

London Stansted Airport Consultative Committee

Wednesday 4 October 2017

Airport Management Report

Management update

On 9 August, Ken O'Toole was appointed Chief Executive of London Stansted Airport following an announcement that Andrew Cowan will be returning to Manchester to take up the position of Chief Executive of Manchester Airport. Ken will be joined by Brad Miller, who will take up a new role of Chief Operating Officer for the airport. Brad will have overall responsibility for Customer Services and Security, Operations, Asset Management, and External Affairs at Stansted.

The remainder of the airport senior management team are as follows: 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 Business Change Director, Martin Lyall.

Passenger numbers (August 2017)

Aug-17	Monthly			Moving annual total		
	2017	2016	Diff	2017	2016	Diff
Total passengers	2,742,046	2,494,732	9.9%	25,400,662	23,868,401	6.4%
Air transport movements	16,926	15,681	7.9%	170,782	164,446	3.9%
Cargo tonnage	20,508	20,219	1.4%	259,463	249,365	4.0%

Stansted welcomed over 2.7 million passengers in August as the airport recorded its busiest ever summer season with a total of 7.6 million passengers passing through the terminal during the peak months of June-August. August was also the busiest single month on record at Stansted, beating the previous record last month, and up 9.9% over the same month last year.

During the month Stansted broke the record for its busiest single day for the second month running as 94,785 passengers passed through the terminal on 14 August. The top ten busiest ever days at Stansted are now all recorded in July and August this year. **The rolling 12 month total to August 2017 now stands at 25.4 million passengers**, an increase of 6.4% over the previous year.

Cargo volumes continue to rise with more than 21,500 tonnes of goods passing through the airport in August, up 1.4% over the same month last year. The annual total increased by 4.0% over the previous 12 months to over 259,400 tonnes for the period.

35+ planning application - progress update

As part of the airport's plans to make full use of its single runway, nine local community exhibitions were held throughout July in neighbouring villages and towns. The sessions were aimed at gathering feedback and shaping proposals in advance of an application to increase passenger throughput and flight numbers. In total, 687 people attended the events with Takeley, Bishop's Stortford and Great Dunmow attracting the highest numbers of attendees. The events were published in the print and broadcast media, across all social media channels and a mail drop was

sent to 30,000 homes within a five mile radius of the airport. All consultation material and feedback material is available on www.ourstansted.com

As of 26 September, we have received over 800 feedback forms on our plans predominately through the website and social media channels. Initial findings from the exhibition events and subsequent stakeholder engagement show that while general mitigation methods, such as noise reduction technology and home insulation schemes were felt to be important to local residents, feedback was clearly marked by a consumer approach to the airport and its growth strategy. Core issues the airport will carefully consider as part of its final application include aircraft noise and its impact locally, particularly on specific settlements and the state of current transport infrastructure, such as the road network, and its ability to cope with current and future demands. Importantly, while some residents doubt the airport needs to ever change, many residents recognise the economic importance of Stansted to the region, in terms of employment, trade and international connectivity and are keen to see it further develop plans to support jobs and training in the region.

Further engagement continues with business groups, passengers, local politicians and interested parties to help shape the content and direction of the final application. Following requests from local parish councils at the exhibitions, the airport will also be hosting three forums at Enterprise House for interested parties to discuss the airport's plans. They will be held on:

- **Tuesday 10 October**, 15.00 to 16.30
- **Wednesday 11 October**, 15.00 to 16.30
- **Wednesday 11 October**, 17.00 to 18.30

All neighbouring Parish Council were contacted in early September and we would welcome STACC Local Authorities members publicising the events with their constituents. Those wishing to attend should RSVP to Will Hall at william_hall@stanstedairport.com by 9 October 2017. The airport is also considering hosting further community outreach session in key towns and villages in November in advance of submitting a final application in early 2018.

Government's Draft Aviation Strategy

On 21 July, the Government published a new draft Aviation Strategy <https://www.gov.uk/government/consultations/a-new-aviation-strategy-for-the-uk-call-for-evidence> which sets out its plans for the future of UK aviation. The document contains support for making full use of existing airport capacity in the UK before a third runway at Heathrow is built. It notes that *'due to the recent rise in growth, the government believes that this issue (making best use of runway capacity) cannot wait until the publication of the final Aviation Strategy in late 2018.'* MAG will be responding to the call for evidence which closes on 13 October 2017.

Stansted Airport College – planning application approved

On 2 August, Uttlesford District Council approved planning for a new £11m technical skills college at the airport, operated by Harlow College. The college will provide a pipeline of future employees, engineers, aviation professionals addressing our increasing skills and employment gap which is one of the biggest risks to our growth agenda. The project has received two separate £3.5 million grants from the South East Local Enterprise Partnership (SELEP) Local Growth Fund and Essex County Council. Work is expected to start on the site later this year and the facility will be ready to open in time for the 2018 autumn term.

Hampton by Hilton hotel opening

In late July, Hampton by Hilton announced the opening of its largest property in the world at Stansted Airport. Owned by Urban Civic Plc and managed by Interstate, the 357-room hotel is the third airport hotel to join the Hampton family in the UK this year. The airport will be connected to the airport terminal by a covered walkway and lift. This will open shortly.

Airlines and business development

- **WOW Air** has confirmed they will launch daily flights to their base in Reykjavik from April 2018. As well as the opportunity for our passengers to visit Iceland, they will also be able to connect to 15 different destinations in North America.
- **Primera Air** is set to open their brand new base at Stansted in spring 2018 and will be offering direct flights to New York and Boston. Flights will be operated by new generation Airbus A321NEO (quieter and more fuel efficient) aircraft and include a choice of two cabins, full-service premium and low-fare economy. Primera Air will be the first airline in over nine years to fly scheduled services from Stansted to the USA.
- In summer 2018 **Jet2** will add 3 new destinations (Malta, Naples and Nice) to their programme, taking their total to 33. In addition to these three new routes, the airline is also adding more weekly flights to a number of popular sun and short-break city destinations, including: Turkey, Gran Canaria, Menorca, Girona, Paphos, Dubrovnik and Verona. This means Jet2 is adding another 200,000 seats in summer 2018, taking the total number of seats on sale from London Stansted to more than 1.4 million. This is a 60% capacity increase in just their second summer of operations.
- **Ryanair** has announced 5 new summer routes for summer 18: Aalborg (4 weekly), Dusseldorf Weeze (4 weekly), Frankfurt (2 daily), Oradea (3 weekly) & Pardubice (3 weekly). This means the airline will operate a total 144 routes, serving 21.4m customers per annum. As per an announcement on 27 September they will be removing flights to Glasgow and Edinburgh for the winter season.

Capital projects

Project	Timescale
Airside Stand Capacity	Through the first phase of transformation programme we will be increasing our stand capacity at the Echo Stand location. This will see an increase in parking capacity for predominantly Code C aircraft. All due for completion this fiscal year.
Increased IDL seating capacity and retail offerings	Numerous schemes are underway to increase seating capacity within the IDL and improve our retail offering to customers. An additional 1,200 seats will be provided in and around the IDL with a mix of dedicated food and beverage seating and common use seating. All to be provided, in a phased manner by June 2018.
Major Car Parking Schemes	The first tranche of four major car parking schemes became operational during Summer 2017. Further schemes continue to progress.
Car Park infrastructure	Improvements to car park infrastructure – car registration capture rate, upgrade to Pay on Foot Machines to take new coins and notes, contactless provision and more robust barrier installations.
Asset replacement of items such as valves, air conditioning, lifts, doors and lighting	On-going throughout fiscal year 2017/18.
PRM Customer Service Improvements	A relocated landside desk and reception area for PRM customers, and an airside arrivals building have both now been completed. An increased capacity airside departures area is currently in the final planning with completion on site during the next 3 months.
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 17/18. Tangible customer service improvements have already been realised with the first and second phases 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. All zones able to utilise technology where airline operating procedures allow.
Group wide IT Schemes	Numerous schemes currently underway to improve the connectivity between all group airports. In addition, we have invested in more reliable and an enhanced WiFi offering for passengers
Additional Stands and taxiway	The reconfiguration of Satellite 2 stand capacity has now been completed and put back into operational use successfully. This has created an additional 2 Code C stands. Satellite 1 reconfiguration has commenced and will create an additional 4 Code C stands by Spring 2018. The creation of Hotel Taxiway is due for completion and operational use by October 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 James Palmer, Mayor of Cambridgeshire and Peterborough; Kemi Badenoch MP for Saffron Walden; Rob Halfon, MP for Harlow; Mark Prisk, MP for Hertford and Stortford and James Cleverly, MP for Braintree; Keith Prince, Chair of the Great London Assembly Transport Committee; the CBI and representatives from Uttlesford, Essex and Braintree Councils.

In late August, **BBC Look East** showcased life and behind the scenes footage at the airport at one of the busiest times of the year. The week of programmes included a number of reports that looked at the airport's growth ambitions, environmental management, cargo, the passenger experience and a behind the scenes visit to the baggage hall.

Community

The current status of each 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 passengers' and staff's unwanted foreign currency which is collected in the terminal. Consideration are given to requests from sports clubs, pre-school nurseries, junior sports clubs, brownies, guides, clubs, elderly and animal charities.

Expenditure from January to August 2017 was **£43,343**

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

- £1,500 – Rotary Club Of Great Dunmow
- £1,555 – Standon & Puckeridge Community First Responders
- £800 – St Mary's Church Standon Roof Protection

Current membership includes:

- Steve Edwards (Chair) - Terminal Facilities Team leader, London Stansted Airport
- Sandra King - Electronic Document Controller, London Stansted Airport
- David Marsh - Electronic Document Controller, London Stansted Airport
- Maria North - Parts & Distribution Controller, London Stansted Airport
- Liz Brassington - Environment Standards Manager, London Stansted Airport
- Kim Ruskin - Photography & Filming Manager, KR Filming & Photography
- Chris Bishop - Airport Chaplain (retired)
- Brian Edwards - Compliance and Assurance Manager, London Stansted Airport
- Marcella M'Rabety - Corporate Social Responsibility Manager, London Stansted Airport

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 mile radius of Stansted Airport.

Expenditure from January to August 2017 was **£37,601**.

Stansted Airport Community Trust has recently supported the following bids:

- £2,000 – Hatfield Heath Village Hall
- £1,500 – High Roding Cricket Club
- £2,000 – Bishop's Stortford Lifesaving 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, London Stansted Airport

Military Covenant

In July, Stansted was the first airport in the UK to sign the Military Covenant outlining how it will support both serving and retired military personnel and reservists help find airport employment.

Meet the Buyers pre-events

On 4 July the airport held its '*Understanding Airport Procurement*' event at the Aerozone. The event was attended by 48 businesses eager to learn about procurement opportunities at the airport and about the Meet the Buyers programme. On 27 July and 22 September the airport also hosted forums for Local Authorities to encourage them to get involved in the Meet the Buyers programme and to ensure businesses in their respective areas do not miss out on sales opportunities at the event. The main Meet the Buyers event will be held at the Radisson Hotel on 1 November 2017.

Skills Award

In July, the airport received the Employer Skills Award in the large employer category at the SELEP Skills Awards. The award recognises businesses that are committed to developing skills and employment opportunities for young people.

MAG Connect and 2016/17 CSR Report

MAG has launched a new employability and skills scheme, *MAG Connect*. The scheme will benefit communities around MAG airports while also improving MAG and other on-site airport employers' ability to make local hires, particularly in communities where jobs are most needed but may be under-represented at airports because of factors including cultural differences and lack of

awareness. The scheme was announced as part of the MAG's 2016/17 Corporate Social Responsibility report launch on 19 September at a jobs fair in Tottenham, an area of London with high unemployment. The jobs fair was attended by 1455 job seekers and was organised in partnership with Tottenham Job Centre Plus and Haringey Council. Copies of the report will be made available to Committee members at the meeting.

Residential property portfolio

Since 1 April 2017 a further 16 properties have been sold taking the total to 141; 7 of which are to tenant occupiers. There are a further 3 properties being advertised for sale with vacant possession, and 5 months' notice has now been served on several tenants to gain vacant possession to put those properties on the market later in the year.

Portfolio disposal(s) are still being considered and all tenants have been written to in this regard. 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

Department for Transport night flying restrictions

Following an earlier call for evidence, the Government published proposals for the next night noise regime at Heathrow, Gatwick and Stansted in January 2017. These proposals were reported to the January meeting of STACC. All consultation has now closed and the Secretary of State announced his decision in July 2017. The new regime, which will operate for the next five years, commences in October 2017.

With regard to operations at Stansted, the final regime is the same as that proposed in the consultation and is therefore as previously reported to STACC. The new regime will continue to impose a cap on the number of aircraft movements permitted at night and also a maximum number of quota points. The most significant change is that operations by quieter aircraft, which were previously exempt, are brought into regulation for the first time. To ensure that Stansted is not disadvantaged by this increase in scope, our headline movement limit has been increased proportionately. Whilst many of the aircraft that are brought into regulation for the first time will attract a quota rating, specifically the new lower band of 0.125 quota points, our quota limit has not been increased and the airport is expected to absorb any increases by progressively introducing quieter aircraft.

As we have previously reported, night flights are an important and integral part of operations at Stansted. Royal Mail and the express freight airlines, provide an overnight delivery service and 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 period. With further growth forecast the airport believes that the proposed regime will increase operational pressures on Stansted.

ISO5001 Environmental Management standard

This year Stansted retained its ISO5001 standard and completed the transition over to the new ISO14001:2015 standard. Stansted is the first airport in the UK to move to the new standard, which amongst other significant changes, requires companies to demonstrate a much greater senior management and leadership involvement in environmental management. The audit, which lasted 2 weeks, found the system to be in a good position with a number of continual improvement opportunities.

Surface access and passenger services

Mode Share Moving Annual Total to Q2 2017

	2016-03	2016-06	2016-09	2016-12	2016 Total	2017-03	2017-06	2017 Total
Bus/ Coach	26.59%	22.47%	20.21%	25.41%	23.41%	25.29%	20.43%	22.55%
Rail	28.41%	28.39%	26.87%	30.79%	28.52%	32.29%	32.90%	32.64%
Private Car	31.99%	36.86%	39.36%	33.39%	35.71%	33.41%	36.97%	35.41%
Hire Car	0.72%	0.39%	1.00%	0.86%	0.75%	1.11%	0.66%	0.86%
Taxi/ Minicab	12.08%	11.75%	12.24%	9.49%	11.43%	7.62%	8.93%	8.36%
Other	0.20%	0.13%	0.32%	0.06%	0.19%	0.27%	0.11%	0.17%

Public transport continues to be very strong with now **55.19%** of our non-transfer passengers using bus, coach or rail to travel to and from the airport in first two quarters of 2017. This continues to ensure Stansted leads the way in the UK for sustainable transport use of any airport. In 2016, the total was 51.93% of passengers using public transport. Rail is now the dominant public transport mode which is due to strong competitive pricing - £7 headline advance fares to London Liverpool St and standard return fare reducing to £28. Private car totals includes both park on airport and Kiss & Fly figures.

Rail

New rolling stock for Stansted Express is still on schedule for introduction in 2019 as per the East Anglia franchise commitments. The team are still exploring the opportunity of introducing earlier and later trains to serve the airport and are in discussion with Network Rail and Abellio Greater Anglia

Bus and Coach

With Arriva introducing new fleet of Euro 6 buses on the 510.509 and 508 services, the scheduled bus and coach fleet that operators provided are now 95% all Euro 6 vehicles which are the most environmentally friendly combustion engines on the market. There are only two scheduled local bus services that now operate lower than Euro 6. The Bus and Coach working group is working with operators to look at how regional coach services can be developed.

Meet and Greet parking service disruption

In the first two weeks of August, the airport experienced a service failure with its Meet and Greet operation which caused a considerable amount of disruption and distress to customers. This was caused by a combination of both system and process errors which ultimately led the operational team being unable to locate customers' cars quickly enough to return them to them. This in turn led to prolonged waiting times and customers being sent home in taxis with their cars being delivered to them shortly after. The service was stabilised in mid-August.

As part of an extensive review of the service and peer review a number of changes are being implemented to align our operations structure, system and processes with other MAG airports. Whilst we are in the process of these changes we have introduced a temporary structure to bolster both numbers and levels of expertise across the whole operation. We have apologised to all passengers affected and compensated where applicable.

Highways

Works on M11 Junction 8 is now complete which has been fully repaired and relined. This has improved health and safety on this junction ensuring users can follow correct lanes and junctions off the roundabout.

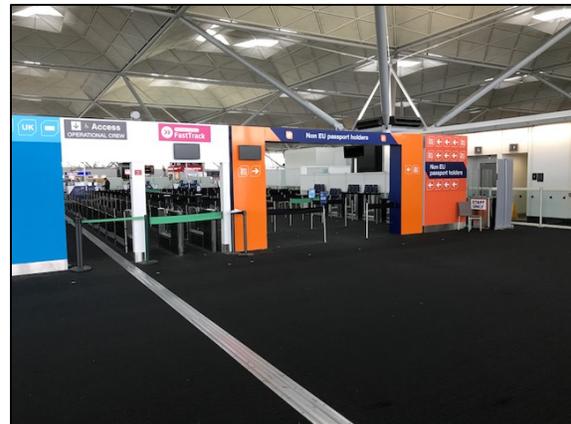
A full audit is taking place on all airport road and car park signage to ensure the signage network is clear and consistent throughout the passengers journey on airport roads.

Cycling

Highways England will soon be commencing working to construct new cycle route from Birchanger Roundabout that will connect into the Airport cycle network that links on to Duck End Bridge. This will remove a number of cyclists that cycle over M11 J8 that want to connect on to Airport cycle network. This is a safer route and will improve Health & Safety.

Immigration Hall refurbishment

Pre-Immigration area way-finding has been installed and the carpet area has been deep cleaned. Live queue time screens have also been installed – go-live in consultation with UKBF.



Ken O'Toole
Chief Executive
27 September 2017