

London Stansted Airport Consultative Committee

Wednesday 26 April 2017

Airport Management Report

Management update

The airport management team are as follows: CEO, Andrew Cowan; Commercial Director, Martin Jones; Customer Service and Security Director, Daniel Gallo, Operations Director, John Farrow; Finance Director, James Dix; Assets Director, Karen Smart; Aviation Director, Mats Sigurdson; HR Director, Liz Austin; Head of External Affairs, Chris Wiggan and Transformation Director, Martin Lyall.

Passenger numbers

Mar-17	Monthly			Moving annual total		
	2017	2016	Diff	2017	2016	Diff
Total passengers	1,877,849	1,892,166	-0.8%	24,348,675	23,183,620	5.0%
Air transport movements	13,211	13,393	-1.4%	165,535	161,024	2.8%
Cargo tonnage	24,250	22,006	10.2%	254,588	243,165	4.7%

Stansted served **1.87 million passengers in March 2017**. The monthly figure was broadly flat (-0.8%) compared to March 2016, due in part to the later Easter holidays this year and also the previously reported temporary reduction in capacity on some Ryanair routes over the end of the winter season.

In the 12 months ending March 2017, Stansted's passenger numbers grew by 5.0% compared with the previous year with the moving annual total rising to 24.3 million.

The top five international growth markets by passenger numbers in the last 12 months were Italy, Bulgaria, Spain, Germany and Poland. Spain, Italy and Germany were also the most popular countries by total passenger volumes in the last year with 41% of all the passengers traveling through Stansted flying to or from destinations in these countries. The most popular destinations include Rome, Barcelona, Madrid, Bergamo, Berlin and Cologne.

Cargo volumes increased by 10.2% over March 2016 with over 24,000 tonnes shipped through the airport during the month. In the 12 months to March 2017, the annual total grew by 4.7% on the previous year to nearly 255,000 tonnes.

Jet2 and Jet2 Holidays

On 30 March, Jet2.com and Jet2holidays celebrated its first ever flights and holidays from Stansted. From this summer the airline will serve 27 destinations from the airport on a fleet of new Boeing 737-800 aircraft. The scale of the operation makes Stansted Jet2.com's and Jet2holidays' fourth biggest UK base and its first in southern England, with up to 96 weekly flights at peak season.

The airline has created over 250 jobs in flight and cabin crew, engineering and ground operations roles.

Arrivals building planning application and phase 1 works

On 5 April, the airport was granted planning permission from Uttlesford District Council for a new £130 million arrivals building that will enhance the passenger experience and provide capacity for growth over the next decade.

The 34,000m² arrivals facility designed by architects *Pascall+Watson* and spanning three levels, will be situated next to the current terminal and will include larger immigration and baggage reclaim areas, new retail facilities, improved access for all onward transport options and a public forecourt to create a welcoming environment for arriving passengers.

The first phase of works will begin this summer to create additional capacity in the short-term, including extra check-in desks, additional seating and new restaurants facilities in the exiting terminal / departure lounge. Additional car parking spaces and 'meet & greet' facilities will be introduced over the summer.

Construction of the arrivals building will take up to three years to complete once work begins late next year. STACC and UEG will continue to be consulted in the various forums as plans progress.



Security Hall improvements - Central Image Processing (CIP)

As part of our on-going plans to improve the security hall process and passenger throughput, nine out of thirteen CIP lanes are now installed. Daily deployment of staff to CIP lanes and the remote screening room is now business as usual. CIP lane performance continues to be stable and these lanes are processing more passengers consistently. The rollout of the remaining four lanes will not be completed until summer 2017, as a short project break was required to ensure there was sufficient lane availability over the busy Easter period.

Security breach

On 28 March, a group of 17 protestors cut through a section of the airport's 11 mile perimeter fence and chained themselves to a Home Office deportation flight. Although the incident was quickly contained by Essex Police and Stansted's airside security team, the runway had to be closed as a precautionary measure. The closure resulted in 23 flights being diverted to other UK airports, considerable disruption to passengers with subsequent financial and reputational implications for the airport. The protestors were arrested and charged.

Following the incident, a comprehensive review has been commissioned by the Home Office to explore whether there is a case, in principle, for continuing to use Stansted for deportation flights in the future.

New on-site Technical College

In early February, a new on-airport Technical and Professional Skills Centre secured funding totalling £3.5 million following Government confirmation of the latest investment into the South East LEP Local Growth Fund. The application, made by Harlow College and supported by STAL and

Essex County Council, will see an £11 million skills centre delivered north side to meet the skills gap in aircraft engineering, logistics and customer service. It will help to bridge the gap in technical skills match the growing skills need of the airport and wider area. Subject to planning permission the college is expected to be open in September 2018.

Annual Transport Forum

The airport hosted its annual Transport Forum on 23 February. Andrew Cowan opened the event. More than 120 industry experts, local authority representatives, airlines and businesses attended and heard about new transport initiatives to cater for extra passenger growth including Abellio Greater Anglia's plans for new, faster and more reliable Stansted Express trains by 2019 and improved customer initiatives to better integrate the door to door passenger experience.

Airlines and business development

- **Jet2:** The airline successfully launched its first flights from Stansted on 30 March. The inaugural flights were to Alicante, Faro, Lanzarote and Majorca. The opening of the new base at Stansted is the biggest for the airport in the last 13 years.
- **Air Moldova:** The airline has announced that they will be adding in an additional frequency in summer 2017. The decision to do so was driven by an increasing number of passengers using the service to connect to other destinations. The most popular routes are to Moscow and St Petersburg. This will be the 5th weekly frequency for Air Moldova at Stansted, achieving a 50% growth in year on year passengers.
- **Loganair:** The Department for Transport confirmed that the London to Dundee route will continue to operate from Stansted until 2019.
- **Ryanair:** In addition to the nine new routes that were announced earlier in the year, the airline has added in a daily service to Frankfurt International from September. The service will be increased to double daily for the winter season.
- **BMI Regional:** The airline is launching a Stansted to Derry service from mid-May. This is following Ryanair's withdrawal on the route, and has now been made a designated "PSO" (public service) route by the UK Government.
- **BA Cityflyer:** Following agreement of commercial terms earlier in the year for summer 2017, the airline formally announced its flying programme which includes three new routes - Florence, Geneva and Nice. Florence is currently un-served at Stansted.

Capital projects

Project	Timescale
Asset replacement of items such as valves, air conditioning, lifts, CEM readers, doors and lighting	On-going throughout 2017/18.
PRM Customer Service Improvements	A relocated landside desk and reception area for our PRM customers, an increased capacity airside departures waiting area with improved facilities and an airside arrivals building are all due for completion within the next quarter.
TTS Control System	Full testing of newly installed and updated control systems carried out during the last quarter of FY17 and all works completed during March 2017.
Security Specific Projects	A number of regulatory and security enhancing schemes are currently underway in both the Security Hall and Baggage Area. This is the current major area of capital spend within the fiscal year 16/17. Tangible customer service improvements have already been realised with the first phase of the security hall projects.
Auto Bag Drop	A new process and technology to Stansted has been implemented to ease Check in for passengers. Auto bag Drop technology will enable passengers to tag their own check in bags and has been rolled out along with flexible branding to check in desks.
Reconfiguration of Meet and Greet Reception space	In order to address specific operational issues, impacting on our customers, a reconfigured meet and greet drop off and collection area is being provided. This will provide much needed operational capacity to a frontline car parking offering and will be operational for Summer 2017.
Group wide IT Schemes	Numerous schemes currently underway to improve the connectivity between all group airports. In addition we are investing in more reliable and enhanced WiFi capability Stansted passenger.
Campus wide toilet refurbishment	A full refurbishment programme of our passenger toilet facilities is currently being implemented with spend across the next 3 years. It is envisaged that our Sat 3 and Sat 2 arrivals facilities will be the first to be refurbished.
Additional Stands and taxiway	Now in the construction phase for the reconfiguration of stands to both Satellite 1 and 2 and the provision of an extended taxiway. Programme of works to be completed during 2017.

Stakeholder and community engagement

Stansted Airport CEO and directors have met a number of key stakeholders since the last report, attending external meetings to explain and answer questions about the arrivals building, surface access connectivity and the long term vision for the airport.

The management team met with a number of external stakeholders, including meetings with the Home Secretary, Amber Rudd MP; Aviation Minister, Lord Ahmad; Immigration Minister; Robert Goodwill MP and Vicky Ford MEP; CBI, Stansted Airport Chamber of Commerce and representatives from the West Anglia Taskforce, GLA and London First.

The airport also hosted a **parliamentary briefing in the House of Commons** in partnership with London-Stansted-Cambridge Consortium. The meeting was chaired by Sir Alan Haselhurst MP and attended by leaders of all neighbouring local authorities as well as MPs, Mark Prisk, David Lammy and Daniel Zeichner.

Community funds

The current status of the Fund is:



1. Stansted Airport Passengers Community Fund

Funds available expected to be £40,000 for 2017. This fund donates money to local causes within a 20 mile radius of Stansted Airport. The money donated by the committee is raised from passenger and employee unwanted foreign currency which is collected in the terminal. Consideration is given to requests from sports clubs, pre-school nurseries, junior sports clubs, brownies, guides, clubs, elderly and animal charities.

Expenditure from January to March 2017 was £10,342.

Stansted Airport Passenger Community Fund has recently supported the following bids:

- £1,300 – Hatfield Heath Pre-school
- £800 – St Mary's Church Standon
- £850 – 1st Chesterford Scout Group

2. Stansted Airport Community Trust

Funds available are £180,000. This trust supports projects which protect and enhance the social, economic and environmental well-being of the community within a 10 miles radius of Stansted Airport.



Expenditure from January to March 2017 was £13,000

Stansted Airport Community Trust has recently supported the following bids:

- £2,000 - TLC Defibrillator Group, Takeley
- £3,000 - St Clare Hospice
- £2,600 - Stansted Cricket Club

Current membership includes:

- Cllr Susan Barker (Chair) - Essex County Council
- Cllr Philip Wilson - Chelmsford City Council
- Cllr Tony Durcan - Harlow Council
- Cllr Marie Felton - Uttlesford District Council
- Cllr Diane Hollebon - East Herts District Council
- Cllr Richard Morgan - Epping Forest District Council
- Cllr Simon Walsh –Braintree District Council
- Mary Sartin – STACC member
- Canon Chris Bishop – Airport Chaplain (retired)
- Marcella M'Rabety - Corporate Social Responsibility Manager, Stansted Airport

The Section 106 obligation has now ceased however the airport has agreed to continue to contribute £50,000pa to the trust. The trustees discussed the new proposal at their bi-annual meeting on 10 February 2017 and have agreed to:

- increase the number of committee meetings from two to three per year;
- bring in a new trustee representing the on-site airport business community; and
- collectively raise awareness of the trust with the aim to increase the number of applications.

A £100,000 donation covering two years (2017 and 2018) will be transferred to the trust together with the 2016 noise fines of £4,000 in April 2017.

Stansted Airport jobs fair in Harlow

The event on 28 February 2017, held for the first time at the Civic Centre in Harlow, was opened by the Chair of Harlow Council, Cllr Edna Stevens and Cllr Tony Durcan, Portfolio Holder for Regeneration & Enterprise. Nearly 40 airport companies, representing airlines, retailers, restaurants, hotels and transport providers attended showcasing almost 400 full time and part time positions. The event was attended by over 1200 job seekers.

Foodbank donations

Over the last 12 months, the airport has been trialling a project in partnership with a number of local food banks to recycle passengers pre-security surrendered non-perishable food, unopened drink and toiletry items. The food bank in Harlow has been the most active partnership area with approximately 2,400kg of donated items during the initial trial period. The items donated are checked and sorted by volunteers and transported to food banks in neighbouring districts. It has been such a success and welcomed by community leaders that we will make the initiative a permanent feature of the airport's CSR programme.

Community outreach events

Representatives of the airport were on hand to answer questions from members of the public at an outreach event at Bishop's Stortford library on 8 March. The team distributed information about on-site vacancies, the Aerozone, community funds, residents discount scheme. The next outreach event will be held on 9 May at 3pm at the Town Hall in Saffron Walden.

Residential property portfolio

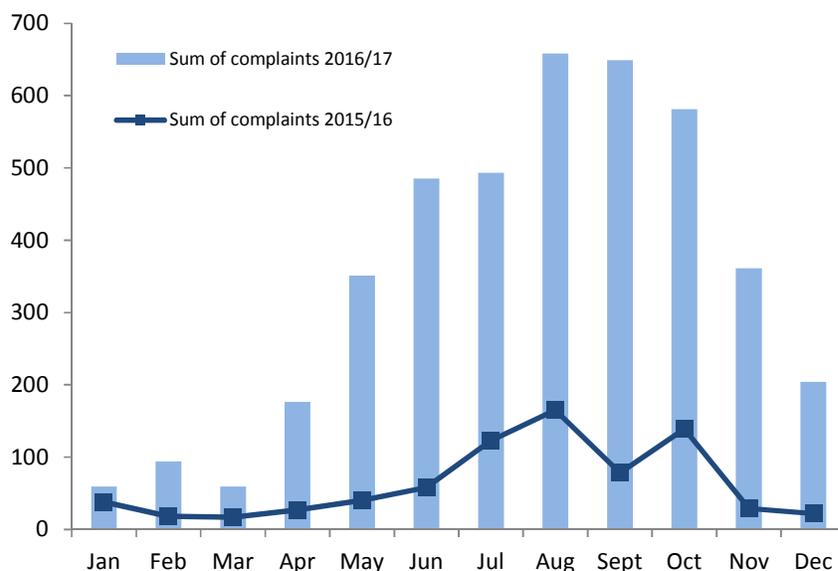
As of 31 March 2017, 125 properties have been sold (this includes a portfolio of 69 properties in Takeley) and 11 properties are in the process of exchange or a sale has been agreed. Of these properties 12 are sitting tenants, with further expression of interest received from other tenants that are being considered. Further properties are expected to be marketed with vacant possession following service of the agreed 5 month notice period in the Autumn and potential portfolio of disposal(s) being considered.

It remains the airport and MAG's intention to sell the properties in a responsible way, with a preference for portfolio sales where tenants will remain in place under their existing tenancy agreements but with a different landlord.

Noise management, environment and utilities

Noise complaints

During 2016, we handled 2,024 contacts reporting a total of 4,184 individual enquiries. This was 547% higher than 2015 (764). 4,170 were complaints and 14 were enquiries relating to provision of information.



Those 4,170 complaints were received from 670 individuals, a 173% increase on the 245 complainants registering complaints in 2015. Of these in 2016, 2,468 complaints (59%) were received from 10 people.

The highest numbers of complaints in 2016 were received in August, September and October. The pattern of complaint numbers mirrors that of previous years with the summer season prompting a significant rise. When compared against last year, complaints increased significantly as a result of the implementation of NATS LAMP phase 1a. Seven of the ten individuals logging the highest number of complaints were affected by the Clacton Noise Preferential Route (NPR).

Surface access and passenger services

Mode Share – Full 2016

Final Mode	Total	2016-12	2016-09	2016-06	2016-03
Rail	28.46%	28.83%	26.95%	29.19%	29.13%
Bus/Coach	23.45%	25.80%	20.52%	22.44%	26.56%
Kiss & Fly	19.24%	18.13%	21.83%	18.35%	17.98%
Car Parking	16.52%	16.27%	17.57%	18.08%	13.56%
Taxi/Minicab	11.60%	10.16%	12.10%	11.61%	11.98%
Rental car	0.71%	0.79%	1.03%	0.32%	0.75%
Other	0.02%	0.03%			0.04%

Public transport continues to go from strength to strength growing from 51.17% in 2015 to **51.91%** in 2016, with Stansted remaining the number one airport in the UK for public transport mode share and one of the best in Europe.

Rail use has now taken over the dominant mode with competitive pricing and earlier trains driving up usage. Parking on airport has also increased from 15.10% to 16.52%.

Rail

Greater Anglia reduced their headline fare to £7 single into Liverpool St and reduced their standard return fare to £28. This is opposite to the rest of the train operating companies who increased their fares in January.

Work in continuing to deliver a new Stansted Express train fleet that will be introduced in 2019/2020 as part of the new East Anglia franchise.

Bus & Coach

Arriva are planning to introduce a brand new Euro 6 bus fleet to the 510/509/508 services. The vehicles are fitted with free 4G Wi-Fi, USB charging points, leather seats and CCTV. These will be launched in the summer.

National Express are introducing a new Euro 6 coach fleet to their Stansted operations that will also be 100% triaxle that will add in more capacity to existing routes.

Car parking

A full upgrade to the ANPR system (auto number plate recognition) has been undertaken that will have significant benefit to passengers. The response time to activate the barrier for pre-booked passengers will be vastly reduced and registration recognition improved. Net Promoter Scores (measurement of passenger satisfaction) as a consequence of this upgrade in addition to other improvements to bussing and road infrastructure, have gone above target and passenger satisfaction has increased.

Works are underway to provide additional car parking spaces from this summer, including an additional 4,000 'meet & greet' storage spaces at Taylors End.

Express set down (ESD)

In line with an annual price review across the airport estate, the charge for ESD has increased from £3 to £3.50 as of 1 April 2017. As discussed with UEG on 29 March, a number of measures have been introduced to improve the experience including a reduction in the overstay fine from £50 to £25 with an additional 5 minutes grace before the fine comes into effect; contactless payments at all barriers and upgrading the pay machines so they issue notes as opposed to just coins. The residents discount scheme remains unchanged and those interested should email Dd_carparking@stanstedairport.com

M11 Junction 8 roadworks

Works took place in March to repair and reline the Junction 8 roundabout to improve safety and way finding. These works were undertaken by Highways England and were delivered successfully with no operational impact.

Andrew Cowan, CEO
19 April 2017