

London Stansted Airport Consultative Committee

Wednesday 25 January 2017

Airport Management Report

Management update

The airport management team are as follows: 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

December 2016	Monthly			Moving annual total		
	2016	2015	Diff	2016	2015	Diff
Total passengers	1,852,250	1,706,606	8.5%	24,317,100	22,566,793	7.8%
Air transport movements	12,996	12,529	3.7%	166,152	157,248	5.7%
Cargo tonnage	21,976	21,385	2.8%	252,618	237,029	6.6%

Stansted Airport ended 2016 with its busiest ever December. A total of over 1.85 million passengers passed through airport during the period, up by 146,000 and 8.5% on last year, and surpassing the previous record for December of 1.76 million passengers set in 2006. The busiest day in December were 22 and 23 where we processed over 80,000 arriving and departing passengers.

During the calendar year Stansted welcomed over 24.3 million passengers beating the previous high of 23.8 million set in 2007. To highlight the efficiency of flight operations and increased average load factors, the new total was achieved with 25,000¹ less aircraft movements during the year than in 2007 despite serving 500,000 passengers more in 2016.

Arrivals building planning application

Following a presentation at the November meeting, on 15 December 2016 STAL submitted a planning application to Uttlesford District Council (UDC) for a new £130 million arrivals building.

The proposed 34,000m² building spans three levels and would be delivered inside the existing footprint of the airport, and located adjacent to the current terminal and the Radisson Blu Hotel. It will include plans for a larger immigration and baggage reclaim area, new retail facilities and a public forecourt to create a relaxing and welcoming environment for passengers. This facility will enable the current terminal building to be reconfigured and dedicated entirely to departing passengers, creating more space at check-in, security and within the international departures lounge.

The application focuses on providing the airport with a high quality environment to support its continuing growth, from 24 million passengers a year to the current planning limit of 35 million. The facility is designed to ensure that in the future the airport could make full use of its single runway

¹ During 2016, there was a total of 166,152 aircraft movements compared to 191,488 during 2007, a reduction of over 13% despite an increase of 500,000 passengers using the airport in the 12 month period.

and serve around 43 million passengers a year, as set out in the 2015 Sustainable Development Plan. Based on planned growth it is forecast that the airport will exceed 26 million passengers next year.

Further details including a link to the application on UDC's planning portal can be accessed at www.stanstedairport.com/transformation. A decision on the application is expected in early March 2017.

Visit by skills and apprenticeships minister

Skills and apprenticeships minister Robert Halfon MP visited Stansted on 9 December 2016 to see how the airport is supporting young people and jobseekers. The Harlow MP called in on the airport's education centre, Aerozone, and witnessed how it is working with young people to increase skills in STEM subjects (science, technology, engineering and maths) and highlight careers in aviation. The minister also visited the Airport's Employment and Skills Academy to talk to apprentices, trainees and former jobseekers who have benefited from the airport's training and education programmes and successfully found full time employment at Stansted.

Airlines and business development

- **Eurowings:** The German carrier has announced plans to grow their programme from Stansted and will begin flights to Munich from March 2017. Flights to the Bavarian capital begin on 31 March and will operate six times a week.
- **Jet2:** Ahead of the first flights launching from Stansted on 30 March, the airline has seen excellent trading and demand from customers in the south of England, leading to the addition of four new routes to Antalya, Corfu, Dalaman and Split.

The additional flights mean that a total of 96 weekly flights will operate to 25 leisure destinations for summer 2017. This growth is supported by the addition of an extra aircraft, meaning that Jet2 will operate seven aircraft from Stansted. In total, the new routes and additional flights represent the addition of over 65,000 extra seats, taking the total number of seats on sale from Stansted to over 875,000 - a capacity increase of 8%.

- **Ryanair:** The airline will continue to grow at Stansted in 2017 with the launch of nine routes. The routes include a daily service to Naples and a three times daily service to Copenhagen, as well as routes to Beziers, Cagliari, Clermont, Grenoble, Nice, Nimes and Strasbourg. There will also be additional flights on 13 existing routes.
- **Flybe:** After a successful year at Stansted in 2016, Flybe have announced that they will continue to operate their Newquay, Cornwall service throughout summer 2017.

Capital projects

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

Project	Timescale
Immigration Hall	Works complete with minor snagging on-going. 30 new e-gates now available for operational use and immigration hall fully reconfigured. Formal opening of the e-Gates was undertaken during August 2016
Asset replacement of items such as valves, air conditioning, lifts, CEM readers, doors and lighting	On-going throughout 2016/17.
Sat 3 Forward Gate Facility	Access to and queuing facilities improved to ease congestion at peak times. Completed during July 2016.
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 in the planning stage with completion due during this current financial year.
TTS Car Refurbishment	All cars now refurbished and back in service. Overall programme completion as planned during November 2016.
TTS Control System	Full testing of newly installed and updated control systems carried out during October and November 2016, final testing and completion during January 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 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.
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 for the passenger within the airport.
Additional Stands and taxiway	Now moving into 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 long term vision for the airport.

The management team met with a number of external stakeholders, including meetings with Aviation Minister, Lord Ahmad; Sir Alan Haselhurst MP; the Leaders of Uttlesford and East Herts District Council; Harlow College; Stansted Airport Chamber of Commerce and representatives from the West Anglia Taskforce, GLA and London First.

The airport also hosted a business reception on A120 in partnership with the Haven Gateway Partnership. The meeting was chaired by George Keiffer (SELEP) and Cllr Kevin Bentley (Deputy Leader of Essex County Council).

Winter job fair

The airport Employment and Skills Academy held a job fair in late October 2016. Over 40 companies including MAG, Jet2, Border Force, The Restaurant Group, Radisson Blu, Essex Police, Arriva and Omniserv attended the event to recruit for 700 vacancies on offer across the site. The event was attended by almost 600 job seekers who met potential employers, received careers advice and guidance about the application process, and were encouraged to find out about free training programmes, on-site apprenticeship and traineeship schemes and discounted travel.

Aerozone and Job Centre engagement

Throughout 2016, the Aerozone education centre welcomed 3,807 students from across 80 schools in Essex, Hertfordshire and beyond. In December, the Aerozone joined forces with the Royal Aeronautical Society on a project to promote 'engineering careers for girls'. The project, also supported by easyJet and Fedex, saw the Aerozone hold road shows in local schools in Essex, including Saffron Walden County High and Joyce Frankland Academy in Newport.

On 5 December, the airport held an employability awareness event at Aerozone which was attended by 25 Job Centre advisors from Essex, Herts, Cambridgeshire and North London. The aim of the event was to raise awareness of employment opportunities at Stansted, free training programmes and discounted travel card scheme. The attendees also heard from former jobseekers who attended the pre-employment training programme at the Academy and have since secured employment at the airport.

Community funds

The current status of each fund is as follows:

1. Stansted Airport Passenger 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 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 December 2016 was £73,137.

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

- £1,500 – Birchanger Nursery Unit
- £1,400 – Chesterford Community Centre
- £970 – 1824 Squadron Air Training Corps, Saffron Walden

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)
- Brian Edwards - Compliance and Assurance Manager, London Stansted
- Sarah Smith – Buyer (Procurement), 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 December 2016 was £75,699.

Stansted Airport Community Trust has recently supported the following bids:

- £5,000 – Church of St Mary the Virgin Great Canfield
- £1,639 – St Elizabeth Centre, Much Hadham
- £2,600 - Dunmow St Mary's Primary School PTA

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
- Mary Sartin – STACC member
- Canon Chris Bishop - Airport Chaplain (Retired)
- Marcella M'Rabety - Corporate Social Responsibility Manager, 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.

STAL propose to continue with the Trust with revised terms and conditions. A proposal was sent to the Chair in October 2016 and will be discussed by the trustees at the next meeting of the Community Trust on 10 February 2017.

Part 1 Land Compensation

Since the last meeting, the number of claims has increased and now exceeds 120. A number of activities are underway or have been completed:

- Resolving with claimants and their agents queries about title or ownership to determine whether individual claimants are eligible to make a claim under the Act.
- Claimants advised of STAL's view that, legally (and in the light of the Farnborough case), each of the four '*sets of works*' has to be assessed on its own merits in terms of the extensiveness of physical factors (noise) created and any consequential impact on property values at the time prescribed under the Act.
- Requests for evidence from claimants relating to physical factors and the amount of compensation claimed.
- Research into historic noise impact (the main 'physical factor' to be considered under the Act).
- Individual property inspections and valuations. Discussions/correspondence with agents acting for local residents.

It remains STAL's aim to process and assess claims as quickly and efficiently as possible and to continue with meaningful discussions with claimants and their agents to resolve claims.

Residential property portfolio

As outlined in the October 2016 Management Report, the airport continues to dispose of the residential property portfolio acquired as part of the BAA sale of the airport to MAG in February 2013. All airport tenants have been informed of STAL's position and have been offered the opportunity to purchase their individual properties. The MAG Property team through their agents Strutt and Parker is liaising closely with all tenants and monthly meetings with the Tenants Action Group are in place to share emerging plans and address any community enquiries.

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.

As of January 2017, 14 properties have been sold and 46 are in the process of exchange or a sale has been agreed. Of these properties 12 are sitting tenants. Further properties are expected to be marketed throughout February and March 2017.

Noise management, environment and utilities

LAMP Phase 1a airspace changes and community outreach sessions

The airport held three community outreach sessions in October and November 2016 at Hatfield Heath, High Easter and Felsted. These were prepared in discussion with Uttlesford District Council and Sir Alan Haselhurst MP, in response to community concerns regarding recent airspace changes linked to the NATS LAMP 1a scheme. The Stansted team along with representatives from NATS and the CAA discussed concerns with over 300 local residents, with over 70% of feedback forms indicating that attendees had found the events useful.

Feedback from these events will be shared by the airport with the CAA as part of their CAP725 review of the LAMP 1a scheme expected to take place in February 2017.

Department for Transport night flying restriction consultation

Following a call for evidence in 2016, the Government has published proposals for the next night noise regime at Heathrow, Gatwick and Stansted. The consultations close on 28 February 2017. The next regime will begin in winter 2017/18 and will run for a period of five years.

The consultation document does not propose any major structural changes to the control regime, with all airports set both an aircraft movement and a noise quota point limit. Recognising the growth in quieter aircraft, which have up to now been exempt from regulation, the Government has proposed a new lower quota count rating of 0.125 for aircraft with a certified noise of between 81 and 83.9 decibels (EPNdB) and further to bring into regulation all aircraft operations, including the very quietest aircraft, which will continue to record a quota count of zero. These changes are intended to provide transparency.

Overall, the consultation does not provide for any increase in quota count limit for Stansted. Recognising the significant number of existing operations by quieter aircraft that will be brought into regulation for the first time, it is proposed that Stansted's aircraft movement limit is increased by 1,700 per annum (1,100 summer and 600 winter) to allow for their continued operation.

Night flights are an integral part of operations at Stansted, supporting operations by Royal Mail and express freight airlines, which provide an overnight delivery service. Some passenger operations by both scheduled and charter airlines also require night-time slots to complete their flying programme. This is particularly important for based aircraft, many of which arrive to park overnight in the late evening and early night-time periods. With further growth forecast at the airport the airport believes that the proposed regime will increase operational pressures on Stansted. The airport is particularly concerned that whilst the consultation document has recognised the need to increase the aircraft movement limit to allow for operations by aircraft that were previously exempt, no similar allowance has been made to increase the noise quota limit.

In the 2015 Sustainable Development Plan, the airport set out a preference for determining noise controls, including night noise arrangements, locally removing Stansted from central Government regulation. The consultation document states that '*...it is Government policy that noise controls are generally best agreed locally*' and supports the agreement of more bespoke arrangements that better reflect local circumstances. As the airport brings forward a planning application to facilitate further growth beyond 35 million passengers, there will be an opportunity to explore this option in partnership with the local planning authority.

The airport will now study the consultation document and make a considered written response. Further information on the consultation can be found at:

<https://www.gov.uk/government/consultations/night-flight-restrictions-at-gatwick-heathrow-and-stansted>

Surface access and passenger services

Mode Share

Final Mode	Total	Quarter			
		Q2 2016	Q1 2016	Q4 2015	Q3 2015
Bus/Coach	27.73%	28.57%	28.85%	28.13%	25.70%
Rail	23.86%	22.74%	27.17%	25.59%	20.89%
Park on Airport	19.85%	18.27%	18.24%	21.14%	21.59%
Kiss & Fly	16.23%	18.10%	13.35%	14.02%	18.51%
Taxi	11.56%	11.98%	11.63%	10.05%	12.33%
Car Rental	0.76%	0.31%	0.68%	1.07%	0.99%
Other	0.02%	0.03%	0.07%		

Public transport continues to grow and now has a moving annual total at **51.59%** of non-transfer passengers using bus, coach or rail to travel to Stansted. This is a growth from 51.12% which was reported at the previous meeting. Stansted remains the number one airport for public transport use in the UK.

Rail

STAL is continuing to work with Greater Anglia to look at ways to improve the service and join up the airport and rail experience. We are continually lobbying DfT and Government to reduce journey times and increase line capacity that will not just benefit airport users but also improves capacity for commuters using services along the Lea Valley corridor.

In January 2017, Greater Anglia reduced the headline advanced fare from £8 to £7; the standard return fare has also reduced to £28.

Bus and coach

The number of passengers using the new London services offered by National Express, Stansted Citylink and Airport Bus Express continues to grow.

Works have commenced to refurbish the coach station toilet block. These works will be complete by late February.

The Arriva 510/09/08 and 133 services operated on Christmas Day, Boxing Day and New Year's Day which were funded by the airport. These services were well used over the three day period, providing access for airport staff, passengers and local community, carrying 2,263 people.

Andrew Cowan, CEO
18 January 2017