

**Performance**

Total aviation movements	Feb 2020	Mar 2020	April 2020	Total
<b>2020</b>	<b>2364</b>	<b>2322</b>	<b>380</b>	<b>5,066</b>
2019	2,110	2,457	3,087	7,654
<b>Commercial mvt 2020</b>	<b>1602</b>	<b>1249</b>	<b>294</b>	<b>3,145</b>
Commercial mvt 2019	1,050	1,221	1,725	3,996
<b>Passengers 2020</b>	<b>131033</b>	<b>68505</b>	<b>141</b>	<b>199,679</b>
Passengers 2019	82,049	100,397	187,885	370,331

**Overview**

February saw continued growth in movements, commercial movements and passengers, with the latter up 60% on the previous year, largely as a result of Ryanair. However, March saw the initial impact of Covid 19, with passenger numbers falling from over 5,500 a day to virtually zero. That situation was continued across April, with commercial movements falling to fewer than 10 a day and passengers limited to a handful of repatriation flights, down by, in practical terms, 100% year on year. During the very large majority of the month of April, the passenger terminal was closed, although the airfield continued to operate.

Cargo operations continued, supporting the movement of goods to and from Italy and Spain. Contrary to assertions made by some individuals, there is no evidence that the virus is spread on internationally distributed packages and the risk is considered by the WHO to be very low. Our global logistics customer has prioritised the distribution of goods which support people in the current pandemic and the operation continues to enable the employment of well over 200 people locally, at a time when the economy is under increasingly severe pressure. The cargo airline schedule remains eight movements most days (UK, Spanish and Italian public holidays see no flights), with five during the day and three during the night.

A number of airlines, in particular BA, Ryanair and easyJet, stopped all flying from April and parked elements of their fleets at London Southend. The requirements of the maintenance regimes associated with those aircraft mean that there have been a small number of brief flights, as well as occasional repatriation services but in total April saw only 12 movements a day, down from over 80 in February. The Jet Centre closed completely and there was very little general aviation activity. In the course of two months, London Southend went from being a busy, rapidly growing airport to levels of activity last seen before the acquisition of the airport by Stobart Group.

The Government furlough scheme has helped us to maintain full employment and we currently have broadly two thirds of our employees at Southend on furlough, the remainder supporting continued operations. We have deferred all cost of living allowance changes, implemented pay cuts for the management team and cut all but unavoidable expenditure and these steps have helped to retain the full team. However, with revenue over 90% down on expectation and costs still material as a result of full employment, the continued impact of Covid is placing very material strains on the business.

### **Airline Business**

The impact of the virus on airlines is hard to overstate. Both easyJet and Ryanair have announced major staff and other cost cutting initiatives, as have many other airlines. The lack of clarity about access to markets and possible UK quarantine measures have made establishing certainty about future networks and schedules exceptionally difficult. However, it appears likely that Wizzair, who have throughout been the most optimistic of the low-cost carriers, will resume operations at London Southend in mid-June, followed by Ryanair in early July and easyJet in late July. Wideroe have deferred the transfer of their services from Stansted to August. However, whilst service resumption by mid-summer seems likely, it will, initially, almost certainly be at no more than one third of last year's levels of capacity, with far lower load factors than have historically been the norm. The prevailing view of the industry is that it will take two to three years to return to 2019 levels of demand which, in the short term, places significant pressure on our business. Whilst our confidence about the medium to longer term is undiminished, the next few years are likely to be very challenging.

### **Operations**

The key question in the Covid context is how to provide an acceptably safe and reassuring environment for staff, stakeholders and passengers. Again, there is little consistency about best practice, with some markets (for example France) using 1m as a social distancing basis, others (EASA) recommending 1.5m and the UK focused on 2m. The use of thermal imaging cameras is not yet consistent and more importantly, the operational, medical and commercial processes following the identification of raised temperatures even less so. As a result, our short-term focus is on hygiene, protection through masks and bio-shielding, social distancing to the greatest extent possible and information provision. Mid-term, we plan to evolve to increase the emphasis on protection through a reduction in operational contact points, for example through self-service bag drop, a project which has had to be deferred due to Covid, and social distancing through terminal reconfiguration. However, it is important to note that our plans will have to adapt to the changing circumstances, both in terms of the disease itself and the response to it of our stakeholders, including airlines and government.

## **Planning related items**

### **Future Projects**

The application for consent to build a new hotel is with the planning authorities whose timescales have, understandably, been affected by the virus.

The next generation Computed Topography x-ray (CTiX) screening equipment for central search is now in place with staff being trained ahead of live operations in the summer. It will mean passengers using the machine no longer needing to limit their liquids to 100ml nor separate them from their bags and able to leave laptops and other large electronic goods in cabin baggage during the search process. Assuming a successful trial, our objective is still to make the whole of our central search area CTiX, so becoming the first UK airport to do so.

For obvious reasons, our longer-term development plans have been placed on hold, although optioneering exercises continue.

## **Employment and Training**

As stated above, our aspiration is to maintain employment for the whole of our team, though the financial pressures arising from the almost complete absence of passenger flying are increasingly a challenge to that aspiration. We have continued where possible, given the limitations of what is permitted under furlough, to maintain both competency and recency for our people, given the expectation of a return to wider operations in the summer and the associated requirements of our regulator. Our continued airfield operations have made it possible for us to keep key skills current, so we do not anticipate any material challenge to fuller operations from July.

## **Community Relations**

### **Noise**

Due to the constraints of remote working during the COVID19 pandemic, on the 20 March, the ACC approved a short-term solution for recording and processing noise complaints.

#### Approved short term changes

1. To stop responding to complainants by letter
2. To send automated responses to complaints
3. Only respond when an aircraft is found to have operated outside of the existing agreements

Once the complaint has been investigated through the noise desk system, the Noise Manager would only contact the complainant if the aircraft was found to be non-compliant.

The total number of noise complaints for the Q1 period February, March and April 2020 was 4808. This excludes 162 complaints for which no aircraft could be found to be operating at the time of the complaint. It appears that some residents make regular complaints, stating times when no aircraft can be found to be operating. For example, on 5 April the airport received nine individual complaints for a flight at 02:25. No aircraft was found to be operating at this time. Upon further investigation it was discovered that a complainant who regularly provides date/time information for all night flights on an anti-airport forum, had made an error. It is clearly the case that complaints are made when no aircraft have been heard.

Due to the Covid 19 pandemic, passenger operations all but ceased from the 25 March.

Cargo operations continue as normal and account for 93% of all night time complaints for the Q1 period.

Complaints		NOT SEN	Total	Night	Day	Total complainants	Total by top 20	% by top 20
Feb 20	1742	-35	1707	1400	307	271	775	45%
Mar 20	2156	-76	2080	1802	278	286	887	41%
Apr 20	1107	-86	1021	955	66	129	600	54%
Total Q4	5005	-162	4808	4157	651		2262	47%

Some complainants are submitting complaints purporting to be from different individuals all resident at the same address but using the same email address.

86% of all complaints are about aircraft operations during the night -time period. Of these, almost all (94%) relate to the scheduled logistics operations. Of the 3,905 complaints about the scheduled logistics operations, 85% relate to departure or arrivals over Leigh on Sea.

	Night	Biz jets	PAX	Hospital charter	Jota	Govt/ military/ Coastguard	ASL / logistics	ASL Depart to SW	ASL Arrive from SW	Total ASL over Leigh on Sea
Nov-19	1400	57	44	0	12	4	1283	1158	0	1158
Dec-19	1802	40	30	0	36	0	1696	858	618	1476
Jan-20	955	0	0	20	0	9	926	110	576	686
Total Q1	4157	97	74	20	48	13	3905	2126	1194	3320

All complaints for the quarter period were investigated and the aircraft in question were found to have been operating within our agreed controls.

The table showing the airport operational performance against the agreed planning controls (Feb, Mar & Apr 2020) is attached; there were 3 NPR breaches for the quarter.

Members will be invited to ask any questions on this at the meeting.

## Environment

Stobart Group has been working on its baseline corporate and social governance report, which will be issued in the summer of 2020. Councillors, community groups and users of the airport all made contributions to that work. The airport has also engaged with a number of local councillors to develop an Environmental Action Plan specifically for the airport, as part of the wider Group strategy, though inevitably the pandemic has both slowed down progress in the short term.

Glyn Jones  
Chief Executive Officer