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Gatwick Airport Consultative Committee

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22 July 2020

Dear Mr Shapps,

Gatwick Airport recovery of operations from COVID-19 pandemic

On behalf of GATCOM, Gatwick Airport's independent statutory airport consultative committee, I write to advise you of the Committee's perspective on the key areas of focus in supporting the recovery of operations at Gatwick Airport whilst also using the opportunity presented by the slowdown in air travel to ensure, as the Prime Minister put it, that we "build back better" and, in so doing, deliver a "green recovery".

GATCOM is acutely aware that the COVID-19 pandemic has had a severe impact on our national and local economies affecting all sectors. Aviation and the travel industry has been one of the hardest hit areas with the ripple effects being felt across communities that rely on them.

The impact of the crisis and its likely aftermath on Gatwick has brought into sharp focus how much the local economy relies on the airport. The recent [Centre for Cities](#) work has shown that areas around airports are likely to be hardest hit by the economic downturn, with Crawley cited as one of the hardest hit locations in the UK. The high number of job losses at Gatwick and across the region in airport roles and the supply chain is already evident. Another recent [independent report](#) commissioned by the Gatwick Diamond Initiative highlights that the downturn in airport activity will have an indirect impact on 1 in 10 jobs in the Gatwick Diamond area and indicates a loss of 12.8% GVA during 2020. To recover the loss of output within the next five years will require an annual growth rate of 2.7%.

Gatwick Airport Limited has warned that it expects to take up to four years for demand for flights to fully recover from the pandemic whilst the Coast to Capital LEP estimates that the aviation sector in our region could face an up to £8 billion hit across the coming year putting further jobs at risk.

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By Email

Rt Hon Grant Shapps MP
Secretary of State for Transport

GATCOM is therefore anxious to see plans and strategies put in place to support the airport's recovery and to help identify what additional support is needed over the coming months and years as part of efforts to revive the national economy.

The imperative to rebuild aviation must not be at any cost. The opportunity must also be taken to implement, as part of the national recovery strategy, sustainable growth measures particularly in respect of addressing the climate change agenda (nationally as well as locally) and other environmental and negative impacts of airport operations including the setting of new improvement performance standards to help secure faster reductions in carbon emissions, reduction in noise and air pollution (including the need for Government funding towards research projects needed to help determine and bring forward the setting of national standards for ultrafine particles). GATCOM therefore supports a balanced approach to economic and environmental measures. As part of this we believe that Government should consider using revenue generated from Air Passenger Duty to support targeted environmental improvements and mitigation measures.

The recommendations of the House of Commons Transport Committee's recent report on the impact of the coronavirus pandemic on the aviation sector are pertinent and we would urge the Government to publish a strategy for the restart and recovery of the aviation sector as soon as possible.

GATCOM has also discussed with Gatwick Airport Limited the key points it has put to the Government. We support these requests and comment as follows:

- the need to minimise job losses in the aviation sector while protecting pay, employee rights and health and safety standards. Gatwick Airport Limited's request to Government for an extension of the furlough scheme to April 2021 is viewed as appropriate and absolutely necessary to help the airport through the quieter winter months and through the period where quarantine measures across the globe are still in place and which continue to impact on the resumption of services at Gatwick. Whilst the Chancellor's recently announced job retention bonus for employers who bring back furloughed staff and job placement schemes for young people are commendable, there is still a need for an aviation sector specific extension to the furlough scheme which will help ensure the airport is able to respond quickly to changing circumstances so that airport staff can begin to be taken off furlough and return to work as demand returns.
- the Government's recent announcement on lifting the quarantine requirements in England for lower risk countries in time for holidays this summer. GATCOM also agrees that continuing negotiations on the possible establishment of other international travel corridors is an essential component of the aviation recovery strategy which in turn will help to ease the wider economic downturn.
- a resumption of the 'use it or lose it' slot allocation rules to enable slots not currently used by airlines to be utilised.
- the need for interim arrangements for regulation and fees for the CAA, air traffic control and other agencies during the period of much reduced activity at the airport.

- the potential extension of the Government's Business Rates Relief Scheme to include airports in England, provided:
 - the Government fully reimburses billing authorities and major precepting authorities for the actual cost to them under the rates retention scheme of the relief; and
 - ensures that any relief given to airports is also passed on to those other businesses operating on airport.

GATCOM is acutely aware of the additional pressures the COVID-19 pandemic has had on local authorities' own income and budgets and any rate relief scheme must not result in reduced income for local authorities.

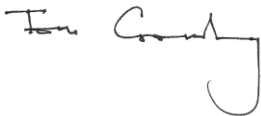
GATCOM recognises the vital importance of ensuring a balance is struck between the environmental, operational and economic considerations as the Government develops its aviation recovery strategy and asks that the important considerations raised in this letter be taken into account.

GATCOM also advocates the importance of a joined-up approach across Government to address the intrinsically linked wider regional economic impacts around airports in a way that supports further collaborative working between all parties. The Business Secretary's recently announced 'Recovery roundtables' to explore how business can work with Government to deliver economic growth and jobs, focused on 5 key themes: the future of industry; green recovery; backing new business; increasing opportunity to level up economic performance across the UK and the UK open for business is a good example of the partnership collaboration that is needed for the Gatwick area.

Given GATCOM's independent role, the Committee can help to build a common understanding across the different interest groups on planning a way forward with Gatwick Airport Limited in a way which addresses the immediate priority of supporting the economic recovery for the region whilst at the same time takes the opportunity to deliver environmental improvements. The Committee hopes therefore that the key points of concern and opportunities raised in this letter can be taken into account in the Government's aviation recovery strategy.

I look forward to hearing from you.

Yours sincerely,



Tom Crowley
Chairman

CC to:
Minister for Aviation
Chancellor of the Exchequer
Chief Secretary to the Treasury
Secretary of State for Environment, Food and Rural Affairs
Secretary of State for Business, Energy and Industrial Strategy
Secretary of State for International Trade
Gatwick MPs
Local Authority Leaders & Chief Executives