

# Consumer Panel minutes

## 11:30 – 16:00 27 January 2022

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### Attendees

#### Consumer Panel

Jenny Willott (JW)	Panel Chair
David Thomas (DT)	Panel Members
Walter Merricks (WM)	
Jacqueline Minor (JM)	
Carol Brennan (CB)	
Helen Dolphin (HD)	

Harriet Gamper (HG)	Secretariat
Tom Willis (TW)	

### Invited guests

Paul Smith (PS)  
Nic Stevenson (NS)  
Barbara Perata-Smith (BP)  
Rob Toal (RT)  
Freya Whiteman (FW)  
Claire Lambert (CL)  
Kee Sims (KS)

### Declaration of interests

None.  
The Panel noted the minutes from the October meeting.

## 1. Chair's Update

JW gave an update on activities since the previous meeting. The Panel submitted evidence to the Transport Select Committee and JW was invited to give oral evidence to the Committee in December. JW has met with PS for their usual monthly catch ups. They have been discussing the recruitment of new Panel members as well as the Secretariat position. JW had an introductory meeting with AB and has also met with Tim Johnson for their quarterly meeting.

## 2. Members' Updates

DT and JM fed back on the H7 meeting that took place since the last Consumer Panel meeting. DT explained that it has been very useful to have been kept in the loop and updated on progress with the project.

CB updated the Panel on the ComRes meeting. The report was far more straight forward than the report for the wave 9 survey. Some of the key points were that there was a 22% drop in those who had flown in the last 12 months since the wave 9 survey. 7 in 10 people choose to wear face coverings and 1 in 5 respondents do not want to travel in the next 12 months.

HG fed back on her involvement in the developing consumer research for teams working on economic regulation. The Panel's feedback on the ATOL consultation was that there needed to be some primary consumer research and HG has been involved in selecting the research company: 2CV has been appointed.

### **3. CAA Update**

The last month and a half has been dominated by the Omicron variant, the new restrictions brought in by governments across the world and the subsequent industry restart due to travel restrictions not lasting very long.

PS updated the Panel on the current situation of the industry. The first quarter on the year is expected to be very poor in terms of travel. However, there has been a rise in the number of people booking 2 – 3 holidays this year due to accumulating extra cash as a result of the recent restrictions. There has been a large increase in people booking travel to see family and friends who are abroad but a large drop in the number of older people booking holidays abroad, directly as a result of Covid.

From a consumer perspective, there is a large amount of recruitment needed by travel companies in order to provide good a consumer experience and a good service. Many companies are having difficulty attracting back employees that moved to different industries during the pandemic.

There has been a significant increase in the proportion of people declaring themselves to be PRM since the beginning of the pandemic. This seems to be due to the fact that many people are finding the whole travel experience very intimidating and challenging following the pandemic and the length of time since they last travelled.

#### **Discussion**

HD queried given the difficulty in recruiting new staff, whether is there a danger that the industry will be recruiting unskilled or unqualified staff rather than recruiting the right people for the job.

PS agreed that this is a risk, however, consumer surveys are still being completed and will be continued to keep track of consumer experience trends. As it stands now, consumers are generally happy with the overall experience.

JW asked about the DfT's new Aviation Strategy and whether PS had any insights into discussions between the CAA and DfT about the content and timeline.

PS explained that this is still work in progress and the CAA has continued to push for increased consumer enforcement powers.

## 4. CAA Sustainability Strategy

BP and NS updated the Panel on the CAA's Sustainability Strategy and what has happened since the last update to the Panel. The latest version of the Sustainability Strategy was presented to the Board on 19 January and a copy of the Board slides were presented to the Panel.

NS explained that recruitment for the new Environmental Sustainability Panel is now in progress. The Panel will be modelled on the Consumer Panel and will work as a critical friend to provide engagement with CAA on environmental matters, as well as providing expertise where required.

BP laid out the purpose of the strategy, which is to set out how CAA can support the decarbonisation of the aviation, aerospace, and space sectors as well consider wider environmental challenges.

The Government is responsible for setting the ambition for sector emission reductions and the CAA will identify how to support and help achieve this. There may also be an opportunity to advise on the level of ambition.

### Strategy goals and outcomes for 2022

The CAA will:

- Start reporting on the environmental performance of the UK aviation's sector as a whole, against government targets
- Consult on the proposal for sharing environmental information provision with consumers
- Work with DfT to support government's input on sustainability at the ICAO Assembly in Autumn
- Design a roadmap to set out the steps towards reaching 100% sustainable aviation fuel
- Propose a set of options to government on how to prioritise trade-offs more clearly

There was a discussion about the strategy and the importance of prioritisation and a clear implementation plan.

## 5. H7 Update

RT began by giving the Panel an update on the progress of H7 since the last Panel meeting. RT explained that H7 is now entering a key phase in the price review process with final proposals due in the spring and a final decision, including licence modifications, scheduled for summer 2022.

The CAA published its Initial Proposals for the H7 review in October 2021, based on a range for airport charges of £24.50 to £34.50. In December 2021 the CAA also made a licence modification to introduce a holding cap for 2022 based on the mid-point of this range i.e. £29.50, and stakeholders have until 2 February to appeal this decision to the CMA.

HAL and airlines have also both provided updated financial analysis with their views on the appropriate level of airport charges. There remains a significant gap between them with HAL proposing £47 per passenger and airlines a range of £11-£15.

The H7 team is now in the process of updating their analysis and will return to the main Board in February with an update on the direction of travel and again in March with final proposals.

Consultation responses show that HAL considers the forecasts in the Initial Proposal do not allow them to deliver on consumer outcomes and are not financeable, whereas airlines are concerned with the scale of increase in the charge implied by the Initial Proposal.

## 6. Space

CL introduced herself to the Panel and explained that the CAA became the UK's independent space regulator on 29 July 2021. She then gave a brief overview of the UK's space sector:

- Satellites support services the UK public, businesses and government rely on every day
- The UK space sector has grown by more than 60% since 2010/11
- The sector generates income of £14.8 billion p.a., employs 42,000 people, and supports £300 billion of economic activity through satellite services
- The UK's core strengths are manufacturing small satellites and creating applications for satellite data
- There are 23,000 trackable objects in orbit: 2,200 are working satellites and over 200 are UK registered. Companies like OneWeb plan to launch constellations of hundreds of satellites
- The number of UK satellites in orbit is expected to more than triple in the next few years

CL discussed the legislation which shapes regulation of the sector. There are three main pieces of legislation:

- **The Outer Space Act 1986 (OSA)** applies to UK nationals and UK companies intending to launch or procure the launch of a space object or operate a space object outside the UK
- **The Space Industry Act 2018 (SIA)** applies to anyone intending to carry out space activities, sub-orbital activities, and associated activities in the UK
- **The Air Navigation Order** applies to the launch of a vehicle in the UK that is not capable of operating above the stratosphere (circa 50km altitude)

### Discussion

Questions were asked about the interaction between the CAA's space sector and general Civil Aviation, including the potential impact on consumers. The main area where there could be cross over would be during rocket launches, because air space would need to be kept clear, which could impact civilian flights. This would have to go through the same air space change process as standard Civil Aviation.

There was also a discussion about space debris, as 21,000 of the 23,000 objects orbiting the Earth are space debris and 2,000 are satellites. Clearing debris and ensuring future safety is important and the sector is exploring technology that can safely collect debris.

## 7. CAA consumer insight work

NS and KS updated the Panel on the CAA consumer insight work and developments that have taken place since they last updated the Panel.

In order to build on what the CAA has done in 2021, they are considering a more in-depth, targeted, research piece on COVID-19 and recovery to be carried out in Q1 2022. This would support the CAA Board's priority to "support a safe and consumer-focused response to, and recovery from, the COVID-19 pandemic".

The budget is similar to the budget that was available for the Britain Thinks research on environmental information in early 2021.

There was a discussion about the focus of the research, other sources of consumer insight recently published by other sources and the importance of timely data to shape the recovery to the benefit of consumers.

## **8. AOB**

There was no AOB.