

# Minutes

11<sup>th</sup> October 2013

**Meeting title/subject:** Premium Check-in Areas Consultation – Follow on Meeting

**Meeting location:** Kuala Lumpur Meeting Room, Compass Centre

**Present:**

John Arbuckle (JA)	Heathrow Airport
Kingsley Mack (KM)	Heathrow Airport - Minutes
Andrew Gilling (AG)	British Airways
Laura Halle (LH)	CBRE on behalf of Singapore Airlines, JAL & SAS
Jim Hunter (JH)	AOC
Jessica Monty (JM)	Brussels Airlines
Derek Peters (DP)	Air China
Maria Roussis (MR)	Cyprus Airways
Amgad Shaheen (AS)	British Airways

<i>Minutes:</i>	<i>Action</i>
<p>1. INTRODUCTION TO CONSULTATION</p> <p>Prior to start of meeting AG raised apologies from Steve Barnes - British Airways and Clive Redding – LSH on behalf of Virgin.</p> <p>JA welcomed all to the second consultation meeting to seek feedback on the Heathrow Premium Check- in Areas Consultation Document.</p> <p>JH asked if there was an agenda. JA said this was simply a follow on from the previous meeting which ran out of time and therefore no new agenda.</p> <p>JA suggested that for this meeting firstly the minutes from the last meeting be agreed and confirmed followed by an overview by JH from the meeting with Stephen Wilkinson (Property Director). Following this JA suggested the consultation document be reviewed again</p>	
<p>2. MINUTES FROM MEETING DATED 25<sup>th</sup> SEPTEMBER 2013</p> <p>KM ran through the draft minutes highlighting changes following attendee feedback. The minutes were then agreed. JA confirmed that the minutes would be finalised and circulated as well as posted on the Heathrow website</p>	JA
<p>3. OVERVIEW OF MEETING BETWEEN JIM HUNTER &amp; STEPHEN WILKINSON</p> <p>JH confirmed that he and Stephen Wilkinson had met to discuss Premium Check-in Areas. From the meeting it was decided that this issue would be dealt with in two stages:</p> <p>1) Governance – The response to a request for an area in terms of desk allocation/ capacity.</p>	

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<p>2) Estates - Involved in the documentation of the Premium Check-in area</p> <p>JH explained that the twice per year desk allocation would take place as usual inline with the check-in protocol which is already in existence. JH explained that once a request was received (not including tensor barriers, pot plants etc) the Terminal AOC would review to allow all airlines within the terminal to comment. Following this the application would proceed to the AOCA. A recommendation to proceed or not would be provided at this stage with any considerations that must be included as a result of the approval.</p> <p>JA confirmed further that any pot plants and tensor barriers would be dealt with on a local Terminal level and confirmed that he welcomed bringing some structure for the allocation process. JA reaffirmed that the property team would make up the back end of this process in terms of works approval and documenting the area once the request had been approved.</p> <p>JA confirmed that he was currently attempting to arrange a meeting with Edwina Silo (AOC) to draft a process.</p> <p>JH clarified that given the Terminal AOC and AOCA potentially sit on the same day that this could be a relatively quick process and would allow a judgement by the airlines as to whether a request is approved. In addition JH clarified that he would not be involved in the estates process and intimated that Andrew Gilling would represent the AOC.</p> <p>AG agreed that the correct process should be defined and it was correct in that the airlines should consider the impact which would help define a case by case agreement</p> <p>AG commented that that response from the AOCA could be in the form of heads of term in terms containing key information including potential term of the Premium Check-in Area and any physical constraints. This would allow the airline to decide whether a Premium Check-in Area was feasible.</p> <p>JH asked the other airline representatives' attending if this proposal was acceptable. DP and JM agreed.</p>	<p>JA</p>
<p>4. SPACE ALLOCATION</p> <p>JA confirmed that this has been covered previously with the overview provided by JH and requested any further comments to which there were none.</p>	
<p>5. WORKS APPROVAL</p> <p>JA commented that this would follow the normal HAL approval process.</p> <p>AG queried point 3.3 in particular the reinstatement of concourse. AG queried that from previous experience the floor tiles within the terminal concourse were made/ supplied by one supplier and therefore there had been issues obtaining</p>	

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<p>these within the required time limits and as such there should be consideration into the possibility of a delay in handing over the area at the end of the term.</p> <p>JA commented that there were always tiles being replaced and that HAL maybe be able to offer assistance in some way</p> <p>6. DOCUMENTATION</p> <p>JA confirmed that a standard draft licence had been circulated</p> <p>LH noted that there was no reference to Alliance Partners. JA confirmed that this was not a problem and this wording could be inserted if required.</p> <p>AG raised the issue of branding and how this linked into the documentation as currently there was no connectivity between the licence and branding. AG believed that the two were required to work together and required clarity in and that there should be some form of cross reference.</p> <p>JA commented that the licence purely documented the physical space however AG commented that he could not see how branding works would not be part of this. AG appreciated that property was not driving the branding issue but wished to ensure all elements involving the areas was aligned</p> <p>JA clarified that at the works approvals stage the branding would be approved at this point. If any branding was deemed as advertising this would be dealt with and documented separately. JA further clarified that as part of the approvals process that Wayfinding/ Branding would be involved as a stakeholder.</p> <p>LH commented that the rate proposed was similar to that to a fitted office rate and whether there would be a rent free period whilst works were on-going.</p> <p>JA commented that the fee would be applicable from when the site became operational and the licence fee would commence following the fitting out process. If there was a delay after the fitting out period a long stop date would be required.</p> <p>AG commented that this should not be an issue as the approvals team would be provided with a programme of works.</p> <p>AS commented that as branding/ advertising were to be dealt with separately if there were any issues that this could stall the whole approvals process. JA commented that if there were problems that the issue would likely be escalated to reach agreement.</p> <p>Further discussions surrounding the branding and advertising ensued. JH commented that branding is part of the passenger journey and tells the</p>	

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<p>passenger they are at the correct location. This could be deemed as branding but was also identification.</p> <p>JH informed those present that that the issue of advertising/ branding and wayfinding had been raised at a meeting attended by John Holland Kaye and that the ethos of the meeting was that an airline name is required to show passengers that they have arrived at the right place.</p> <p>AG asked whether this meeting was part of a wider consultation. JH confirmed that this was only involving T2.</p> <p>JA commented that the branding guidelines document was produced to aide airlines and Terminal Management teams.</p> <p>DP questioned as to whether branding rules are similar for all terminals. JA confirmed that they were and that HAL uses the guidelines to develop branding/ wayfinding in terminals</p> <p>Discussion continued around branding guidelines and the influence upon wayfinding.</p> <p>AG raised a request from Steve Barnes that he would like a better understanding of how the live branding documents works and how the new versions are developed considering the current version is version 4.</p> <p>JA commented that changes are on-going in terminal both by HAL and airlines and as such the document is updated to reflect the changes. JA confirmed he was happy to arrange a meeting with Nigel Clark to explain how the document works.</p> <p>AS commented that there was always a fine line between branding and advertising and he had always been referred back to JC Decaux. As a result someone should be able to define the difference between branding and advertising.</p> <p>JA commented that the branding document intended to bring consistency to branding and wayfinding design. JA suggested in order to move discussion forward contact should be made with Nigel Clarke.</p> <p>JH commented that as part of the Governance that it may be appropriate for feedback to be included as part of the Governance process.</p>	<p>JA</p>
<p>7. CHARGES</p> <p>JA referred to the Consultation Document and confirmed that the fee proposed was £50psf based on headline landside terminal offices and allowing for a discount of 25% to reflect the difference between an office and Premium</p>	

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<p>Check-in Areas. JA commented that to promote consistency the same charge rather than different charges for each terminal.</p> <p>JH queried how this figure compared to what was currently being paid. JA confirmed that the figure was about the same with some areas paying slightly more and some less than this figure.</p> <p>JA further confirmed that the maintenance charge would be that of offices at £5.99psf.</p> <p>JH further queried with a large terminal building how a decision could be made as to what the heating cost would be?</p> <p>JA confirmed that this figure was a contribution to the running and not specific to a single part of the building.</p> <p>AG highlighted that British Airways were paying a fee in the region of the proposed fee within T5 but this was for an area on a concourse and not fronting check-in desks and that previously this area had been zoned for a retail use. AG accepted that there was a potential revenue stream for HAL for this space and as such a commercial decision had been made to take this space. AG questioned that he could not see how this was not revenue driven given that HAL were setting a value for a fitted out space where all the investment was being undertaken by the airline and where there was a less term certain. AG further questioned why HAL were looking at generic office rents when there were more comparable rents for space at the rear of ticket desks.</p> <p>In response JA explained that these were prominent sites which were for premium facilities for premium passengers. £50psf was in alignment with what was currently being paid and related back to office space which was discounted significantly to reflect the term.</p> <p>In response AG queried that if the value reflects prominence what is the alternative use. AG further commented that HAL will have to justify the rates and be very clear regarding this.</p> <p>JA further commented that an airline would be utilising this space exclusively and with exclusivity drives a charge.</p> <p>AG commented further that 17hours of desk useage was paid for already and would be contributing to the Q especially if only running the Premium Check-in area for 6 hours only.</p> <p>JH commented that a balance had to be made in that would have to take into account that desks would be taken for 17 hours a day. JH further commented that the revenue would need to go into the single till which would lead to lower</p>	

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<p>landing charges for the airlines. JA agreed that the revenue would go into the single till.</p> <p>AG went on to confirm that there is a disparity in the rate that has been put forward given that these areas front check-in desks and that there is no commercial value.</p> <p>JH commented that there would have to be a compromise to ensure a proper value in order for the revenue to go into the single till or other uses. JH further commented that the value placed on these sites could not be too low or all airlines would request space and that therefore the charge is a good way of ensuring no over demand.</p> <p>JA intimated his agreement.</p> <p>JA referring to alternative uses raised that the reasons for the existence of these facilities were to enhance the premium passenger experience and that has to have a value. AG agreed but further commented that there is also an opportunity to HAL in that there is an opportunity to process passengers quickly and allow them more dwell time in the departure lounge.</p> <p>JA reiterated the need for standardisation and consistency and JH commented that there were further discussions required in respect to charging.</p> <p>AG commented that a value should be agreed on a case by case basis.</p> <p>On a separate point JH raised that it may be useful for Stephen Wilkinson to attend the next rents group meeting not as chair but simply to attend to discuss. JA confirmed he would raise with Stephen Wilkinson.</p> <p>DP questioned as to whether it was likely for Premium Check-in areas to be built in T2. JA believed that it would not be likely. AG commented that there was a consensus that there was not enough concourse and if there was an application this would now follow the process discussed.</p> <p>DP further questioned as to when an airline would discover if they would be affected by a Premium Check-in Area. JA confirmed that this would be via the process discussed and through local Terminal AOC engagement.</p> <p>AG queried when responses to the consultation were required. JA confirmed that this would be by 30<sup>th</sup> October for formal responses and requested any comments on the proposed timings. AG confirmed that the AOC and British Airways would not have an issue with the proposed timings.</p> <p>JA requested any further comments.</p>	<p></p> <p>JA</p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p>JA</p>
<p>8. CLOSE</p>	

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<p>JA thanked everyone for attending and asked if there were any further questions</p> <p>MR queried whether this would involve T4 as Cyprus Airways were relocating there. JA confirmed that it may as any airline may make a request for a Premium Check-in area. MR requested documentation from the last meeting and JA agreed to forward the minutes from the previous meeting.</p>	