

## London Stansted Airport Consultative Committee

Wednesday 22 June 2016

### Airport Management Report

#### **Management update**

Following the appointment of Andrew Cowan as CEO in April 2016, there have been a number of changes to the airport management team. Board members include: CEO, Andrew Cowan; 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, Transformation Director, Martin Lyall and Commercial Director, Martin Jones.

#### **Passenger numbers update**

May 2016	Monthly			Moving annual total		
	2016	2015	Diff	2016	2015	Diff
<b>Total passengers</b>	2,144,773	2,049,613	4.6%	23,329,990	21,338,083	9.3%
<b>Air transport movements</b>	14,599	14,056	3.9%	161,890	150,910	7.3%
<b>Cargo tonnage</b>	20,463	18,744	9.2%	247,216	232,785	6.2%

Passenger numbers were up 4.6% on 2015 during the busiest May on record at the airport. Load factors - the average number of seats occupied on each flight – also hit a new high for the month of May at 87.1%. In the 12 months ending May 2016, the total number of passengers using Stansted grew to 23.3 million, up 9.3% and an increase of two million passengers over the previous year.

Cargo volumes also recorded a significant increase in the month, up 9.2% over May 2015. The annual total now stands at over 247,000 tonnes, an increase of 6.2% over the last year and the highest yearly total since 2005.

Passenger numbers were also boosted by the start of the first Boeing 787 Dreamliner flights by Thomson to the USA and Mexico, the launch of British Airways first flights to Spain and Portugal plus increased frequency on key Ryanair routes.

#### **Official visit by President Obama**

From 21 to 24 April, the airport worked in collaboration with Harrods Aviation, the US Embassy, the White House and a host of other organisations to plan and deliver the arrangements for the arrival and departure of President Obama at Stansted. Both events attracted international and national media for Stansted and firmly put airport and the region on the global map.

#### **Lord Ahmad visit to Stansted**

On 6 May, Transport and Security Minister, Lord Ahmad visited the Aerozone ahead of the first anniversary of the new education centre. The Minister was able to see the range interactive activities on offer at the centre as well meeting some of the 150 airport staff who have volunteered at the facility since it opened. Since June 2015, the Aerozone has welcomed 2,509 visitors. The Minister also visited the security hall and inspected one of the airport's new body scanners.

### **Terminal and car parking investment projects**

To keep pace with increased passenger demand and to enhance customer service and security in the terminal and across the airport estate, a number of individual investment projects have commenced. These include:

- Introduction of new security screening process (central image processing), additional body scanners and redesign of entrance to the search area
- Introduction of 15 new immigration e-gates by late June
- 500 more seats to be installed in departure lounge
- 3,500 new on-airport car parking spaces (2,500 Meet and Greet and 1,000 short stay) available by the end of July.

Week commencing 13 June also saw the introduction of four new departure gates 90-93 designed for use during busy first wave between 06.00 and 08.00 in the APV building to the rear of the Terminal. Fully accessible by lift and escalator these gates will be used to improve first wave performance.

Further details are contained in the capital projects section of this report.

### **Airport awards**

Stansted Airport has recently received a number of awards and national accreditations including:

- *National CSR Awards* – Best Individual Community Project for its partnership approach with STACC during its Performance Based Navigation trial;
- *Business in the Community – London and South East Employee Volunteering Business of the Year Award* – recognised the airport extensive volunteering and business mentoring programme
- *Business in the Community CommunityMark* - Stansted Airport has been awarded CommunityMark, the UK's national standard for leadership and excellence in community investment chaired by H.R.H. The Prince of Wales. The award involves a rigorous assessment process designed to ensure that only the best companies are recognised. Currently only 34 companies in the UK hold this standard.

### **London-Stansted-Cambridge Growth Commission**

The London Stansted Cambridge Consortium independent Growth Commission, launched in January 2016, to develop a 30 year economic vision for the region will be publishing its findings on 14 July in the House of Commons. Those STACC members wishing to attend should contact Dr Stephen King ([Stephen.King@haringey.gov.uk](mailto:Stephen.King@haringey.gov.uk))

### **Airlines and business development**

- **Ryanair** has announced new services to Olsztyn Mazury (Poland), Luxembourg and Jerez (Spain).
- **Loganair** – the Government funded Public Service Obligation route to Dundee has been extended until December 2016.
- **British Airways Cityflyer** has added an extra weekly service to Malaga during July and August.

## Capital projects

The following capital projects have been completed or are under construction:

<b>Project</b>	<b>Timescale</b>
<b>Terminal Transformation Project</b>	All retail units are open ahead of programme, works complete, minor snagging complete during April 2016.
<b>Satellite 1 Refurbishment</b>	Works substantially complete and in use.
<b>Immigration Hall</b>	Works to relocate desks now complete. Enabling works for the installation of an additional 15 e-gates has been completed. Watch tower relocation completed with additional e-gates being installed.
<b>Asset replacement of items such as valves, air conditioning, lifts, doors and lighting</b>	On-going throughout 2016/17.
<b>APV refurbishment</b>	Works completed with the first test flights utilising the facility on 13 <sup>th</sup> June 2016.
<b>Short Stay Car Park Tunnels</b>	Refresh works to tunnels 1, 2, 3 and 4 complete.
<b>Fresh Water Pumping Station</b>	New control system and panels installed and works completed end of April 2016.
<b>Satellite 3 Forward Gate Facility</b>	Access to and queuing facilities improved to ease congestion at peak times. Final completion due during June 2016.
<b>Track Transit System Car Refurbishment</b>	Seven refurbished vehicles back in service. Overall programme to complete by November 2016.
<b>Track Transit System Control System</b>	Design work on new system is progressing well. Control system will be replaced by end of 2016.
<b>Additional Short Stay and Meet &amp; Greet</b>	Additional Meet and Greet car parking capacity has been built and is operational to accommodate the Summer 16 period. The Short Stay construction is progressing well with opening due during July 2016.
<b>Security Specific Projects</b>	A number of regulatory and security enhancing schemes are currently underway in both the Security Hall and Baggage Area.
<b>Auto Bag Drop</b>	A new process and technology to Stansted is being implemented to ease check-in for passengers. Auto bag Drop technology will enable passengers to tag their own check in bags and is currently being rolled out along with flexible branding to check in desks.

## **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 airport operation, surface access connectivity and long term vision for the airport.

The management team met with a number of external stakeholders, including meetings with Transport Minister, Lord Ahmad, Sir Alan Haselhurst MP, Daniel Zeichner MP, James Cartlidge MP, Baroness Jo Valentine of London First, Cllrs David Finch and Kevin Bentley of Essex County Council; Cllr Linda Haysey of East Herts District Council; South East and Herts Local Enterprise Partnerships, West Anglia Taskforce, Network Rail and the Greater London Assembly.

On 16 May, Stansted was the location for a **Remain in the EU event** addressed by the **Chancellor of the Exchequer, George Osborne MP**, Ryanair CEO, Michael O’Leary and former cabinet ministers, Sir Vince Cable and Ed Balls. The event hosted within the Ryanair hangar was attended by national media, MPs and regional business leaders and attracted significant coverage across all national broadcasters and print media. The event also coincided with the launch of a new Ryanair training centre at Stansted, which is expected to create 450 jobs across the UK.

## **Community funds**

The current status of each of the Fund is:



### **1. Stansted Airport Passengers Community Fund**

Funds available expected to be £40,000 for 2016.

This fund donates money to local causes within a 20 mile radius of Stansted Airport. The money donated by the committee is raised from passengers' and staff's 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 May 2016 was £32,107.<sup>1</sup>

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

- £1,000 – Helena Romanes School, Great Dunmow
- £1,000 – Hempstead Church
- £864 – Stebbing Carpet Bowls

Current membership includes:

- Steve Edwards (Chair) - Terminal Facilities Team leader, London Stansted
- Sandra King - Electronic Document Controller, London Stansted
- David Marsh - Electronic Document Controller, London Stansted
- Maria North - Parts & Distribution Controller, London Stansted
- Liz Brassington - Environment Standards Manager, London Stansted
- Kim Ruskin - Photography & Filming Manager, KR Filming & Photography
- Chris Bishop - Airport Chaplain (retired)

<sup>1</sup> Please note, the April 2016 STACC report recorded an incorrect figure of £41,220 for Expenditure January – March 2016 (this was duplicated in error from the Stansted Airport Community Trust expenditure.) The correct figure for Expenditure January – March 2016 for the Stansted Airport Passengers Community Fund was £24,250.

- Brian Edwards - Compliance and Assurance Manager, London Stansted
- John Farrow – Operations Director, London Stansted
- Marcella M'Rabety - Corporate Social Responsibility Manager, London Stansted

## 2. Stansted Airport Community Trust



Funds available are £221,000. This trust supports projects which protect and enhance the social, economic and environmental well-being of the community within a 10 mile radius of Stansted Airport.

Expenditure from January to May 2016 was £41,220.

Stansted Airport Community Trust has recently supported the following bids:

- £2,970 – Daisy May Farm
- £2,000 – Saffron Screen
- £5,000 - Holy Trinity Church, Bishops Stortford

Current membership includes:

- Cllr Susan Barker (Chair) - Essex County Council
- Cllr Philip Wilson - Chelmsford City Council
- Cllr John Strachan - Harlow Council
- Cllr Marie Felton - Uttlesford District Council
- Cllr Diane Hollebon - East Herts District Council
- Cllr Richard Morgan - Epping Forest District Council
- Ralph Gilbert - former member of STACC\*
- Canon Chris Bishop - Airport Chaplain
- Marcella M'Rabety - Corporate Social Responsibility Manager, London Stansted

The last payment of £109,591 under the original agreement was made in July 2015. The noise fines payment of £1,000 was made to the Trust in May 2016.

\*New member from STACC to be appointed at the AGM.

### **Airport jobs fair**

On 5 May, Stansted Airport and the Employment and Skills Academy held a jobs fair at the Radisson Hotel. Nearly 50 companies including MAG, Fedex, Swissport, Essex Police, National Express attended the event to recruit for over 400 airport vacancies on offer, including security, airlines, ground handling, retail, catering and hotels. The event was attended by over 600 job seekers who were able to meet potential employers face to face, obtain careers advice, receive guidance about the application process and find out more about free training opportunities and discounted travel.

### **Runway run**

On 5 June, over 100 airport employees raced along Stansted Airport's runway at 2am to raise funds for the airport's charity CLIC Sargent. Exceptionally, the runway was closed for the duration of the event as the fun runners completed a 5k run. Participants raised over £10,000 for the charity.

## **Noise management, environment and utilities**

### **Night flying control regime**

Night flights at Stansted are regulated by the Department for Transport (DfT). As the current control regime ends in October 2017, the DfT has recently begun the process to review and update the controls that it imposes. On 10 June they held a focus group to discuss the process that they will follow and to have a first opportunity to hear about any changes in circumstances that they should consider. The focus group was attended by a range of industry and community stakeholders. Representatives from STACC included the Technical Adviser and Uttlesford District Council.

All stakeholders have been afforded a period of one month to submit in writing any evidence they wish the DfT to consider and it is expected that options for the updated regime will be published for consultation in the Autumn. The Airport will prepare a written submission and will keep STACC updated.

### **Carbon Trust Standard**

MAG has recently been re-accredited to the Carbon Trust Standard. The audit this year focused on Stansted and the assessor was impressed with the energy data available and how it was used to identify opportunities. Overall the group demonstrated a 15% annual reduction in carbon emissions from our operational activities.

### **Efficiency measures**

Work has continued on energy efficiency measures with the main focus on the roll out of LED lighting and smart metering programmes. Work is underway to ensure that energy efficiency opportunities are incorporated into capital projects, including the new satellite 1 refurbishment, Short Stay Car Park tunnels, and various security projects. LEDs are installed as standard and there is a specific focus on energy efficient heating and cooling systems.

## **Residential property portfolio**

Following on-going discussions with STACC, in October 2015, MAG appointed Savills to undertake a strategic review of the 268 properties within the residential housing portfolio, acquired as part of the sale of Stansted Airport to MAG in 2013. Savills completed the review and identified a number of disposals initially starting with ten properties.

MAG Property released these properties onto the open market in March 2016 and to date five properties have been sold subject to contract, the remainder are subject to offers. Contact has been made with those tenants who have previously expressed an interest to purchase the property they rent. It is currently the plan to release further properties onto the market over the course of this financial year.

## Surface access and passenger services

### Mode share

Q1 2016 data is still awaited from the CAA and is due by the end of June 2016. Current mode share for 2015 is as follows:

Final Mode	Total	Quarter			
		Q4 2015	Q3 2015	Q2 2015	Q1 2015
Total	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
Bus/Coach	<b>25.71%</b>	26.26%	22.01%	26.89%	28.89%
Rail	<b>25.46%</b>	28.59%	24.99%	22.82%	25.94%
Kiss & Fly	<b>21.77%</b>	20.41%	21.82%	21.21%	24.08%
Park on Airport	<b>15.10%</b>	13.90%	17.98%	16.20%	10.88%
Taxi/Minicab	<b>10.54%</b>	9.82%	12.25%	10.87%	8.46%
Rental car	<b>1.39%</b>	1.03%	0.95%	1.93%	1.75%
Other	0.02%			0.07%	0.01%

### Bus and coach

National Express successfully launched new destinations in April 2016 serving Paddington, Southwark and Waterloo. These destinations are in addition to London Victoria, Liverpool St, Stratford, Kings Cross, Baker St and Golders Green which are served by National Express, Airport Bus Express and Stansted Citylink.

In July, First Group will introduce a new coach service serving Basildon and Wickford, as well as increasing frequency to Chelmsford to every 30 minutes. This service will be called the X10 and will operate hourly between 0300 to 0100 hrs. This will be operated by new vehicles later this year which will have USB charging points, leather seats and air-con. As well as this new service, First Group will introduce the same new vehicle fleet on the X30 which serves Southend.

### Rail

Rail mode share continues to grow and is now competing head to head with bus and coach. This is mainly due to the competitive ticket pricing that Greater Anglia have introduced with travel into London for as little as £8 when buying the ticket 30 days or more in advance.

The airport is still awaiting the outcome of the DfT decision on the new franchisee for the East Anglia Rail Franchise which is due to be announced in late June or early July.

## **Airport commuter centre**

The commuter centre has seen a record month during May which saw over 1750 travelcards sold to airport employees. The Airport Travelcard generates over £1m of income to rail, coach and bus operators.

**Andrew Cowan, CEO**  
**16 June 2016**