

Performance

Total aviation movements	Aug 2021	Sept 2021	Oct 2021	Total
2021/22	2,515	2,718	2237	7,470
2020/21	2,958	2,359	1,904	7,221
Commercial mvt 2021/22	556	540	403	1,499
Commercial mvt 2020/21	935	626	511	2,072
Passengers 2021/22	26,675	23,585	24,556	74,816
Passengers 2020/21	34,758	13,202	6,626	54,586

Overview

The last three months continue to see exceptionally weak activity and indeed 2021/2 will conclude with passenger numbers significantly down even on the historically low volumes since in 2020/1. Despite strong progress with the UK vaccination programme, a combination of continuing restrictions on relatively accessible destinations and both the cost and the administrative burden associated with travel continues to depress demand for passenger flying. However, the availability of some passenger aircraft to control meant that the necessity to incentivise general aviation activity in order for air traffic control to remain "recent" reduced. Unfortunately a number of essentially Brexit related issues placed considerable pressure on cargo operations which lead to a decline in movement numbers in the later part of the summer. Although the UK government announced progressive loosening of the restrictions around travel in the early Autumn their implementations coincides with the general reduction in demand always seen in the winter season. As a result London Southend Airport will see no passenger flying after the end of October 2021.

The pressure on financial performance remains extremely high with revenues historically low but a significant degree of fixed cost to cover. However, the anticipated agreement to partner with the US private equity group Carlyle was concluded in the summer and provides financial stability for the airport across the challenging short term. Although the outlook continues to be very challenging, with no passenger flying and a very limited cargo operation across the winter the current expectation is for a recovery in activity from April 2022.

Cargo operations in mid-summer were reasonably strong and indeed in some months contributed to an exceedance of the monthly night movement quota, leading to reductions in that quota. However, a combination of a reduction in both passenger and cargo night movements meant that by October the airport was operating well with the monthly night quota. Cargo operations have been affected by Brexit related issues and have fallen to one rotation per day with a single movement at night. This is expected to continue into 2022.

Despite this reduction cargo remains a key element of the airports operational and financial performance and still employs over XXXX employees.

Airline Business

Two principal factors are affecting the allocation of capacity by Airlines to airports in the UK. The first is the relatively low load factors experienced by airlines which have been significantly below historical norms. The second is the far easier travel environment enjoyed by passengers within the EU as a result of the covid passport regime. This combination of factors has led to airlines transferring capacity from the UK to intra EU operations in the short term. As previously reported this has contributed to the decision by Ryanair to close the base at Southend. It also played a role in the deferral of a restart of operations by both Wizz Air and Wideroe from winter 2021 to summer 2022.

Nevertheless the airport continues to hold constructive dialogues with several airlines. Airline decision making is far later that would historically have been the case as airlines seek to understand government policy and the likely development of the pandemic. It is also affected by continuing uncertainty about slot allocation rules at some of the larger airports in particular Heathrow and Gatwick. The result is that, although we are engaged in encouraging conversations with airlines those conversations have yet to conclude.

Operations

Across the summer we continued to seek to provide our passengers with the best possible experience under the challenging circumstances. Our commercial partners such as World Duty Free, WH Smith and TRG continued to support the airport and we are able to offer both catering and retail services to our passengers until the end of October. Trading conditions have been exceptionally difficult for many operators with extreme pressure experienced by for example, the foreign exchange industry. Even so we continue our dialogue with current and prospective partners ahead of the recovery we all expect from summer 2022. Our intention remains to provide market leading service to all our passengers, whether that is delivered through for example our security processes or our terminal concessions.

However, given the extremely low levels of commercial activity anticipated for the winter we will close the aerodrome for some periods of each day in order to manage costs as tightly as possible. This decision is accompanied by detailed reviews of operating procedures in the event of for example snow falls in order to ensure appropriate levels of resilience across the whole of the working day.

Planning related items

Future Projects

We have now completed works on the next generation hold baggage screening project and the system is now fully in use, providing even higher levels of security assurance to our customers.

Works on the Port Infrastructure Fund project continue, with the Government having extended its deadline for completion to year end.

We have contributed responses to both the Rochford and the Southend Borough Council consultations on local area plans.

Employment and Training

Staff attrition continues as people seek what they perceive to be more secure employment opportunities. Total employment by Esken at the airport is currently 273. Despite increasing attrition we continue to seek to retain the core team. We also currently plan to begin recruitment in January 2022 in order to be ready for a return to passenger operations from April. In the meantime we will use the period of very low activity this winter to invest in further training across our teams.

Community Relations

Night movements

As per item 8.2.4 of the minutes of the previous quarterly meeting, requesting a monthly breakdown in percentage for any month whereby the monthly night quota has been exceeded, the monthly data for night movements is set out below (including data from the previous reporting quarter);

	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21
Monthly quota (adjusted)	120	120	117	93	81	113
Night mvts (less exempt)	108	123	136	117	88	41
Percentage of quota used	90%	100.25%	116.24%	125.8%	108.64%	36.2%
Breach total	0	3	19	24	7	0
Penalty =10%+ 2x exceeding 10%	0	-3	-27	-39	-7	0

Penalties have been applied as per the S106 agreement, for four consecutive months. Due to the decrease in cargo and passenger flights it is expected that the overall number of night flights for 2021-22 will fall within the annual quota.

Noise

The total number of noise complaints for the Q3 period August, September and October 2021 was 3,290. This excludes 33 complaints for which no aircraft could be found to be operating at the time of the complaint.

In the Q3 period 2,784 (85%) of all complaints were from 20 people and 1,514 complaints (46%) were received from just 3 addresses.

Following comments made by the ICCAN representative at the ACC public meeting in September, the airport will now report the number of aircraft 'events' that generate noise complaints.

	Total ATMs	B734 Cargo ATMs	Total Complaints	NOT SEN	Total complaints	Events	Night complaints	Day complaints
Aug-21	2254	186	1472	8	1464	282	1098	366
Sep-21	2381	146	1129	17	1112	273	825	287
Oct-21	1912	81	722	8	714	161	479	235
	6547	413	3323	33	3290	716	2402	888

This data shows that just 11% of aircraft movements during the Q3 period generated complaints.

	Total complainants	Total complaints	Top 20	Top 20 =	Top 3 house %	Top 3 H =
Aug-21	75	1472	81%	1191	42%	617
Sep-21	72	1129	85%	965	51%	578
Oct-21	50	722	87%	628	44%	319
		3323	84%	2784	46%	1514

1,863 complaints related to aircraft operating to/from the SW over Leigh on Sea and 1,360 complaints related to aircraft operating to/from the NE over Rochford. (100 complaints related to helicopters, overhead aircraft which are not runway direction specific).

During the Q3 period, there were a total of 71 flights to/from the SW over Leigh on Sea which did not follow the preferred runway for reasons permitted under the S106 exemptions. All were specific to weather/wind conditions and the performance capabilities of the aircraft concerned to operate under the weather conditions at the time of operation.

72% of all complaints were about aircraft operations during the night -time period. Of these, 85% relate to the logistics operation.

	No. of night flights over Leigh	Night	ASL (Cargo)	PAX (Ryanair)	HM Coastguard	Police
Aug-21	24	1098	1002	42	46	8
Sep-21	25	825	616	50	159	
Oct-21	22	479	418	8	53	
	71	2402	2036	100	258	8

All complaints for the Q3 period were investigated and the aircraft in question were fully investigated.

There was just one non-compliant flight during the Q3 period i.e. turned early and broke NPR controls. There were no complaints received in relation to this departure. Please see quarterly 106 return for NPR breaches for details.

Mobile Noise Monitoring Requests

No requests for the mobile noise monitor (MNT) were received during the Aug, Sept, Oct 2021 reporting quarter.

Noise Forum

The inaugural LSA Community Noise Forum took place on Tuesday 2 November 2021.

The forum was well attended by local resident groups, elected representatives from each SS postcode area, the DfT, CAA, Webtrak, Anderson Acoustics, local authorities and LSA.

Minutes of the meeting will be shared with the ACC separate to this report.

Environment

We continue monitoring our environmental impacts in particular our carbon foot print as we prepare to apply for level 2 airport carbon accreditation in 2022. Anderson Acoustics are also very close to concluding their review of noise management at the airport, the headlines of which were presented to the Community Noise Forum. We await outputs from COP26 before progressing further on additional fronts including particulate monitoring although it should be noted that our NOX monitoring demonstrates continued reductions in NOX around the airport. Without question environmental sustainability continues to increase in importance and as a consequence the airport remains committed to sustainable operations and growth.

Glyn Jones
Chief Executive Officer