, UK airports can find new revenue sources, grow revenue and deliver sustained profitability.

Hernandez predicts that more and more travel processes will be automated and forecasts that this will “progressively eliminate traveller-agent interaction points at airport”, as digital technologies

improve customer experience and make airport processes more efficient. This has been largely achieved already throughout the passenger journey with baggage claim, check-in and parking, is increasingly the case with baggage drop and could soon be so with boarding. Border control and security offer less potential for process without agent intervention, though technological innovation is increasingly being used to monitor both people coming into airports and transit passengers for possible security threats and to improve communication with law enforcement authorities.

Technology will offer increasing opportunities to improve passenger flow based on dynamic flow management, says Hernandez, not least by enabling real-time notification of bottlenecks and expected passenger flow, based on flight data and airport sensors. He says that at many airports there could be opportunities to cut the time it takes to get from check in and through security by 75%, allowing passengers to pass through security in less than five minutes, giving them 30 to 45 minutes to shop and offering the prospect of an increase in retail revenues of as much as 15%.



Hernandez says that capital-strapped airports around the world are looking at how they can optimise operations to cut costs, improve capacity utilisation, improve security and reduce issues related to loss and pilferage. Supporting higher capacity with existing assets is a key goal for many airports.

Avasant has worked with Toronto Pearson, Canada's largest airport and the second busiest airport in North America, to support an enterprise-wide business and IT transformation initiative. An increase in non-aeronautical revenues, user experience improvement and operational process optimisation have been key elements of the airport's plan. A technology blueprint, road map and sourcing strategy, together with an innovative gain-sharing model are enabling Toronto to defer new investment, cut IT operations costs by over 35%, identify business operations cost reductions of 20 to 25% and identify an increase in non-aeronautical revenues of 10 to 15%.

Looking ahead to coming trends in digital business transformation for airports Hernandez says that will partly depend on each airport's circumstances, but he foresees growing interest in both intelligent maintenance and digital solutions to security challenges.

PASSENGER NUMBERS GO ON RISING

As the summer 2017 season began **UK airports** continued to smash records for passenger numbers – with most forecasting further growth over the coming months.

Birmingham Airport saw a 19.5% increase in May over the same month last year, with 1.2 million passengers. It was the 27th consecutive month of growth. Short-haul services racked up the most significant growth, with routes to Nantes, Sofia and Rhodes recording the biggest increases.

Manchester Airport's growth in May was 11.9%, with more than 2.5 million passengers. May was the 38th

consecutive month of growth, with Alicante, Hamburg, Berlin, Stockholm and Paris showing the biggest increases.

Edinburgh Airport had its busiest May on record, with a 10.8% increase and 1.2 million passengers, with the biggest increase in international passenger numbers. Nearby Glasgow Airport saw a 10% increase, with 910,000 passengers.

London Luton Airport continued over three years of consecutive growth with 8.1% growth in May and more than 1.4 million passengers.

Stansted Airport had 7% growth in May, with nearly 2.3 million passengers, a

record high for the month. The biggest year-on-year growth was on routes to Denmark, Bulgaria and Cyprus.

Gatwick Airport recorded 6.7% growth in May, with more than 4 million passengers. Demand for long-haul destinations enabled Gatwick to achieve its 51st consecutive month of growth. North American destinations were up by 13%, led by Fort Lauderdale (up 125%), Los Angeles (up 48%) and Calgary (up 43%).

Belfast International Airport had its busiest day ever on 23 June, with nearly 24,000 passengers passing through the airport.

SOLAR POWER CUTS COSTS AND EMISSIONS AT BELFAST

Over a quarter of the power at Belfast International Airport is now coming from the sun, cutting the airport's costs and emissions.

The airport has announced savings of over £100,000 for the first ten months of operation of its dedicated solar farm, located close to the airport's terminal building. It is also estimated the energy from the farm will save 2,100 tonnes of carbon emissions each year.

Lightsource Renewable Energy, one of Europe's leading solar energy companies, spent £5 million building the farm, with the airport buying the clean electricity produced through a 25-year power purchase agreement. Although on average the solar farm is expected to generate over 25% of the airport's annual energy needs, at certain peak generation times the airport has



run on solar electricity alone for almost nine hours.

The airport's Operations Director, Alan Whiteside, said: "The solar farm project has exceeded all expectations. The project

is consistently delivering a reliable 'green' and cost-saving energy supply for the airport. No other airport in either the rest of the UK or Ireland has a similar energy source and we are delighted with its operations".

HEATHROW'S PAULA STANNETT WINS EXCELLENCE AWARD

Heathrow Airport's Human Resources Director, Paula Stannett, has won ACI Europe's first-ever HR Excellence Award.

Paula picked up the award during ACI Europe's gala dinner in Paris in June from Augustin de Romanet, Chairman and CEO of Aeroports de Paris and outgoing President of ACI Europe.

The award was created to recognise individuals who have demonstrated excellent leadership and human resources management. The objective of the new award is to give exposure to excellence that will help the airport community to better assess and implement the new procedures and skills needed to develop the industry's workforce.



Paula won the award for her demonstrated excellence in human resources and her leadership acumen. She was also honoured for investing heavily in increasing staff engagement to positively transform the workplace culture and for her focus on catering to employees' needs and helping them fulfil their potential.

Vikki Gledhill, Reward Business Partner at Manchester Airports Group (MAG) was also highly commended for this award.

The winner of the 5 to 10 million passengers' category was Naples International Airport, with Bristol Airport highly commended.

BIRMINGHAM AIRPORT CONDUCTING AIRSPACE CONSULTATIONS

Birmingham Airport has launched a consultation with residents affected by new proposed flightpaths for aircraft departing to the north of the airport.

The planned new flightpaths are part of a national programme to modernise UK airspace and will result in the removal of fixed ground radio beacons and the reorganisation of airspace to the north of Birmingham.

David Winstanley, Chief Operating Officer at the Airport, said: "These consultations are an essential part of the process. Aside from technical flying constraints, we also analyse the impact on surrounding communities and take the views of our local stakeholders very seriously. These consultations give an opportunity for dialogue, characterised



by an open and honest approach which aims to build understanding, trust and mutual respect. We really encourage local communities to attend".

A series of 12 early evening consultation meetings began on 4 July and will run for eight weeks to 21 July. The

consultation is part of an airspace change process required by the Civil Aviation Authority.

Birmingham Airport is the UK's seventh largest airport, handling 12 million passengers a year and serving 140 destinations.





AIRPORT OPERATORS ASSOCIATION

3 Birdcage Walk,
London SW1H 9JJ
United Kingdom

T: +44 (0)20 7799 3171
E: info@aoa.org.uk
F: +44 (0)20 7340 0999
W: www.aoa.org.uk