

Performance

Total aviation movements	May 2021	June 2021	July 2021	Total
2021	3,036	3,839	1,861	8,736
2020	662	791	2,429	3,882
Commercial mvt 2021	260	393	490	1,143
Commercial mvt 2020	359	341	635	1,335
Passengers 2021	107	4,555	14,479	19,141
Passengers 2020	238	38	20,819	21,095

Overview

The three months under report saw very weak activity in terms of passenger numbers, even below the historically low levels of 2020. The ongoing social restrictions in the UK and elsewhere, combined with a high level of Government caution around international travel and the continuing high cost of testing maintained pressure on passenger confidence and therefore demand. Very limited capacity was available both at London Southend and elsewhere and despite low fares load factors remained extremely low. We did see some General Aviation activity which enabled us to maintain “recency” in Air Traffic Control. That activity began to reduce when commercial flying returned but did not have the desired effect of avoiding “skills fade” in the view of our regulator.

The financial outlook continues to be very challenging, with revenues inevitably affected by reduced passenger volumes and costs largely fixed. Parent company Esken, however, has been working on an agreement with a new partner, Carlyle, the US-based private equity group, as well as with other prospective investors, to provide financial stability over the medium term as the aviation sector begins to recover from Covid, as it is expected to from 2022.

Cargo operations continued across the early part of the summer at three rotations a day, generating valuable revenue and supporting continued employment for well over 200 people. Brexit continues to pose challenges to the logistics industry, from changes to import and export processes at some mainland European airports to availability of drivers in the wider supply chain.

Airline Business

Airlines continue to report a late booking market and as a consequence to demonstrate risk averse behaviour. Most UK airports are still operating well below 50% of 2019 passenger numbers for the month of August. Unfortunately, this is leading to airlines taking difficult decisions and on Friday 6th August, despite load factors increasing week on week, Ryanair

advised that they are to close the Southend Base permanently from end October, focusing instead on Stansted in East London. Operational limitations also mean that away based flying is extremely challenging, so Ryanair will cease to serve SEN from the start of the 2021-2 IATA winter season. Whilst this is plainly disappointing from a consumer relevance and a passenger number point of view, it is by no means all negative. There are multiple historically profitable routes available to other airlines, without the risk of competition from a very strong carrier like Ryanair. Yield assumptions are likely to be upgraded by airlines in their financial appraisals of route opportunities. Ryanair also helped to increase awareness of our airport. So, although the continuing effects of Covid mean that timing is unhelpful, discussions with airlines about Summer 22 continue in a context which is in some respects more positive. Wideroe have also advised that they will not fly from Southend this Winter, though they expect to recommence service next Summer. Wizz Air still plan to operate to Bucharest and we are in active discussions with several other airlines.

Operations

The passenger terminal opened in the early part of the summer. Despite very low passenger numbers, our concession partners, World Duty Free, WH Smith and TRG continue to support the airport and we are able to offer both catering and retail services to our passengers. This, combined with our security process which allows all passengers to leave liquids and laptops in cabin bags, a service unique among UK airports, means that despite all the challenges arising from the pandemic, we continue to deliver market leading service to our customers.

We have also been audited by our regulator, the CAA, around our Covid safe measures and our operation recognised as appropriate to the pandemic context. The two testing facilities at the airport, one supporting the NHS and the other providing a private PCR facility on a not for profit basis, remain in place.

We also received very positive feedback, again from the regulator, around our air traffic control operation. This strong audit, following on from an equally encouraging result to our airfield audit, demonstrates the value of maintaining recency among our controllers but more broadly is a testament to the diligence and professionalism of the team under very demanding circumstances.

Planning related items

Future Projects

Our appeal against the refusal to grant consent to build a new hotel has been upheld. In addition an award of costs has also been made in favour of the airport, on the basis that the Council failed to substantiate its decision to refuse the application.

We have now completed, in very large part, the works on the next generation hold baggage screening project continue and the system is now 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.

Employment and Training

The impact on jobs of Ryanair's decision to withdraw cannot be ignored and we have briefed our team to that effect. However, given that we remain confident of a return to higher passenger numbers next summer, it is important we retain as much of our high quality team as possible, particularly in light of an increasingly tight labour market. As a result, we are evaluating all options and whilst job losses cannot be ruled out, we plan to keep the situation under close review rather than to make wide-ranging, hasty decisions.

Community Relations

Noise

The total number of noise complaints for the Q2 period May June and July 2021 was 3,785. This excludes 37 complaints for which no aircraft could be found to be operating at the time of the complaint.

In the Q2 period 3,289 (84%) of all complaints were from 20 people and 1,455 complaints (38%) were received from just 3 addresses.

Complaints		NOT SEN	Total	Night	Day	Total complainants	Total by top 20	% by top 20
May 2021	1,196	19	1,177	1,091	86	85	976	82%
Jun 2021	1,327	8	1,322	1,124	198	72	1,090	82%
July 2021	1,296	10	1,286	1,116	170	77	1,123	87%
Total Q2	3,819	37	3,785	3,331	454		3,189	84%

1,702 complaints related to aircraft operating to/from the SW over Leigh on Sea and 1,883 complaints related to aircraft operating to/from the NE over Rochford. (200 complaints related to helicopters, overhead aircraft and ground noise (118) which are not runway direction specific).

88% of all complaints are about aircraft operations during the night -time period. Of these, 89% relate to the logistics operation.

	Total Night-time complaints	Biz jets	Passenger	ASL (cargo)	HM Coastguard	Calibration	Ground noise
May 2021	1091	7	0	993	62	5	24
June 2021	1124	3	48	968	83	0	22
July 2021	1116	0	47	908	127	0	34
	3331	10	95	2869	272	5	80

All complaints for the Q2 period were investigated and the aircraft in question were fully investigated.

There were no non-compliant flights during the Q2 period i.e. turned early and broke NPR controls.

Mobile Noise Monitoring Requests

Following approval of the 'Mobile Noise Monitoring Procedure' which is now published on the LSA website, the airport received just one request from an SS9 resident who has since retracted his request as he is moving house.

Noise Forum

On 21st July 2021, London Southend Airport announced its new Independent Community Noise Forum (London Southend Airport Community Noise Forum - LSACNF). The LSACNF will be established to create and maintain an impartial pathway for local communities to engage with the airport, and to increase trust, transparency and clarity on noise issues associated with London Southend Airport.

The LSACNF is designed to hear and engage with local concerns, seeking resolution. It is not limited to aircraft noise and will provide an open forum to discuss any noise related issues. The independent chair will lead the meetings with a clear agenda to seek improvements, identify positives to remain and discuss any areas of concern. The chair position is currently being advertised and the airport encourages application.

Applications for membership have already been received from members of the community, enabling the core of the Forum to be established in September 2021. It will meet on a quarterly basis for a duration of two hours, with the first meeting expected to be in the fourth quarter of 2021. The forum will address noise issues at a strategic and technical level. It does not itself make decisions; its power comes from its ability to make evidence-based recommendations to the relevant decision makers. The LSACNF Chair will report to the ACC on noise issues.

Environment

We published our Environmental Action Plan in July, focusing on carbon, air quality and noise in particular. It sets out objectives, strategies and actions over the next five years. We have already made progress on Carbon Accreditation and, as reported above, we are well advanced in establishing the Community Noise Forum, taking guidance from ICCAN. We have also appointed Anderson Acoustics to support our work on the application of the balanced approach to aviation related noise and will receive their recommendations in the Autumn. We will wait until after COP26 before moving forward on particulate monitoring on the basis that new guidance might emerge from that event. We are also looking in detail at the possible future development of the airport once we emerge from Covid and those investigations are driven fundamentally by the intention to be a fully sustainable airport. As we begin to emerge from the most challenging period in the history of the airport, we have an opportunity to do so in a more environmentally sustainable, community-aligned manner, which is our commitment.

Glyn Jones
Chief Executive Officer