Quod

Proof of Evidence

Of Andrew Hunt (for the Applicant) on Socio-economic Matters

Application by London Luton Airport Operations Limited

London Luton Airport

LBC REF: 21/0031/VARCON

PINS REF: PCU/RTI/B0230/3269175

Contents

1 Qualifications and Experience

Qualifications and Experience

1.1 My name is Andrew Stephen Hunt. I hold a Bachelor of Science Degree in Economics and Politics and a Master of Arts Degree in European Economics. I am a Member of the Institute for Economic Development.

1.2 I am a Senior Director of the socio-economics team at Quod, one of the largest independent planning consultancies in the UK, with offices in London and Leeds. I have over 25 years' experience, principally acting as a planning and economics consultant in the private sector. I have advised clients over many years on a wide range of commercial, retail, housing, urban regeneration and infrastructure projects across the UK, including Heathrow Airport, London City Airport and Belfast City Airport. I am a Council member of the National Infrastructure Planning Association and an expert member of the Evaluation Panel of the LSE's Government-funded What Works Centre for Local Economic Growth.

1.3 I have acted as an expert witness on many occasions including on the economic and regeneration impacts of commercial and infrastructure projects across the country.

1.4 I have read all of the background information and made such inquiries such as I consider necessary to fulfil my duties as an expert witness.

1.5 The evidence which I have prepared and now provide for this called-in planning application (Luton Borough Council reference 21/00031/VARCON) within this proof of evidence (PoE), is true and I confirm that the opinions expressed are my true and professional opinions.

2 Scope of Evidence

Scope of Evidence

2.1 My evidence is concerned with the socio-economic impacts and benefits of the changes to London Luton Airport's ("The Airport") operations proposed by the amendments to particular planning conditions, set out in the S73 Application (CD1.01). The S73 Application seeks the variation of certain conditions, including those relating to the cap on the number of passengers, and the noise contours.

2.2 The Secretary of State for Levelling, Up, Housing and Communities ('SSLUHC') has called-in the application for determination. The SSHLUHC has identified matters which he particularly wishes to be informed about for the purposes of considering the proposals; these include:

> *The extent to which the proposed development is consistent with the development plan for the area.*

2.3 The Inspectors' note following the pre-inquiry meeting (6th July 2022) sets out the "main considerations" to be considered at the Inquiry including:

> *The socio-economic implications of the proposed development*

2.4 My evidence addresses that issue and considers the ways in which the proposals will (amongst other things) contribute to meeting employment and economic policy objectives for Luton and the wider economic area in accordance with the development plan and also national policy. It also explains the key socio-economic benefits of the proposals for Luton and the wider area. It draws on evidence provided by London Luton Airport Operations Ltd (LLAOL) and included as Appendix 1 of this proof of evidence.

3   The Planning Application

3.1   The S73 Application seeks the variation of Conditions 8, 10, 22, 24 and 28 to Planning Permission 15/00950/VARCON to accommodate 19 million passengers per annum (MPPA).

3.2   For socio-economic purposes, the key variation proposed is to Condition 8, the passenger throughput cap. This currently states that:

> *At no time shall the commercial passenger throughput of the airport exceed 18 million passengers in any twelve-month period. From the date of this permission the applicant shall every quarter report in writing to the Local Planning Authority the moving annual total numbers of passengers through the airport (arrivals plus departures). The report shall be made no later than 28 days after the end of each quarter to which the data relates.*

3.3   LLAOL is seeking to modify this condition to allow the Airport to continue to operate and expand to a modest degree in a viable way (as explained further below). The proposed modification to Condition 8 would simply involve the substitution of the figure for passengers in any twelve-month period from 18 to 19 million. All other wording in the condition would remain as existing. The proposed modifications to other conditions concerning, for example, noise contours are dealt with in more detail in the evidence of others.

3.4   The Airport is currently permitted to accommodate up to 18 MPPA under the planning permission (reference 15/00950/VARCON). The Airport served almost 18 MPPA in 2019 and the proposed variations would allow the Airport to accommodate up to 19 MPPA. As identified although the Airport served nearly 18 MPPA in 2019 it was considered that this entailed exceedances of the noise contour conditions. As such, when considering the impacts of the proposal it has been appropriate to use an adjusted baseline which reflects the number of passengers which would have been served in 2019 if the Airport's operations had been within the noise contours set out in condition 10 of its planning permission.

3.5   The key and important socio-economic consequences of the change to Condition 8 to allow 19 MPPA would be:

   a)   More jobs

   b)   More economic activity

   c)   Facilitation of Luton's economic recovery from the Covid-19 pandemic

   d)   Faster fleet modernisation.

3.6   The S73 Application was considered by Luton Borough Council (LBC) who resolved to grant it. The officer's report to the Development Management Committee sets out the position of LBC as the local planning authority to the proposals in more detail (CD5.08).

3.7   The report correctly identifies the importance of airports to the UK economy and that the Government's position is that the expansion of airports will be significant in enhancing global connectivity and economic growth.   The report concludes that the proposal would bring important economic benefits and that it would be consistent with local and national policy in these terms, and I agree with that analysis for reasons which I will explain below.

4 Planning Policy and Guidance

Introduction

4.1 There is a range of planning, economic and aviation policy at national and local level that is relevant to this planning application. The planning policy aspects are principally dealt with in the evidence of Mr Bashforth, but I highlight below specific aspects of policy which are relevant to my analysis.

Local Plan

4.2 The development plan for the area comprises the Luton Local Plan 2011-2031 (the "Local Plan", CD09.07). The Local Plan was adopted in 2017. The Local Plan clearly supports sustainable growth at the Airport. The Local Plan "Visions and Objectives" set out in relation to the Airport state that:

> *London Luton Airport will be improved to provide more jobs related to aviation industries and other associated business clusters and maintain London Luton Airport's key role as a sub-regional economic driver bringing wealth and job creation (including high skilled jobs) to the town and neighbouring local authorities.*

4.3 The Airport is subject to a strategic allocation, set out within Policy LLP6. This allocation is intended to serve the "strategic role of London Luton Airport and associated growth of business and industry, including aviation engineering, distribution and service sectors that are important for Luton, the sub-regional economy, and for regenerating the wider conurbation".

4.4 The Local Plan emphasises the need for jobs and economic growth generally for Luton, making specific reference to the sustainable growth of the Airport based on its strategic importance:

   a) Strategic Objective 1 of the Local Plan is to "retain and enhance Luton's important sub-regional role as a place for economic growth and opportunity, including the safeguarding of London Luton Airport's existing operations and to support its sustainable growth over the Plan period based on its strategic importance";

   b) Strategic Objective 6 of the Local Plan is to "reduce social, economic and environmental deprivation…by taking priority measures to reduce unemployment, improve skills and education…";

   c) Policy LLP13 – Economic Strategy (Part A) sets out that "planning applications will be granted where they deliver sustainable economic growth and prosperity to serve the needs of Luton and the wider sub region";

4.5 The supporting text to Policy LLP13 recognises the need for employment land to support aviation engineering on the London Luton Airport Strategic Allocation. It also recognises that Luton "functions as an important sub-regional employment centre."

4.6 In summary these adopted policies and strategic objectives all strongly endorse and support the importance of the Airport as an economic engine in the local as well as wider economy and demonstrate very clear policy support for the Airport's sustainable growth as an economic motor for the borough and the region as well as safeguarding its existing operations.

Local Economic Policy

4.7 Alongside long-term planning policy, LBC has also now developed shorter term economic policy that similarly highlights the importance of the Airport as a major part of Luton's economy. The Luton Covid19 Economic Recovery Plan (CD12.10) states that:

The global slowdown has left Luton exposed with its airport a major part of the economy.

4.8 It states that the Airport is a key sector and sets out a longer-term ambition that the "airport will be at full capacity, providing maximum benefit to jobs and the economy" (p.3).

Airport Masterplan

4.9 LBC has also adopted formal support for the Airport's plans to expand to cater for 19 MPPA as proposed in this S73 Application. The Airport's 2021 Masterplan serves as a framework for guiding the short-term development of the Airport to increase its capacity from 18 MPPA to 19 MPPA. This Airport Masterplan was adopted by the Council in November 2021 (CD5.03).

Relevant National Policy

National Planning Policy Framework

4.10 Paragraph 8 of the National Planning Policy Framework (NPPF, CD09.05, p.5) sets out the overarching economic objective of a "strong, responsive and competitive economy" which is to be achieved by "ensuring that sufficient land of the right type is available in the right place and at the right time to support growth, innovation and improved productivity". The second objective is "to support strong, vibrant and healthy communities."

4.11 Paragraphs 81 and 83 of the NPPF (p.23) are also relevant. These require policies and decisions to create the conditions for businesses to invest and expand, support economic growth and allow areas to build on their strengths:

> 81. Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. This is particularly important where Britain can be a global leader in driving innovation[42], and in areas with high levels of productivity, which should be able to capitalise on their performance and potential.

> 83. Planning policies and decisions should **recognise and address the specific locational requirements of different sectors**. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology

industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.

Build Back Better

4.12 As part of the March 2021 Budget, the Government set out its plans to support economic growth through significant investment in infrastructure, skills and innovation in "Build Back Better: our plan for growth" (CD17.03), particularly to support the economic recovery from the Covid-19 pandemic.

4.13 Page 31 of Build Back Better states: "*High quality infrastructure is crucial for economic growth, boosting productivity and competitiveness. More than this, it is at the centre of our communities. Infrastructure helps connect people to each other, people to businesses, and businesses to markets, forming a foundation for economic activity and community prosperity. Well-developed transport networks allow businesses to grow and expand, enabling them to extend supply chains, deepen labour and product markets, collaborate, innovate and attract inward investment.*" (p.31).

4.14 The Build Back Better plan for growth focuses on three pillars of investment to act as the foundation on which to build the economic recovery and levelling up: (1) radical uplift in infrastructure investment; (2) creating new skills training opportunities across the UK; and (3) fostering the conditions to unleash innovation. The S73 Application will contribute to all three pillars.

Levelling Up

4.15 The Government published its Levelling Up White Paper in February 2022 (CD16.16). In the Foreword by the Prime Minister, he states that, "From day one, the defining mission of this government has been to level up this country."

4.16 The White Paper has four aims, two of which are directly relevant to the case for this scheme. They are to:

   a) Boost productivity, pay, jobs and living standards, especially in those places where they are lagging.

   b) Spread opportunities and improve public services, especially in those places where they are weakest

4.17 Beneath these aims are the Missions, which include:

   a) **Living Standards**: By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, and the gap between the top performing and other areas closing.

   b) **Skills**: By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.

c) **Well-being**: By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.

4.18 The White Paper sets out the Government's framework for broadening opportunities for people across the country and is underpinned by a range of metrics which will track the progress of the 12 Levelling Up "Missions".

4.19 In May 2022 the Government published the Levelling Up and Regeneration Bill which will give effect to some of the principles set out in the White Paper. The Missions will have status in law, including a statutory obligation to report annually on progress towards meeting them by 2030.

4.20 The £4.8bn Levelling Up Fund is a key element of how the Government intends to deliver its agenda. As part of the allocation process, the Government has grouped local authority areas into three categories of prioritisation. LBC is a Priority 1 Area (the highest priority) because of its high levels of deprivation and need (see Section 5 below).

4.21 In part because of its high level of need, LBC was successful in its bid to the Fund and won £20m in Round 1.

Aviation Policy Framework (2013)

4.22 The document (CD8.05) starts with a summary of the importance of aviation to the UK economy including (at that time) £18bn of economic output and 220,000 jobs and acknowledges the capacity constraints at airports in the south east.

4.23 It states that (paragraph 9):

> *One of our main objectives is to ensure that the UK's air links continue to make it one of the best connected countries in the world. This includes increasing our links to emerging markets so that the UK can compete successfully for economic growth opportunities. To achieve this objective, we believe that it is essential both to maintain the UK's aviation hub capability and develop links from airports which provide point-to-point services.*

4.24 It goes on to say that, "*a key priority is to work with the aviation industry and other stakeholders to make better use of existing runway capacity at all UK airports.*"

4.25 It states the UK's continued economic success depends on being able to connect with the countries and locations that are of most benefit to our economy. This is important in relation both to destinations that fall into that category today and those locations that will become crucial to our country's economic success in the future. It goes on to state that aviation enables productivity and growth through:

a) enhanced access to markets and new business opportunities through improved connectivity;

b) lower transport costs and quicker deliveries. For example, transporting freight by air allows smaller inventory holdings, and the rapid transport of perishable goods leads to increased specialisation of production which results in greater

efficacies. The Organisation for Economic Co-operation and Development (OECD) notes that 40% of international freight trade by value is accounted for by airlines;

    c) facilitating inward investment and the movement of goods, people and ideas both within the UK and to and from the rest of the world thus enhancing trade and the diffusion of knowledge and innovation.

Airports National Policy Statement: new runway capacity and infrastructure at airports in the South East of England (2018)

4.26 The Airports National Policy Statement (CD8.04) sets out the importance of aviation to the national economy, contributing around £20 billion per year and directly supporting approximately 230,000 jobs and extending beyond its direct contribution to the economy by also enabling activity in other important sectors like business services, financial services, and the creative industries. It states (paragraphs 2.1 and 2.2):

> *International connectivity, underpinned by strong airports and airlines, is important to the success of the UK economy. It is essential to allow domestic and foreign companies to access existing and new markets, and to help deliver trade and investment, linking us to valuable international markets and ensuring that the UK is open for business. It facilitates trade in goods and services, enables the movement of workers and tourists, and drives business innovation and investment, being particularly important for many of the fastest growing sectors of the economy.*

> *International connectivity attracts businesses to cluster round airports, and helps to improve the productivity of the wider UK economy. Large and small UK businesses rely on air travel, while our airports are the primary gateway for vital time-sensitive freight services. Air travel also allows us ever greater freedom to travel and visit family and friends across the globe, and brings millions of people to the UK to do business or enjoy the best the country has to offer.*

4.27 It goes on to state that new airport capacity is needed (paragraph 2.10):

> *However, challenges exist in the UK's aviation sector, stemming in particular from capacity constraints. These constraints are affecting our ability to travel conveniently and to a broader range of destinations than in the past. They create negative impacts on the UK through increased risk of flight delays and unreliability, restricted scope for competition and lower fares, declining domestic connectivity, erosion of the UK's hub status relative to foreign competitors, and constraining the scope of the aviation sector to deliver wider economic benefits.*

Beyond the Horizon: The future of Aviation – Making Best Use of Existing Runways (2018)

4.28 This document (CD8.09) states that the Government agreed with the Airports Commission that there is a need for new runway capacity in the south east and for other airports to make more intensive use of their existing infrastructure and make best use of their existing runways.

4.29 At paragraph 1.29 it concludes:

Therefore the government is supportive of airports beyond Heathrow making best use of their existing runways. However, we recognise that the development of airports can have negative as well as positive local impacts, including on noise levels. We therefore consider that any proposals should be judged by the relevant planning authority, taking careful account of all relevant considerations, particularly economic and environmental impacts and proposed mitigations. This policy statement does not prejudge the decision of those authorities who will be required to give proper consideration to such applications. It instead leaves it up to local, rather than national government, to consider each case on its merits.

Flightpath to the Future (2022)

4.30 This document (CD11.15) sets out the strategic framework for the sector for the next ten years. It again sets out the importance of airports and aviation to the UK economy and the Government's commitment to help the sector recover from the Covid-19 pandemic and make the most of the opportunities presented by the UK's exit from the European Union (EU).

4.31 It includes a ten-point plan which highlights key priority areas to help deliver the Government's commitment to growth. The first of these is to *"Recover, learn lessons from the pandemic and sustainably grow the sector*."

4.32 Three points are grouped under the heading, "Realising benefits for the UK":

   a) Unlock local benefits and levelling up – including through trade, air freight, aerospace, investment and tourism as wells as allowing people to benefit from improved connections across the union and regions.

   b) Unleash the potential for next generation professionals – enhance skills and diversity across the entirety of the sector

   c) Make the UK the best place in the world for General Aviation – recognise the important role General Aviation plays in providing domestic and international connectivity for a range of areas

4.33 Throughout the document there is clear support for airport expansion and growth to help recovery and the "Build Back Better" policy agenda, boost the economy through global connectivity, support levelling up and delivering local benefits

Jet Zero Strategy (July 2022)

4.34 The Government's Jet Zero Strategy (CD11.19) for achieving net zero aviation by 2050 was published in July 2022. The Strategy recognises the importance of the aviation industry to the national economy as well as at a local level:

This is a sector that levels up the economy; anchoring communities through our supply chains and championing the potential of people through high-skilled, well-paid jobs[1].

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[1] Paragraph 2.20.

4.35 The Strategy supports "sustainable airport growth where it is justified", recognising that "airports play a key role in supporting economic growth and UK trade"[2].

4.36 The Strategy is grounded in six policy measures. One of these is system efficiencies: "improving the efficiency of our existing aviation system, including our airports, airspace, and the aircraft we use". The Strategy considers that making continued improvements in efficiencies to the airspace, aircraft and airports offer the best opportunity to reduce emissions, noting that many of the solutions are available immediately[3]. It is estimated that such modernisation could deliver between 12-15% of CO_2 savings by 2050, and a 65% reduction in perceived noise per aircraft[4].

4.37 Another policy measure is influencing consumers: "preserving the ability for people to fly whilst supporting consumers to make sustainable aviation travel choices". By providing consumers and businesses with information to help inform the "greenest choices", the Strategy wants to reward the parts of the aviation sector which move quickly to decarbonise[5].

4.38 Following on from this, the Government considers it possible to achieve Jet Zero "without needing to intervene directly to limit aviation growth"[6]. The Strategy outlines that it is committed to growing the aviation sector "to ensure sustainable recovery from the pandemic"[7]. The underpinning analysis for Jet Zero (which includes assumptions on expansion plans for UK airports) considers:

> …it is possible for the potential carbon emissions resulting from these expansion schemes to be accommodated within the planned trajectory for achieving net zero emissions by 2050, and consequently that our planning policy frameworks remain compatible with the UK's climate change obligations[8].

Summary

4.39 Local and national planning and aviation policies are entirely consistent. The Airport needs to make best use of its runway capacity in a way that delivers local benefits and minimises harm. Policy is clear that airport expansion is important to national and local economic performance including:

a) Recovery from the Covid-9 pandemic and Building Back Better - the Luton area has been particularly badly affected;

b) Levelling Up – Luton is a high government priority;

c) Delivering local jobs and skills;

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[2] Paragraph 2.27.
[3] Paragraph 3.3.
[4] Compared to year 2000 aircraft. Page 28.
[5] Paragraph 3.54.
[6] Paragraph 3.57
[7] Paragraph 3.56
[8] Paragraph 3.57

d) Supporting connectivity and trade – boosting Global Britain and using opportunities from leaving the EU.

5   Socio-Economic Context

Introduction

5.1   ONS data from the Business Register and Employment Survey shows that the Airport directly accounts for nearly 12% of all jobs in Luton. It is a major driver of economic activity in the town – both directly and indirectly. Whilst its importance has always been clear, it was made even clearer by the Covid-19 pandemic: Luton was one of the worst affected places in the country because of the critical importance of the Airport to the local economy, with the aviation sector being significantly impacted by restrictions on travel caused by the Covid-19 pandemic .

5.2   The context for this application has therefore changed significantly since 2019. The town already had economic and social challenges, and these have got worse since the Covid-19 pandemic. The longer they go on the greater the long-term scarring will be. These issues, and in particular the need for jobs, need addressing now.

## The wider socio-economic picture

Unemployment is high

5.3   Unemployment in Luton has increased in recent years, from an already high starting point. In January 2020 (before the Covid-19 pandemic began), the unemployment benefit claimant count[9] rate[10] in LBC was 3.2%, higher than the East of England rate (2.3%) and England rate (2.9%). It peaked at over 9% in April 2021, when the England average was close to half that. As at June 2022[11], this rate is at 6.1%, compared to a rate of 3.0% in the East of England and 3.8% in England (Figure 5.1).

5.4   Figure 5.1 shows clearly that the effects of the Covid-19 pandemic were significantly higher in Luton than elsewhere and that they have persisted.   Whereas pre-pandemic the unemployment rate in LBC was fairly close to the regional and national averages, it went a lot higher than the averages, and although it is now falling, it is doing so slowly and the gap to the averages persists.

5.5   This reinforces the case for early action to boost jobs in the town.

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[9] The claimant count is an experimental data set counting the number of people claiming benefit principally for the reason of being unemployed. It is an ONS data set.
[10] As a proportion of residents aged 16-64.
[11] June 2022 is the latest month of data.

Figure 5.1 Claimant Count Rate Over Time, January 2020 to June 2022[12]
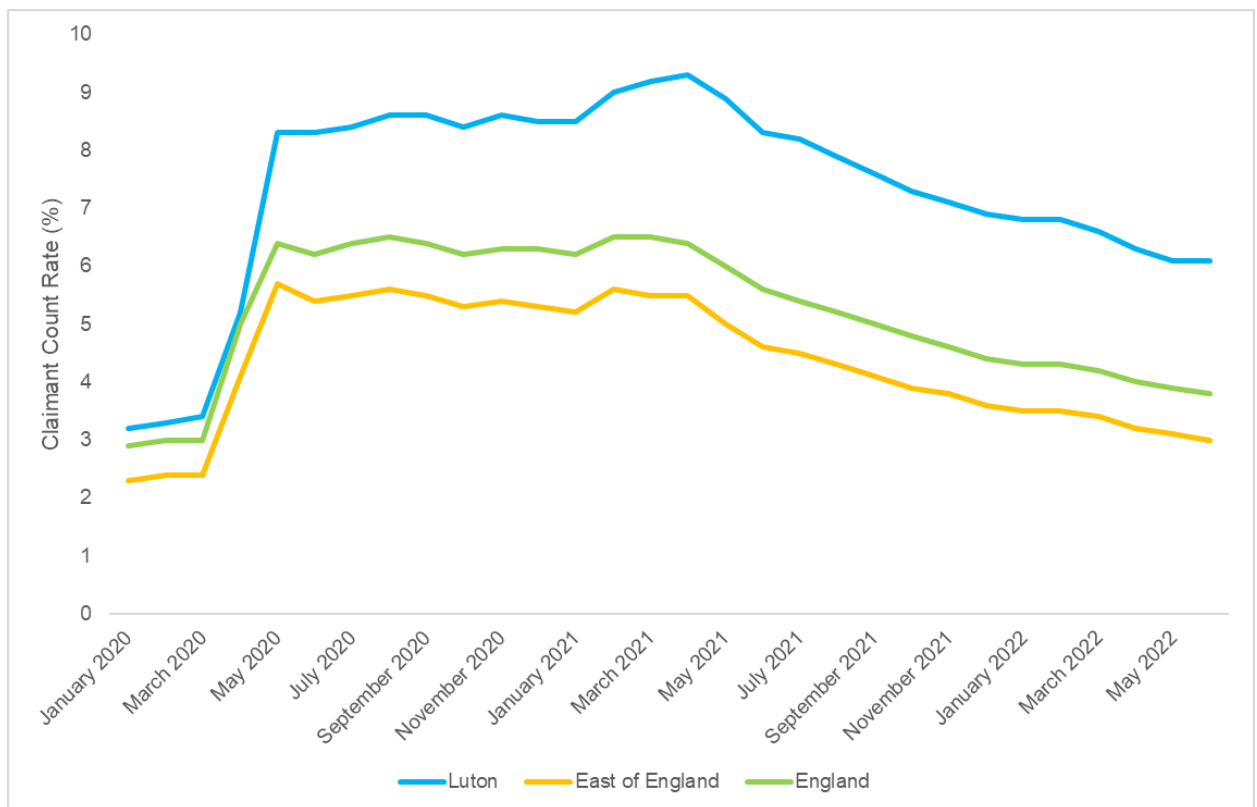
5.6 Figure 5.2 shows that LBC has the highest rate of claimants in the whole East of England region. In gross terms, the number of unemployment benefit claimants in LBC has doubled, from 4,325 in January 2020, to 8,535 in April 2022.

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[12] ONS (2022)

Figure 5.2: Claimant Count Rate in East of England (June 2022)
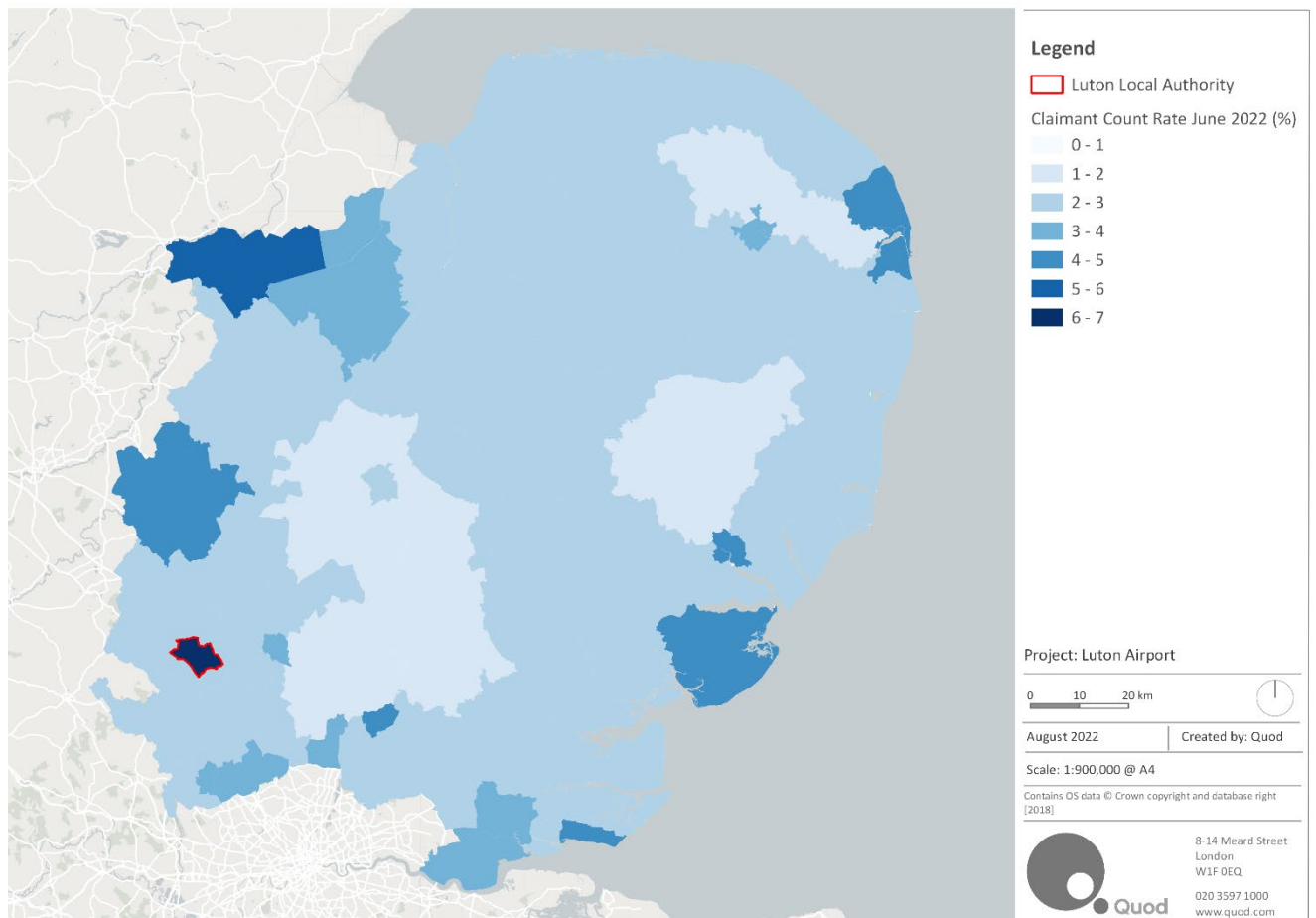
Deprivation is high

5.7 Luton town centre and the borough more broadly are relatively deprived based on the Government's Indices of Deprivation[13]. Large parts of the centre of Luton town and the neighbourhoods to the north, west and south rank in the top 10% to 30% most deprived in England. It is an unequal borough, with some neighbourhoods to the west (including those adjacent to the Airport) ranking in the top 10% least deprived in England. Figure 5.3 shows the LSOAs[14] which are ranked in the top 10% to 30% most deprived in England, focused on LBC and the surrounding area.

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[13] Indices of Multiple Deprivation, MHCLG, 2019.
[14] Lower-layer super output areas

Figure 5.3 IMD (All Domains) Ranking of LSOAs in LBC (2019)
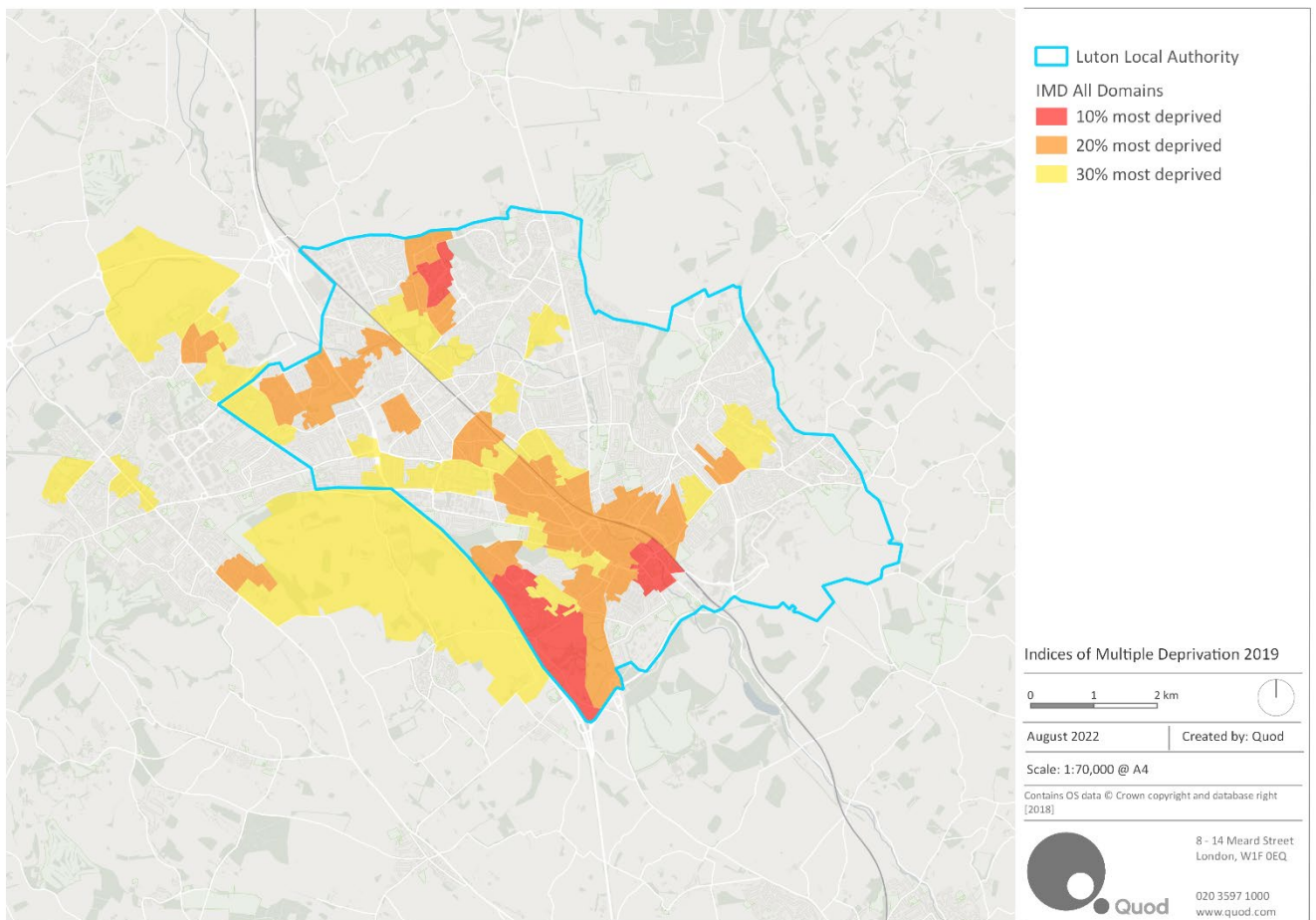
5.8   The Indices of Multiple Deprivation comprise seven domains. Of particular relevance to the local economy are the domains for education, skills, and training; and employment. Parts of LBC have high levels of deprivation in these specific domains: this is shown in Figure 5.4 and Figure 5.5.

Figure 5.4 IMD Education, Skills and Training Domain (2019)

Legend:
- Luton Local Authority
- IMD Education, Skills, Training
  - 10% most deprived
  - 20% most deprived
  - 30% most deprived

Indices of Multiple Deprivation 2019

0   1   2 km

| August 2022 | Created by: Quod |

Scale: 1:70,000 @ A4

Contains OS data © Crown copyright and database right [2018]

8 - 14 Meard Street
London, W1F 0EQ

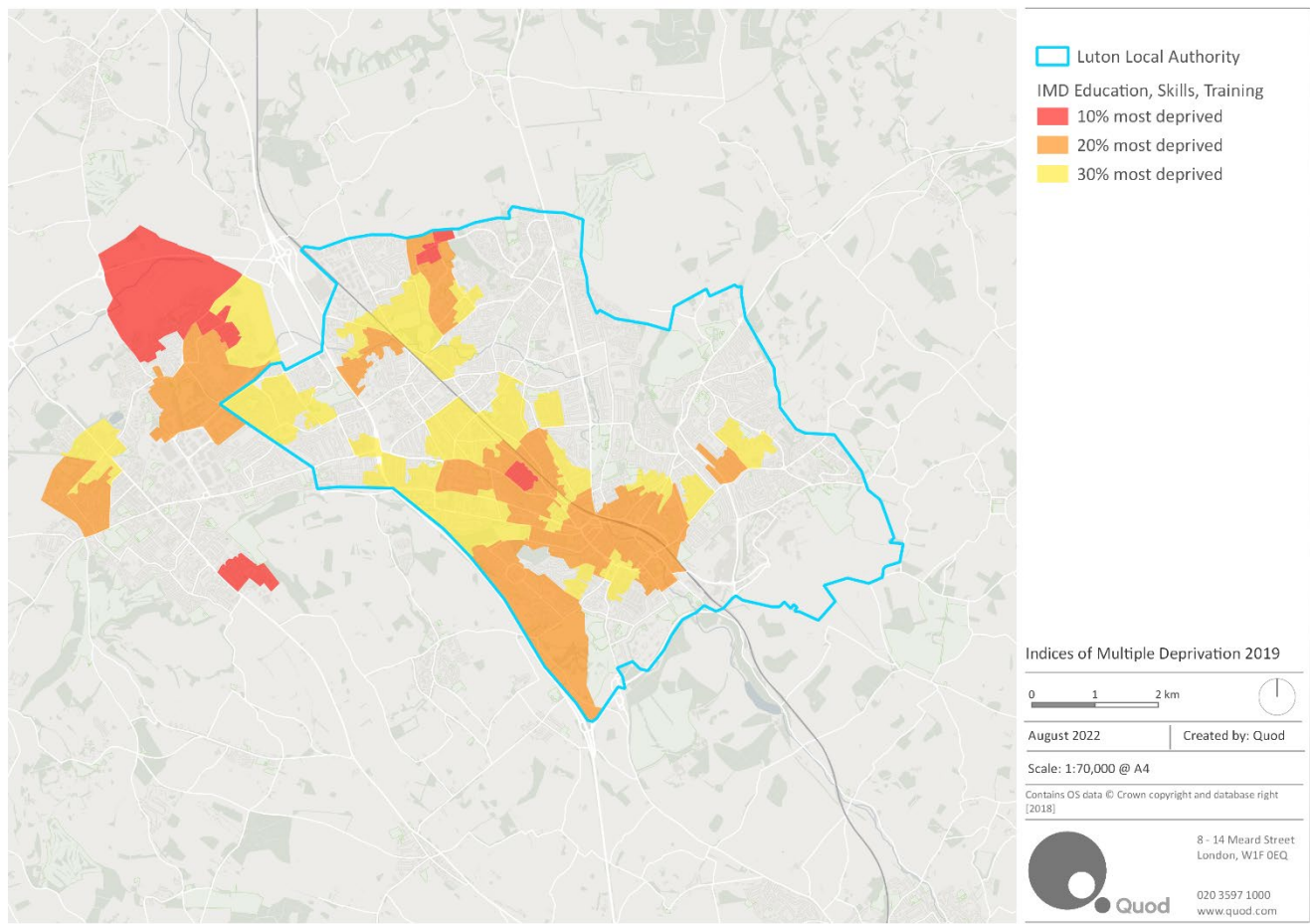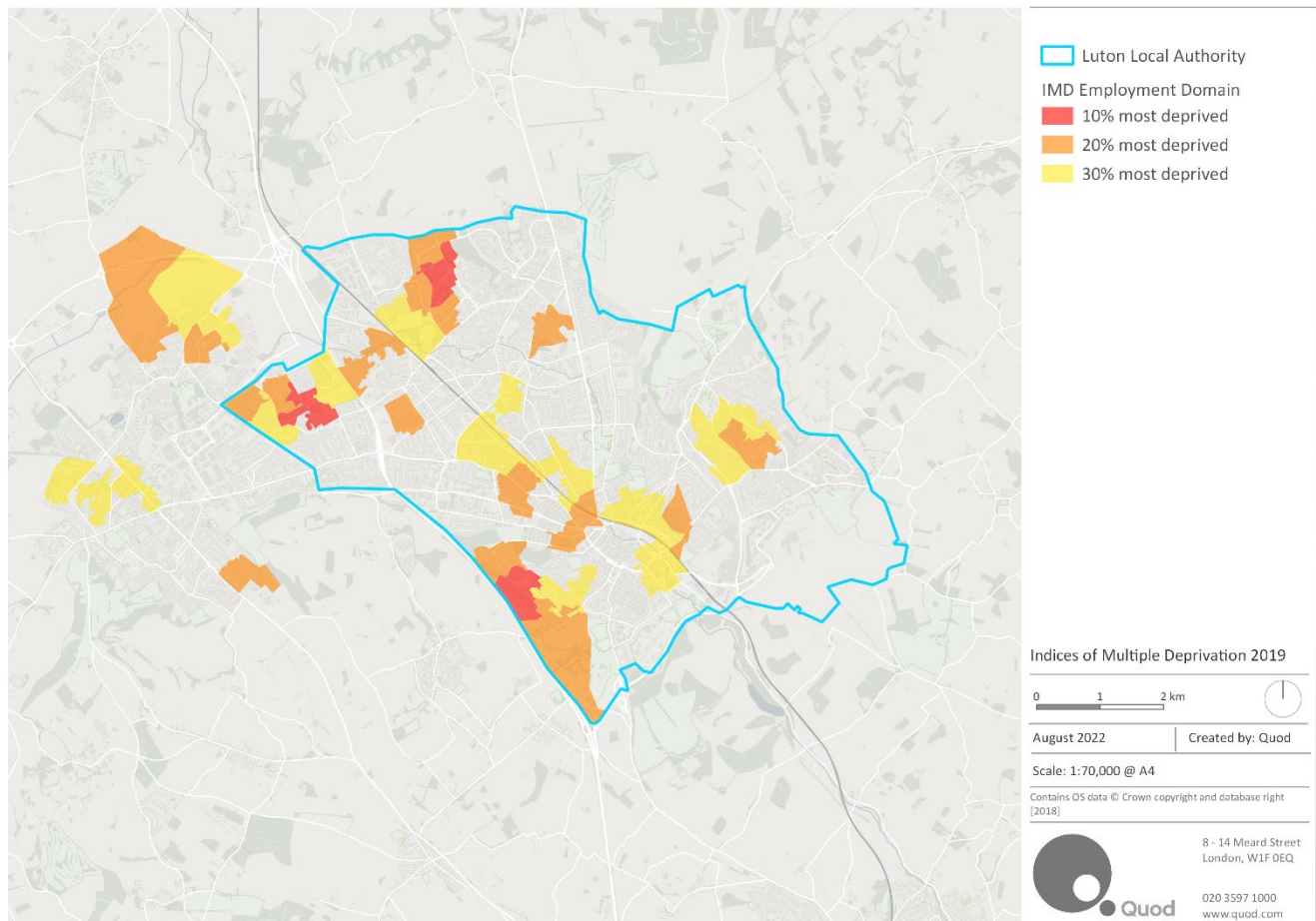020 3597 1000
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Figure 5.5 IMD Employment Domain (2019)

Luton is in need of Levelling Up

5.9 As well as being a priority to address in terms of Covid-19 pandemic recovery, LBC is also a very high priority for the Government's Levelling Up agenda. It is in Priority Area 1 for the Levelling Up Fund[15]. The prioritisation is based on a ranking informed by a range of indicators, with LBC's performance notably including the following:

a) 13th in England in the overall index (out of 309 local authorities – with 1 being the most in need and 309 being the least);

b) 4th against Indicator 3: Need for Regeneration;

c) 12th in terms of unemployment in 2020 to 2021 (dropping from 90th in 2019 to 2020); and

d) 3rd in terms of commercial vacancy rates.

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[15] https://www.gov.uk/government/publications/levelling-up-fund-round-2-updates-to-the-index-of-priority-places

5.10 Through the course of the Covid-19 pandemic, the Government's furlough scheme was heavily drawn on by workers in LBC. LBC estimates[16] that it was in the top 10 places in the country relying on furlough. ONS data confirm that the take-up rate in LBC was higher than the national and regional averages. In July 2021 the rate in Luton was 8% compared to an East of England rate of 5% and England rate of 6%[17]. Figure 7b from that report is shown here:

Figure 5.6: Take-up of Furlough

Figure 7b: Employments on furlough as a proportion of eligible employments at 31 July 2021, by local authority
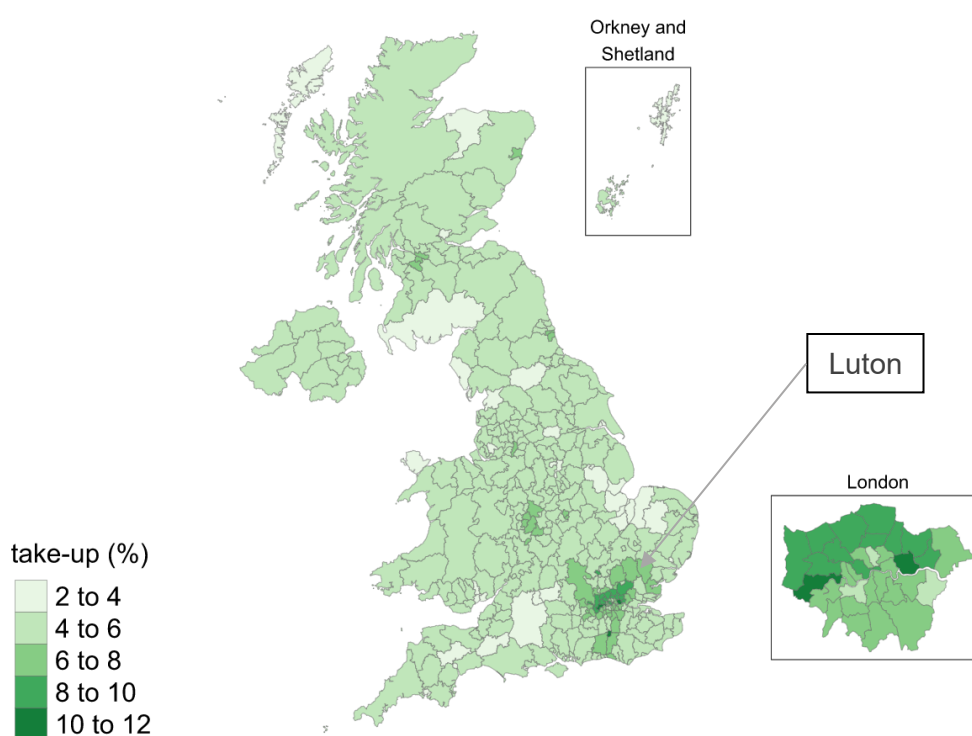
5.11 Local spending was particularly hard hit in LBC through the course of the pandemic and has struggled to recover following the end of the cycle of lockdowns. Analysis by the Financial Times shows that compared to pre-pandemic levels, local in-person sales are down by almost 30%, and online sales for businesses based in Luton are down by almost 50%[18]. LBC ranks
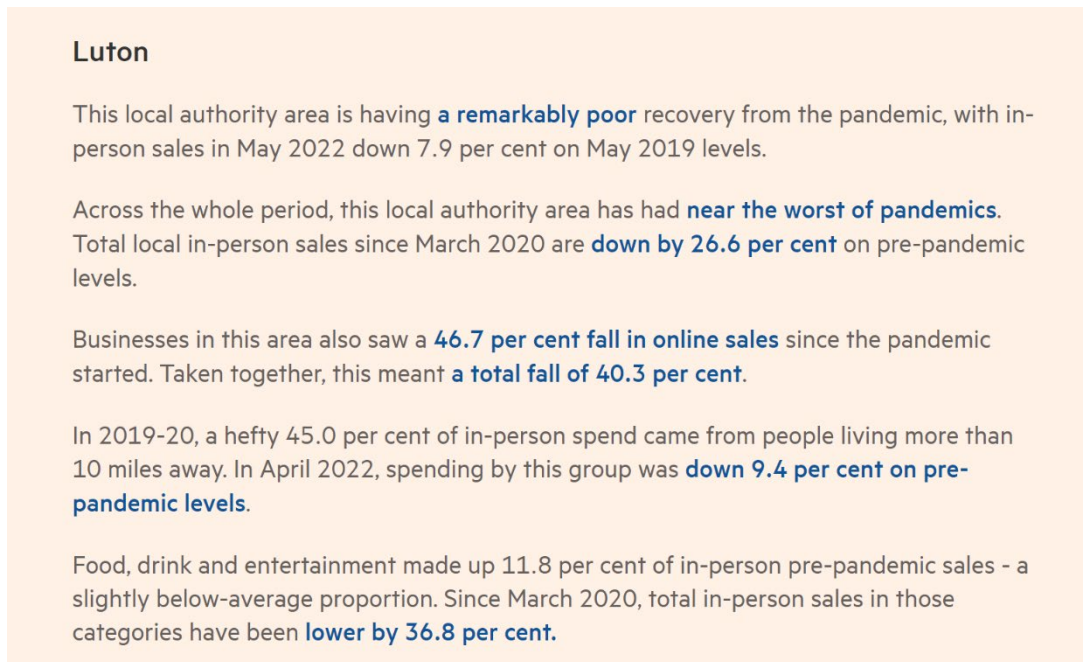
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[16] Page 5, Luton Covid-19 Economic Recovery Plan (2020, Luton Borough Council (CD12.10).

[17] Table 12: Employments on furlough by country, region, local authority and gender, Coronavirus Job Retention Scheme statistics: 7 October 2021, https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-7-october-2021

[18] To February 2022.

the ninth "biggest loser" of in-person spending nationally[19]. The Financial Times report summarises Luton's position as follows:

Figure 5.7 Covid's Impact on Local Spending

Luton

This local authority area is having **a remarkably poor** recovery from the pandemic, with in-person sales in May 2022 down 7.9 per cent on May 2019 levels.

Across the whole period, this local authority area has had **near the worst of pandemics**. Total local in-person sales since March 2020 are **down by 26.6 per cent** on pre-pandemic levels.

Businesses in this area also saw a **46.7 per cent fall in online sales** since the pandemic started. Taken together, this meant **a total fall of 40.3 per cent**.

In 2019-20, a hefty 45.0 per cent of in-person spend came from people living more than 10 miles away. In April 2022, spending by this group was **down 9.4 per cent on pre-pandemic levels**.

Food, drink and entertainment made up 11.8 per cent of in-person pre-pandemic sales - a slightly below-average proportion. Since March 2020, total in-person sales in those categories have been **lower by 36.8 per cent.**

5.12   A challenge for the local and regional economy is growing employment in response to the impacts of Covid-19. This is partly a challenge of reducing unemployment (although nationally unemployment is low), and also addressing worklessness in working age people, such as those aged 50+ who, for a variety of reasons, have left or are excluded from the job market. This is a trend from the pandemic. Tapping into the labour market of this age group can be done in a targeted way.

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[19] Financial Times analysis 2022 (https://www.ft.com/content/9348c644-288f-42e7-9f4b-edea8b71be5b)

6 Socio-Economic Effects of the Proposals

The proposals

6.1 The proposals comprise the application dated 8 January 2021 under s.73 Town and County Planning Act 1990 by LLAOL to vary Conditions 8 (Passenger Throughput Cap), 10 (Noise Contours), 22 (Car Parking Management), 24 (Travel Plan) and 28 (Approved Plans and Specifications) to planning permission 15/00950/VARCON granted by LBC on 13 October 2017.

The baseline and consequences for the number of passengers and movements

6.2 The proposed changes to the planning conditions will allow different numbers of Air Transport Movements (ATMs) and passengers compared to both those that are currently being delivered (which are still affected by the aftermath of Covid-19 restrictions) and those that are possible under the existing conditions when normal economic circumstances resume.

6.3 Forecasts of both ATMs and passengers have been updated for the July 2022 ES Addendum (ESA 4, CD1.16 and CD1.17). LLAOL has provided a statement that explains the forecasts for the 'with scheme' and 'without scheme' scenarios that are used in the ESA. This is appended to this proof of evidence.

6.4 The "with scheme" scenario is based on the proposed new conditions. Compared to the "without scheme" scenario, these would allow for a higher number of movements and for passenger growth beyond 18 MPPA (which would occur relatively quickly).

6.5 Table 6.1 shows how ATMs and passenger numbers grow differentially from their depressed 2022 starting point, with and without the scheme, through to 2031:

Table 6.1 ATMs and MPPA by Year

		2021	2022	2023	2024	2025	2028	2031
Current	ATMs	61,560	110,196					
	MPPA	4.6	12.4					
Without Scheme	ATMs	61,560	110,196	127,460	128,427	134,622	137,076	136,991
	MPPA	4.6	12.4	16	17.1	17.6	17.8	17.8
With Scheme	ATMs	61,560	110,196	127,460	136,251	140,085	140,085	140,085
	MPPA	4.6	12.4	16	18.1	18.9	19	19

6.6 Table 6.2 shows how passenger growth in the "with scheme" scenario compares to both the current position and the forecasts for future years without the scheme.

Table 6.2 Increase in MPPA

	2023	2024	2025	2028	2031
Vs current	3.6	5.7	6.5	6.6	6.6
Vs without scheme	0	1	1.3	1.2	1.2

6.7   The proposals would therefore lead to increases in passengers and therefore economic activity, versus both the current position and the future position without the scheme.

6.8   The beneficial impacts would be felt quickly at a time of significant need, with most arising during 2024 and nearly all by 2025. This will help both the Airport and the wider Luton economy to recover from the effects of the pandemic quickly.

6.9   Put simply, and as explained further below, the extra ATMs and passengers translate into extra jobs and local economic activity. They also contribute to an investment environment that is more attractive for airlines and so creates incentives to invest in the Airport rather than in alternatives across Europe that would deflect economic investment, growth and recovery away from Luton and potentially the United Kingdom.

Jobs and Economic Benefits

Direct Jobs

6.10   As set out in Table 6.2, the proposals would lead to a significant increase in passengers compared to both the 2022 forecast and the future without scheme scenario.

6.11   The level of employment at the Airport is estimated each year by LBC and reported in Annual Monitoring Reports. This allows a comparison of passenger numbers, ATMs and jobs.

6.12   In the five years prior to the pandemic, employment at the Airport averaged 660 workers per one million passengers. Applying this to the numbers in Table 6.2 shows the following estimates of additional direct jobs that could be created (Table 6.3):

Table 6.3 Direct Jobs Impacts – central estimate

	2023	2024	2025	2028	2031
Vs current	2,376	3,762	4,290	4,356	4,356
Vs without scheme	0	660	858	792	792

6.13   The number of jobs per mppa has been declining over time as the Airport has got more efficient. The increase in passengers may not lead to a proportionate increase in jobs. From 2018 to 2019, the number of passengers increased by over 1.4mppa and employment increased by 800 – equivalent to 565 additional jobs per additional 1mppa.

6.14   Table 6.4 sets out the likely increase in jobs if the relationship between more passengers and more jobs from 2018 to 2019 continues:

Table 6.4 Direct Jobs Impacts – low estimate

	2023	2024	2025	2028	2031
Vs current	2,034	3,221	3,673	3,729	3,729
Vs without scheme	0	565	735	678	678

Indirect and Induced Jobs

6.15 There will be additional indirect jobs (which arise as a result of the Airport and on-site businesses spending more money in their supply chains) and induced jobs (which arise as a result of newly employed workers spending more money which boosts employment at local businesses). This will increase employment across Luton and a wider area – some of the benefits will be national. The Luton Rising Preliminary Environmental Impact Report (PEIR) and its underlying economic assessment (Vol.3 Appendix 11.1 (CD16.2)) undertaken by Oxford Economics sets out how it has calculated indirect effects.

6.16 The indirect and induced impacts associated with the operation of the Airport have been estimated using operator data collected on supply chain purchases combined with Oxford Economics' economic models, based on inter-regional input-output tables. These have been used to generate appropriate multipliers which are applied to direct impacts. Whilst these were calculated for the DCO application, the underlying economic analysis holds true for this application as it is based on the current airport operations and the wider regional economy – it does not matter which consenting route delivers additional passengers and economic activity.

6.17 Adding in the indirect and induced employment effects would increase job numbers in the central estimate by just under 8% in Luton (total additional employment of over 900 in 2025) and around 50% at the Three Counties level[20] (1,300 jobs) and 160% nationally (2,200 jobs).

Gross Value Added

6.18 The DCO Economic Impact Assessment estimates that in 2019 the Airport contributed just under £800m to GDP (p.4 CD16.2). This equates to just over £44 per passenger and just under £70,000 per job. The increase in passengers (1mppa) and jobs (660 in 2024) equates to between £44m and £48.5m additional GVA, the local equivalent of Gross Domestic Product (GDP).

6.19 Again, these are the direct effects. The multipliers for indirect and induced GVA set out in the DCO PEIR would increase these by 11% in Luton (£49-54m), 44% at the Three Counties level (£63-70m) and 130% nationally (£101-112m).

Other Benefits

6.20 The additional flights permitted through the increase in the passenger cap are forecast to be added to the schedule outside the peak period. This will provide greater opportunities for consumers to fly without the "peak" premium. Research indicates that off peak airfares can be priced at around a 30-40% discount[21], indicating the scope for cheaper airfares for customers flying outside of the "peak" periods. This provides customers with greater choice which is a benefit for the economy.

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[20] Bedfordshire (including Luton), Buckinghamshire and Hertfordshire
[21] The Impact of Air Passenger Duty on Airline Route Economics, Frontier Economics and Airlines UK (2018): https://airlinesuk.org/wp-content/uploads/2018/09/The-Impact-of-Air-Passenger-Duty-on-Airline-Route-Economics-4.pdf

6.21 The tourism industry, such as accommodation and leisure venues, the businesses in the supply chain, as well as individual inbound and outbound tourists, will benefit from the additional 1 million passenger seats available per year. The tourism industry is an important part of the Airport's operations. In 2019, over 80% of the Airport's passengers were flying internationally for leisure, and in addition just under 5% of passengers were flying domestically for leisure as well[22]: the significant majority of trips taken to and from the Airport are for non-business purposes.

Access to Jobs/Sharing Benefits with Local Communities

6.22 Currently around 50% of the people who work at the Airport also live in Luton and around 17% live in the Central Bedfordshire District. No other district has more than a few percent. This means the benefits of new jobs are likely to be heavily concentrated in Luton and its immediate surrounds.

6.23 The applicant will also take steps to increase the number of local people who can access jobs.

6.24 The draft Section 106 Agreement for the proposals includes measures to improve access to jobs, including:

   a) An Employment Skills and Recruitment Plan, which will specify the measures put in place to improve opportunities for local people to find employment and improve their skills. This Plan will be promoted to businesses at the Airport, and the Plan's implementation will be monitored through data reported by the Airport to LBC;

   b) A Local Employment and Training Initiative, paid for by the Airport through an Employment and Training Contribution, which is co-ordinated by LBC to support the employment and training of local people during the construction and operation of the Airport; and

   c) A Local Procurement Protocol, which sets out the procurement procedures through which businesses can bid for goods and services contracts to support the development of The Airport.

6.25 Together these measures would allow more LBC residents to access jobs. The proposals could therefore reduce unemployment by more than the 5% estimated above (which is based on the current share of airport jobs taken by LBC residents).

6.26 In addition to the jobs and other economic benefits, the Airport also directly supports the local community. The Airport pays Luton Rising an annual concession fee (the concession fee for the 2019 calendar year was £57.5 million; and £51.4 million for 2018). The Airport is the only major UK airport wholly owned by the local council. Through its ownership model, Luton Rising pays a proportion of profits to LBC, supporting frontline services in the community. In addition, Luton Rising operates a community funding programme which supports local community organisations and charities. Since 1998, Luton Rising has contributed more than £257 million

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[22] Table 2.1, 2019 Passenger Survey Report Files, CAA (2019): https://www.caa.co.uk/data-and-analysis/uk-aviation-market/consumer-research/departing-passenger-survey/passenger-survey-report-2019/

to support frontline services and £155 million to support local community organisations and charities.

Summary of Benefits

6.27 The proposals are estimated to:

    a) Create over 4,000 jobs by 2025, compared to the current position;

    b) Create over 900 additional jobs in Luton by 2025, compared to the "without scheme" scenario. Based on historic trends around half of these would go to residents in the Luton Borough area;

        i. this would reduce unemployment by 5%; and

        ii. Increase the Airport's Gross Value Added (GVA) contribution to national Gross Domestic Product (GDP) by over £44m;

    c) LLOAL is also committed to maximising the potential benefit to local residents through an Employment Skills and Recruitment Plan, an Employment and Training Contribution and a Local Procurement Protocol, all secured through a proposed S106 agreement

    d) Deliver consumer benefits – such as cheaper airfares by increasing choice off-peak (when fares are typically cheaper);

    e) Deliver tourism benefits – at an airport where the majority of passengers are travelling for leisure;

    f) Deliver Levelling Up benefits – by growing jobs, reducing unemployment, and growing productivity benefits, in a place which has been identified by the Government as very much in need of support and intervention;

6.28 Because all London airports are capacity constrained in the short to medium term, the additional passengers and the economic activity associated with the proposed scheme is not possible at Luton's competitor airports. This means that these effects are net additional at the London and South East level, and given the lack of competition between Luton and airports outside of London and the South East, they are mainly net additional at the national level too.

6.29 However, even if they had not been net additional, there is still policy support for employment and economic growth here in the Luton area. National and local policy explicitly recognises the need for spatially targeted growth in this location, because of the need to tackle deprivation, contribute to Levelling Up, and stimulate recovery for one of the areas most affected by the Covid-19 pandemic.

6.30 "Levelling up" is at the heart of the Government's economic policy agenda and Luton is a priority area for delivering this agenda for the Government.

6.31 The proposals would directly contribute to the Levelling Up Missions on living standards, skills and well-being. The targets for these have to be achieved by 2030.

6.32 The urgency for action is particularly acute in LBC, where, as set out above, unemployment remains significantly higher than it was pre-pandemic and where the differential to regional and national averages remains higher.

6.33 Most of the rest of the region and country have recovered – unemployment is only slightly higher than it was pre-pandemic. LBC has not – unemployment remains over double what it was, which was already above average. LBC needs opportunities to catch up and this application is a guaranteed way of doing that.

6.34 Not consenting the proposed scheme would result not only in a loss of this opportunity, but also potentially lead to further losses of economic activity if airlines respond by taking investment and activity elsewhere.

Impacts on Airlines allocating more modern aircraft to Luton

6.35 The effects of the existing noise and passenger conditions on airlines create a tension which this S73 Application is intended to resolve.

6.36 Complying with the noise conditions would be easier in principle with a more modernised fleet of aircraft because they are quieter. However, such aircraft are also usually larger. The Airbus A319 usually has 156 seats whereas the A320neo (which is a more modern, quieter and more efficient model) typically has 186 seats. Fleet modernisation (and its associated benefits) therefore goes hand in hand with passenger growth. Therefore provision of a more modernised fleet naturally brings with it both the potential to accommodate more passengers and also a desire to do so to maximise efficiency of the use of such aircraft.

6.37 This tension therefore has important implications in both the with and without scheme scenarios.

6.38 The Appendix to this Proof sets out LLAOL's analysis of the implications of the s73 Application for the Airport in terms of its ability to encourage airlines to allocate more modern quieter aircraft to Luton.

Complying with the planning conditions

6.39 The without scheme baseline set out in ESA 4 (CD1.16) shows fewer movements and, as a consequence, fewer passengers. As is explained in the LLAOL statement at Appendix 1 the 2023 schedule is predicted to be depressed by the effects of the Covid-19 Pandemic. Were this not the case, then the impact of condition 10 is that the 2023 daily summer schedule will need to be reduced by 30 daytime movements (9%) and 13 at night (22%) compared to 2019. In 2024 (when Covid-19) is expected to be less of a factor) for the Airport to comply with condition 10 it would have to remove 20 daytime movements from the daily summer schedule (7%) and 13 night-time movements from the daily summer schedule (22%) compared with 2019.

6.40 The Appendix to this proof sets out (from paragraph 74 onwards) three ways this could happen:

a) Airlines move rotations to other airports;

b) Airlines move aircraft to other airports.

c) Airlines fly longer routes out of Luton;

6.41 The Airport considers that the third of these options is unlikely as it is likely to be more commercially advantageous for an airline to move its aircraft to an alternative base. However, it is clear that each of the three options is likely to be significantly detrimental to the Airport. It would result in the reduction of movements and passengers at the Airport and as a consequence reduce the level of employment and economic activity (GVA). The direct effects could be broadly similar, but secondary effects could be different.

Moving Rotations

6.42 This would be a transfer of economic activity away from Luton and, given the constraints at other London airports, probably away from the UK.

6.43 An example of this is that an airline could utilise an aircraft by flying Luton-Amsterdam-Barcelona-Amsterdam-Luton, instead of operating Luton-Amsterdam and Luton-Barcelona flights. This is known as a 'W pattern'. The aircraft would operate for the same time, but the Airport would process fewer movements and fewer passengers.

Moving aircraft

6.44 As set in paragraph 77 of the Appendix to this proof, airlines may choose to move more modern aircraft to other locations. This could leave Luton with a less modernised fleet mix. This could in turn require further reductions in rotations to comply with the noise contour, with the consequence of a further loss of movements, passengers and economic activity.

Flying Longer Routes

6.45 The longer routes flown out of Luton tend to be to tourist destinations. This would further skew the split towards leisure and away from business passengers. Business travellers tend to generate more economic value so these changes would have a (slightly) disproportionate effect in reducing the Airport's contribution to GVA.

6.46 For example, an airline could switch two Spanish flights taking 6 hours each rotation, to a single Egyptian flight taking 12 hours. The aircraft would operate the same time, but the Airport would process fewer passengers.

6.47 LLAOL notes that it can reasonably be expected that the cancellation or removal of slots would be likely to have repercussions for the confidence which airlines have in the Airport and may well lead to airlines focussing their operations or modernised fleet elsewhere. I agree that this is a reasonable expectation.

Lifting the Passenger Cap

6.48 Currently, six A319 movements would have a capacity of 936 passengers. It would require only five A320neo movements to generate capacity of 930 passengers.

6.49 The headroom created by increasing the passenger cap is needed and would be absorbed by airlines flying some more movements but also more importantly increasing the size of aircraft on existing movements.

6.50 As LLAOL's statement at Appendix 1 identifies, it would be possible for the additional 1MPPA to be accommodated on existing movements (Maximum Fleet Mix Growth). However, the Airport considers that the more likely scenario is the Minimum Fleet Mix Growth. This would involve 400,000 passengers being accommodated on two aircraft which were only used for part of the 2019 season. The remaining 600,000 passengers would be accommodated in existing movements.

6.51 It is clear that the lifting of the passenger cap is likely to encourage airlines to modernise their fleets. This is clearly explained in LLAOL's statement which highlights that the Airport currently manages its throughput whilst modernisation is ongoing through the use of a Local Rule which has introduced a seat quota system. This means that where an airline introduces a more modern aircraft with more seats to one of its slots it must remove seats/passengers from within one of its other slots in order to offset the increase. The Airport competes with other airports throughout Europe for the allocation of more modern aircraft.

6.52 The LLAOL statement explains (paragraph 68) that: '*As next generation aircraft are larger than their older counterparts, capacity constraints at Luton discourage airlines from allocating their next generation aircraft to Luton as opposed to elsewhere. This is because an airline will not want to allocate a next generation aircraft to Luton without being sure that it can sell tickets for all of the seats*'.

7 Conclusions

7.1 The proposed modest growth of the number of passengers at the Airport will create the conditions to achieve important socio-economic benefits for the local, regional and national economy, including more high-quality jobs, more economic activity, faster fleet modernisation, and the realisation of the Covid-19 pandemic recovery.

7.2 The Airport already plays a significant role in the local, regional and national economy and its recovery and growth is central to the prosperity of the borough and wider region. Luton was one of the worst affected places in the country by the Covid-19 pandemic, due to its reliance on the Airport as an employer and economic engine; the contraction of the aviation sector internationally hit the local and regional areas hard.

7.3 The wider socio-economic picture for LBC is that relatively high levels of unemployment and deprivation historically have been amplified by the pandemic, and as such the area is identified by central government as a Priority 1 Area to benefit from Levelling Up monies given its persistent underperformance against key indicators. Reducing unemployment, including across working age people, is critical to the town's recovery.

7.4 There is strong economic policy support at local and national level for the proposed growth of the Airport.

7.5 The proposal is compliant with local policy. The Local Plan (CD09.07) supports sustainable growth of the Airport given its strategically important economic role and recognises its role as a "sub-regional economic driver" which brings wealth and high skilled jobs to the town and sub-regional economy. LBC adopted the Airport Masterplan in late 2021, which will facilitate the expansion from 18 MPPA to 19 MPPA.

7.6 More broadly, the proposal is compliant with the Local Plan's economic strategy policy (LLP13), which is to support development which will deliver sustainable economic growth and prosperity to the town and wider sub region. The borough's Covid-19 recovery plan (CD12.10) recognises the urgent need for the Airport to recover from the effects of the pandemic given its importance to the local and regional economy.

7.7 The proposal is also compliant with national policy. The NPPF's (CD09.05) overarching economic objective is to support growth, innovation and productivity in the right place and at the right time. It supports planning decisions which allow areas to build on their strengths, and to address specific locational requirements of particular sectors.

7.8 The proposal delivers on Build Back Better (CD17.03), the Government's plan to support the recovery from the Covid-19 pandemic. The proposal contributes to its three pillars, which is to increase infrastructure investment, create new training opportunities, and to foster conditions to unleash innovation.

7.9 The proposal meets the aims of Levelling Up: it will boost productivity and jobs in the local and regional economy, thereby providing opportunities in a location which is considered particularly

in need of support; this is exemplified by LBC being categorised as a Priority 1 Area due to its high levels of deprivation and need.

7.10 The proposal is in line with the Government's aviation policy. In summary, the Government seeks to expand existing capacity at all UK airports, as the UK's economic success, productivity and competitiveness depends on being connected to the right markets (Aviation Policy Framework (CD8.05); Airports National Policy Statement (CD8.04); Making Best Use of Existing Runways (CD8.09)). The proposal is also consistent with the Government's latest aviation policy documents, which respond to the Covid-19 pandemic and the UK's exit from the EU, supporting airport expansion to help with the recovery, to boost the economy through global connectivity, to support levelling up, and deliver local benefits (Flightpath to the Future (CD11.15); Jet Zero (CD11.19)).

7.11 The socio-economic effects of the proposals include the creation of over 4,000 jobs by 2025 (compared to the current position) and 900 compared to the without scheme scenario. Another 900 jobs in Luton would reduce unemployment by 5%. The proposals would also increase Luton's GVA (it's contribution to national GDP) by over £44m compared to without the scheme; deliver consumer benefits such as cheaper airfares; tourism benefits; levelling up benefits; and international connectivity benefits. Access to jobs and skills training will be enhanced through provisions in the Section 106 agreement.

7.12 The socio-economic consequences of the S73 Application not being approved are significant at a local, regional and national scale. The Airport competes with other airports internationally and there is a risk that without creating the MPPA headroom of an additional 1 MPPA its airline customers will change their operations and/or relocate some of their operations elsewhere (indeed, outside the UK), in order to achieve operational efficiencies. This will have a direct negative impact on the local, regional and national economy, reducing activity at The Airport. This will also make it harder to deliver against the Levelling Up agenda.

7.13 Delivering growth at the Airport is critical to addressing the economic and social challenges for the area, which have been amplified as a result of the Covid-19 pandemic. Action is needed now to avoid long-term scarring, by supporting growth of the Airport and in particular stimulating growth of high-quality jobs on site as well as in the local and regional supply chain.

APPENDIX 1

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Introduction

1. This note has been prepared by London Luton Airport Operations Limited (LLAOL) in order to explain London Luton Airport's ('the Airport') operations as far as they are relevant to the Section 73 Application. It also explains the methodology used by the Airport in relation to its forecasting.

2. This note is divided into the following sections:

    a. aviation terminology used in this note;

    b. the operations of the main airlines which currently fly to and from Luton and their modernisation programs;

    c. the Airport's forecasting methodology;

    d.   the interrelationship between the level of the passenger cap and the ability of the Airport to attract more modern, quieter aircraft; and

    e. the impact of refusing the s73 Application on the Airport.

    Aviation terminology used in this note

3. This section explains the following terms: based aircraft, slots, capacity, general aviation (GA), charges and conditions of use (tariff) and waves.

    Based aircraft

4. For the purposes of this note, an aircraft base is the airport which the aircraft returns to when it is not operating, with an associated overnight stand allocated to it.

5. Aircraft based at the Airport tend to arrive later in the evening and leave earlier in the morning than non-based aircraft. Aircraft based at the Airport therefore tend to operate at least one night-time movement within a 24-hour period. Therefore, expediting the modernisation of based aircraft provides modernisation benefits to both day and night movements, whereas the modernisation of non-based aircraft primarily benefits daytime movements.

6. The flight deck and cabin crew for an aircraft tend to be assigned the same base as the aircraft. Thus, the flight deck and cabin crew who

operate on aircraft based at the Airport tend to live in the local area. Further, the basing of aircraft at the Airport supports additional local jobs associated with those aircraft, such as catering and basic maintenance.

Slots and Movements

7. The slot system is complex. In simple terms, an airport slot represents the right for a particular aircraft of a particular airline to utilize the infrastructure of an airport at a particular time of day. The slot includes use of terminal facilities, stands and runways all of which have their own constraints.

8. Slots are allocated to particular aircraft. Some slots are limited by certain factors. For example, in relation to noise, some slots are only available to aircraft with a particular QC value.

9. The International Air Transport Association (IATA) Slot Guidelines govern the rules around slots. Airports are able to agree to additional rules with airlines. These are known as 'Local Rules'.

10. Slots are allocated in the UK by Airport Coordination Limited (ACL), a not-for-profit organisation owned by the airlines and operated independently of both airlines and airports. Airports issue scheduling declarations for each season. These set out the constraints within which ACL co-ordinates the slots.

11. The Airport is able to use its scheduling declarations to influence behaviours and to ensure that capacity is used efficiently and not exceeded.

12. Airlines retain slots in perpetuity for their operations on the condition that they operate 80% of the previous season (summer or winter) of each series of slots. These are known as 'grandfather rights'. The slots held under the grandfather rights system are known as 'historic slots'.

13. A series of slots is defined as at least 5 continuous weeks of the same operations at the same time on the same aircraft type. Airlines hold multiple series of slots at an airport.

14. An individual flight is termed 'a sector', whilst a round trip is 'a rotation'.

Capacity

15. The number of passenger seats on an aircraft.

General Aviation (GA)

16. Operations utilising the private jet terminals at the Airport. These do not utilise the main terminal and are excluded from the annual passenger limit.

Charges and conditions of use (Tariff)

17. All airports issue a tariff which sets out the cost for operations at the airport. Airports with over 5 million passengers per annum are required to consult with airline partners on changes to the tariff. As the airport is not economically regulated by the CAA, it is able to enter bilateral commercial agreements that deviate from the published tariff.

Waves

18. Airlines tend to operate departure and arrival waves through the day. These are driven by the times when airports become operational.

19. The Airport benefits from an inbound operation from Wizz Air ('Wizz') which arrives as based operations depart. This adds efficiency to the Airport's resources.

20. The graphic below illustrates how aircraft utilise the runway. It is a graphic of movements from the busiest day in 2019 (9 August) sourced from OAG Schedules Analyser.

London Luton Apt (LTN) – Hub Hour by Frequency
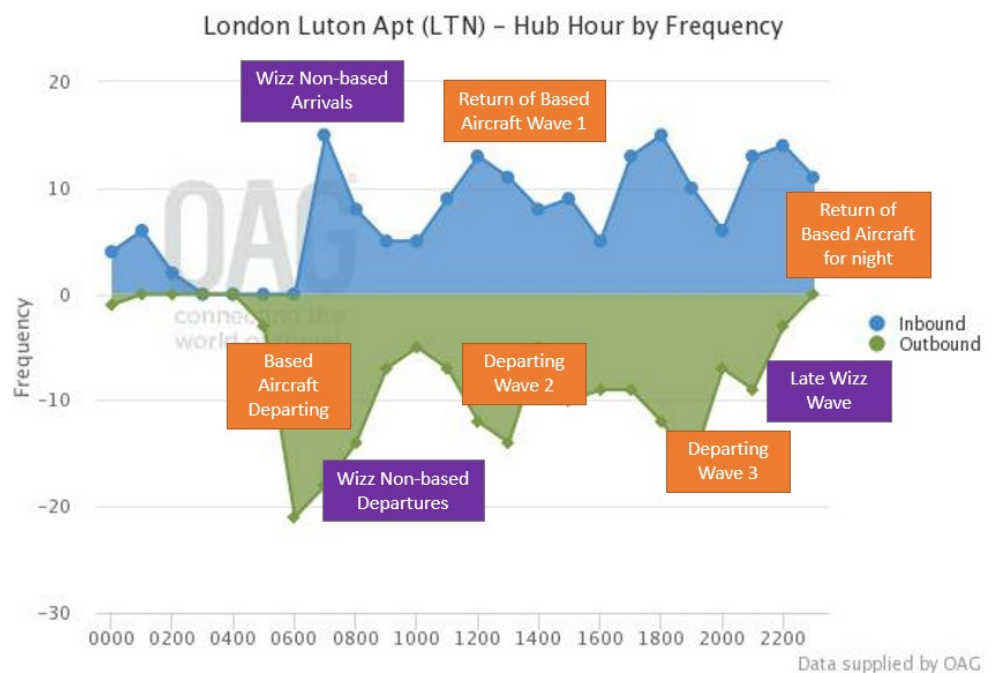
Operations of the Main Airlines Flying from the Airport and their Modernisation Programmes

21. The Airport currently serves three main operators: Wizz, EasyJet and Ryanair. A brief explanation of the operations of each airline is set out below. Also set out below is information regarding the modernisation programs of each airline.

Wizz Air

22. Wizz have approximately 470 historic departure slots per week. This means that they can operate 470 flights per week to and from the Airport. These are split evenly between A320 aircraft and A321 aircraft. Due to the additional seats on the A321, the split of seats is 45% on A320s and 55% on A321s.

23. The Wizz operations are split evenly between based aircraft and non-based operations.

24. Based operations tend to utilise airport resources at three distinct times of day (waves). The first wave includes a morning departure peak, with two additional, but not so profound, peaks later in the day at around lunchtime and in the evening.

25. The non-based Wizz operations arrive at the airport at the end of the departure of the first wave with their resultant turnaround extending that wave. There is a similar pattern later in the day with an additional peak in the late evening.

26. Wizz has historically focused its operations on eastern Europe. However, as it has grown in size it has encroached more on western European markets.

27. Wizz has published its modernisation programme which involves replacing the A320 and A321 with A320neos and A321neos. The graphic at appendix 1 (taken from a slide deck setting out the results of Wizz Air Holdings PLC for the first six months of Financial Year 2020) shows that the majority of the modernised fleet is expected to be made up of A321neo with almost full modernisation by 2026/27.

easyJet

28. easyJet has approximately 530 historic departure slots per week. These are split 45%/55% between the A319 and A320.

29. The majority of the easyJet operation uses aircraft based at the Airport.

30. Seat capacity is split 40% on A319s and 60% on A320s. The A319s are used on high frequency, shorter routes such as: domestic flights, Amsterdam and some Spanish destinations.

31. easyJet has published its fleet orders and expected future fleet size in its 2019 financial results (see appendix 2, taken from a slide deck setting out the results of easyJet PLC for the Financial Year 2019). The Airport considered this information with an assessment of the age of the aircraft currently utilised by easyJet and its likely retirement dates in order to estimate the likely modernisation rate of easyJet. In June of 2022 easyJet announced an order for additional aircraft that were in line with assumptions previously made.

Ryanair

32. Ryanair have approximately 145 historic slots per week. The entire slot holding is on the B737-800 aircraft with 6 based at the airport.

33. Ryanair's network can be split into three core route types of similar size:

    a. High frequency short sector Irish traffic

    b. Mediterranean sun focused on Spain and Italy;

    c. Core Central and Eastern Europe routes.

34. Ryanair's modernisation sees the replacement of the B737-800 aircraft (189 seats) with the B737-8-200 (Max) (197 seats). At the time of completing the forecast it was assumed the restrictions on MAX operations following the grounding of the aircraft would be removed by 2021, with Ryanair taking deliveries at a rate of two to three per month from that point. This aligns with what has occurred.

Other operators

35. Other operators account for around 10% of operations at the Airport. Other operators are:

    a. Blue Air, a Romanian low-cost carrier operating older Boeing aircraft. Following the Covid pandemic and the time the forecast was created they retired their oldest aircraft and now operate a significant Boeing 737-MAX8 operation. As they still operate a significant amount of B737-800s, no changes were made to the fleet modernisation profile.

    b. Tui, a leisure airline with one based aircraft, maintenance base and head office based on site. They predominantly operate summer flights on Boeing B737-800 aircraft.

    c. El Al, the Israeli Flag Carrier operating between one and three daily flights on a variety of Boeing aircraft. They do not currently

have any orders for next generation aircraft with an assumption made that next generation aircraft will be in operation by 2028.

d. Sun Express is a Turkish leisure airline jointly owned by Lufthansa and Turkish Airlines. They currently operate B737-800 and B737-MAX8.

e. Vueling operated at the Airport until the pandemic. It has subsequently transferred its slots to Wizz Air. As it operates the same aircraft type this change resulted in no material impact on the forecast, and with potential benefit owing to the faster fleet renewal programme of Wizz Air.

36. For carriers other than easyJet, Wizz and Ryanair, the Airport made prudent estimates about when fleet renewal was likely to occur at the Airport. Where detailed information was not available, news articles or order announcements were used to inform the relevant dates (See Appendices 3&4).

Fleet modernisation general factors and seat capacities

37. A summary of the expected modernisation programmes of each airline is set out above. However, in preparing the forecasts, the Airport recognised that following the Covid-19 Pandemic it was reasonable to assume that forecasts made by the airlines for 2023 and 2024 would be pushed back by a year. By 2028 when the impact would no longer be felt fleet renewal would return to those expected pre-pandemic. This assumption was based upon delivery delays from both Boeing and Airbus which were caused by the pandemic.

38. The latest investor updates from easyJet and Wizz, include fleet plans which align with the assumptions made by the Airport (Appendices 5&6).

39. The different capacities of the aircraft currently used by each airline, and the capacities of their expected modernised fleet, are set out in the table below:

Table 1: Expected Fleet Modernisation

Airline	Current Aircraft	Next Gen Aircraft	Difference in Seats
easyJet*	A319 156 seats	A320 NEO 186 seats	30 seats
	A320 186 seats		Neutral
Wizz Air**	A320 186 seats	A321 NEO 239 seats	53 seats
	A321 230 Seats		9 seats

Ryanair***	B737-800 189 seats	B737-8-200 (MAX) 197 seats	8 seats
Blue Air	B737-800 189 seats	B737-MAX8 189 seats	Neutral
TUI	B737-800 189 seats	B737-MAX8 189 seats	Neutral
Sun Express	B737-800 189 seats	B737-MAX8 189 seats	Neutral
El Al****	B737-800 166 seats B737-900 175 seats B777-200 279 seats	B787-800 238 seats	Reduction 41 seats

* easyJet also operates an A321 fleet; however, this is focused on LGW as a runway-constrained airport, meaning airline growth can only be achieved through better utilisation of the runway slot.

** Wizz Air plans to retain some A320 NEOs within its network. This is because they are required for some airports in their network with runway restrictions. Owing to the Airport's importance to Wizz, some of these will operate to Luton.

*** Ryanair also operates A320 aircraft under the LaudaMotion brand. The A320s are unlikely to operate at the airport at any scale.

**** El Al B777-200 operations occur infrequently.

Liaison with airlines

40. The Airport regularly liaises with airline partners to discuss future plans. This occurs through bilateral meetings with commercial contacts, route development contacts by attending industry route development conferences, and with airline network teams at the twice-yearly IATA slot conferences.

Forecasting

Introduction

41. This part of the note explains LLAOL's forecasting methodology which underpins this s73 Application. It sets out the process undertaken to arrive at the forecasts to ensure that it is robust.

42. The purpose of forecasting is to predict the operation of the Airport into the future. This includes the number of movements, the number of passengers, and the types of aircraft using the Airport.

43. The Airport routinely undertakes forecasting exercises. They are a vital process in ensuring the efficient running of the Airport. Passenger forecasts are continuously reviewed to inform investment decisions, ensure correct resource allocation, and check compliance with restrictions. Short, medium and long term timeframes are appraised using established techniques and tools. For example,

    a. Short-term forecasting (up to 6 months) utilises schedules and load factors (% of seats utilised on a flight) based on historic trends and industry insight. This informs operational resource requirements and supports retail and transport partners to plan operations effectively.

    b. Mid-term forecasting (6-36 months) uses airline insights, economic indicators and known capacity constraints. This supports budgeting and investment projects with a shorter timeframe.

    c. Long-term forecasting considers macro-economic factors as well as longer term investment plans of the Airport, other UK airports, airlines and national policy decisions.

44. The Airport's recent Short to Mid-term forecasting has proven to be robust in Summer 22. The Airport did not suffer the resourcing issues experienced by other major airports in the UK and across Europe, and did not need to impose any restrictions or remove slots mid-season owing to staff shortages. The forecasting completed in Autumn 2021 predicted the summer activity with reasonable accuracy and allowed the Airport to respond early and to begin recruitment in November 2021 (see Appendix 7). Other UK airports held similar recruitment events significantly later in the planning cycle.

45. The forecasting exercise for this S73 Application has involved a relatively low level of uncertainty. The reason for this is that the Airport served 18mppa in 2019. The Application involves the addition of 1 million more passengers per annum (a circa 5.5% increase). The slot system means that it can be confidently predicted that the airlines currently operating slots at the Airport will continue to seek to use those slots so as not to lose them in the future. The relatively small percentage increase in passengers means that the Airport does not expect any major new entrants to the Airport. Rather, it can be confidently predicted that the growth will occur organically based on operations as existed in 2019. This growth will come from some new movements per annum. As explained further below, this is expected to come from aircraft already based at the Airport but which were not used throughout the 2019 calendar year. The remainder of the growth is expected to be the result of aircraft modernisation.

46. The forecasting methodology is summarised below. This is separated into (1) establishing the starting point from which to forecast, (2)

forecasting for an additional 1mppa, (3) forecasting in relation to the without scheme scenario.

The Starting Point

47. As has been explained in the ESA4, when arriving at the starting point it has been necessary for the Airport to use movements from 2019. The reason for this is that subsequent years have been impacted by the Covid-19 Pandemic and use of movements from those years would therefore not be representative. In addition to being unaffected by the pandemic, 2019 can be considered a robust starting point for forecasting for the following reasons:

    a. the year involved a throughput of 18 million passengers;

    b. 2019 experienced a relatively stable summer period, with the vast majority of aircraft operating for the full season. Only two aircraft operated for only part of the season;

    c. the Airport experienced limited extreme events compared to those which had occurred in previous seasons and had disrupted operations (e.g. air traffic control strikes, adverse weather across Europe, airline failures, geopolitical shocks); and

    d. the 2019 actual data reflected a normal level of disruption which supported more accurate noise forecasts.

48. Taking all of the above into account, and the operation of the slot system, it could reasonably be expected that an airline would operate materially the same operation in subsequent years as it had done in 2019.

49. The 2019 movements were then adjusted in order to arrive at the starting point for forecasting. In 2022, around 22% of aircraft using the Airport are more modern (and therefore quieter and more efficient) than in 2019. Therefore a 22% rate of modernisation was applied to the 2019 movement figures.

50. Once the adjusted starting point had been established, the core 92-day summer peak was extracted. The 92-day summer peak runs from 16 June to 15 September each year. It is typically used to reflect the period when the Airport is at its busiest. It is also the period which is used to establish the noise contours. In 2019 the 92-day period represented 29% of the full year programme. It can be reasonably be expected that this proportion would not materially change in future years.

Forecasting additional 1mppa

51. When additional passengers are added to an Airport operation there are, essentially, two options for how those passengers are to be accommodated. They will either be accommodated through new movements or within existing movements.

52. More modern aircraft are generally larger than their older counterparts. For example, an Airbus A320neo carries 30 more passengers than the A319 it typically replaces whilst an A321neo has an additional 53 seats over an A320. This is set out in Table 1 above.

53. As has also been set out in Table 1, the largest airlines which operate at the Airport are all undertaking modernisation programmes. This therefore brings with it additional seat capacity.

54. A rate of modernisation has therefore been applied to the forecasts. The rates of modernisation applied are as set out in Table 2.2 of ESA 4. Those modernisation rates were arrived at based upon information relating to the modernisation rates of aircraft using Luton. This included information gathered in annual reports, online resources, press releases and direct discussions with the airlines themselves. Some of the most pertinent information has been summarised above and is appended to this note.

55. Given the additional capacity which more modern aircraft bring, it is entirely possible that the additional 1,000,000 passengers could be accommodated without any increase in movements at the Airport. This is the 'Maximum Fleet Mix Growth' scenario. However, the assessment for the purposes of ESA4 has assumed that 400,000 passengers would be accommodated through additional ATMs. This is the 'Minimum Fleet Mix Growth' scenario.

56. The figure of 400,000 has been used because in 2019 one airline operated two aircraft at the Airport which were only used during part of the season. If those aircraft were to operate throughout the year, this would accommodate an additional 400,000 passengers.

57. In the Minimum Fleet Mix Growth Scenario, the remaining 600,000 passengers are expected to be accommodated through the modernisation programmes currently being implemented by the airlines using the Airport – i.e. the accommodation of those 600,000 passengers would not involve any new flights.

58. For the purposes of forecasting, the addition of 600,000 passengers were not necessarily considered to have been subsumed into exactly the same slots. This is because the running of the Airport is subject to restrictions other than those included in planning conditions. One example is that Thames Water requires that there should be no more passenger throughput per hour than was the peak in 2019. This restriction needed to be taken into account in the forecasting as it is not open to the Airport simply to increase passenger numbers in certain hours. For example, the seats on five A319 movements are equivalent to four A320 Neos, as the Neos have more seats. Therefore, in certain hours, five A319s could not simply be replaced by five A320 Neos. So, assuming the load factors

were constant, in such hours, one movement was removed from the forecasts.

Forecasting the without development scenario

59. Separately, in order to understand the baseline against which the s73 Application should be assessed, a further adjustment was made to the forecasting of the without development scenario. This acknowledged that in 2019 the Airport was considered to have exceeded its noise contours whilst operating within the passenger cap. It is expected that the Airport will not be able to accommodate 18mppa in the years up to and including 2025 owing to the noise contour restrictions. Therefore, where necessary, the 'without scheme' baseline reduced the number of movements to a level at which the Airport would be operating within its existing noise conditions. The movements were given a load factor of passengers which then allowed movements to be scaled up to a putative annual passenger number.

Summary of the forecasts

60. Table 1 below sets out the actual and forecast movements and passenger numbers per annum.

		2019	**2021**	**2022**	**2023**	**2024**	**2025**	**2028**	**2031**
Without Scheme	MPPA	18	4.6	12.4	16	17.1	17.6	17.8	17.8
	ATMs	141,481	61,560	110,196	127,460	128,427	134,622	137,076	136,991
With Scheme	MPPA	18	4.6	12.4	16	18.1	18.9	19	19
	ATMs	141,481	61,560	110,196	127,460	136,251	140,085	140,085	140,085

61. It can be seen that in the 'with scheme' scenario that passenger numbers are expected to reach c.19million in 2025. It is expected that passenger numbers in 2023 will be lower than 2019 due to the continuing effects of the Covid-19 Pandemic.

62. The without scheme forecasts acknowledge that the Airport will not be able to accommodate 18mppa until after 2025 without breaching the noise contours which are set out in Condition 10 of the current planning permission. The effect of this is addressed further below.

63. Movements increase between 2025 and 2028 without increasing the number of commercial passengers because as aircraft get quieter there is capacity for more general aviation. These are counted as movements but do not count as commercial passengers for the purposes of Condition 8 of the existing permission.

The Interrelationship between increasing capacity and fleet modernisation

64. As has been explained above, the more modern aircraft have more seats than their equivalent older counterparts. The Airbus A319 usually has 156 seats whereas the A320 neo typically has 186 seats. The Boeing 737 usually has 189 seats whereas the Boeing 737-8200 operated by Ryanair has eight more (197).

65. This means that as modernisation progresses, the noise impacts reduce but, all other things being equal, the number of passengers which can fly on the same number of flights increases.

66. At present the Airport is managing its throughput whilst fleet modernisation is ongoing through the use of a Local Rule which has been agreed with the airlines. The Local Rule has introduced a seat quota system. This means that where an airline introduces an aircraft with more seats to one of its slots it must remove seats/passenger numbers within its other slots in order to fully offset the increase.

67. In order to establish the seat quota, the passenger limit of 18mppa was apportioned for each season, and adjusted with an assumed load factor based on historic highs, recognising that aircraft rarely operate 100% full.

68. Luton is competing with airports throughout Europe for the allocation of next generation aircraft. As next generation aircraft are larger than their older counterparts, capacity constraints at Luton discourage airlines from allocating their next generation aircraft to Luton as opposed to elsewhere. This is because an airline will not want to allocate a next generation aircraft to Luton without being sure that it can sell tickets for all of the seats on that aircraft.

69. Furthermore, Luton primarily hosts low-cost carriers who look to maximise utilisation of assets. High sensitivity to cost or yield changes means that even slight limitations on operations may result in a route moving from profit to loss. This further emphasises the impact of the passenger cap on the suppression of modernisation at Luton. Conversely, lifting the passenger cap will facilitate modernisation at Luton which brings with it the benefits of quieter more efficient aircraft.

The likely impact of the refusal of the s73 Application on passenger numbers

70. As stated above, the existing cap will suppress the rate of fleet modernisation which can be expected at the Airport. However, this is not the only adverse impact which the refusal of the s73 Application is expected to have on the Airport.

71. As has been acknowledged in ESA4, in order to comply with the noise contours as set out in Condition 10 to the Airport's permission, the

airport will need to restrict the number of passengers using the Airport per annum below the current cap of 18mppa.

72. The passenger forecasts for 2023 demonstrate that the Airport's throughput is expected to be depressed due to the ongoing effects of Covid-19 (i.e. matters which are unrelated to the constraints of the planning permission). However, were this not to be the case then the Airport would have to remove 30 daytime movements from the daily summer schedule (9%) and 13 night-time movements from the daily summer schedule (22%) compared with 2019 in order to comply with Condition 10.

73. In 2024 (when Covid-19 is expected to be less of a factor) in order to comply with the Condition 10 noise restrictions the Airport would have to remove 20 daytime movements from the daily summer schedule (7%) and 13 night-time movements from the daily summer schedule (22%) compared with 2019.

74. The removal of movements would have to be achieved through the removal of slots. There are three ways in which this could practically be achieved: (1) rotations move away from the Airport, (2) more modern aircraft move away from the Airport, and (3) flights fly longer routes from the Airport.

75. . Each of these is explained briefly below.

Moving rotations away from the Airport

76. One option for an airline to reduce the slots it holds at the Airport would be to manipulate its flight pattern so that it departed and arrived less at the Airport. An example of this is that an airline could utilise an aircraft by flying Luton-Amsterdam-Barcelona-Amsterdam-Luton, instead of operating Luton-Amsterdam and Luton-Barcelona flights. This is known as a 'W pattern'. The aircraft would operate for the same time, but the Airport would process fewer passengers. Further, the utilisation of fewer slots at Luton would have an impact upon the direct and indirect jobs associated with the operation of flights.

Moving aircraft

77. Rather than switching to a 'W pattern' airlines may simply move aircraft away from Luton; particularly modernised aircraft that have more seats.

78. Clearly, the movement of aircraft away from the Airport would be likely to bring with it a negative impact on the direct and indirect jobs which are reliant upon the Airport

Airlines flying longer routes from the Airport

79. Aircraft based at Luton will have both a departure slot and an arrival slot. The length of time between these slots will be based on the aircraft's flight pattern. In other words, the shorter the route flown the closer the slots at Luton will be. An aircraft flying shorter routes can take up more slots per day than an aircraft flying longer routes. In other words, an aircraft flying between Luton and Aberdeen is likely to use more slots at the Airport than an aircraft flying between Luton and Egypt.

80. Airlines losing slots may decide to focus their operations on longer routes as those routes take up fewer slots at the Airport. For example, an airline could switch two Spanish flights taking 6 hours each rotation, to a single Egyptian flight taking 12 hours. The aircraft would operate the same time, but the Airport would process fewer passengers.

81. Further, the longer routes flown out of Luton tend to be to tourist destinations whereas the shorter routes tend to be flown by more business passengers. Business travellers tend to generate more economic benefits than tourists and so these changes would have a slightly negative effect on the Airport's contribution to GVA.

82. The Airport believe this scenario is less likely to occur than the first two scenarios set out above as it is likely to be more commercially advantageous for an airline to move aircraft to another base as opposed to operating longer routes.

*Conclusion on impact of refusing the s73 Application*

83. The effect of cancelling or removing slots is likely to be significantly detrimental to the Airport and also to the wider economy.

84. The cancellation or removal of slots would be likely to have repercussions for the confidence which airlines have in the Airport and may well lead to airlines focusing their operations (or certainly their modernised fleet) elsewhere. In short, airlines will not want to invest in operating from Luton where there is a potential for the Airport to interfere with those operations through the cancellation of slots.

Appendix 1

Wizz Air Fleet Progression to 2026/27

Results Presentation - Financial Year 2020 six months to 30th September 2020

Appendix 2

easyJet Fleet Progression to 2026/27

Results Presentation - Financial Year 2020 six months to 30th September 2020
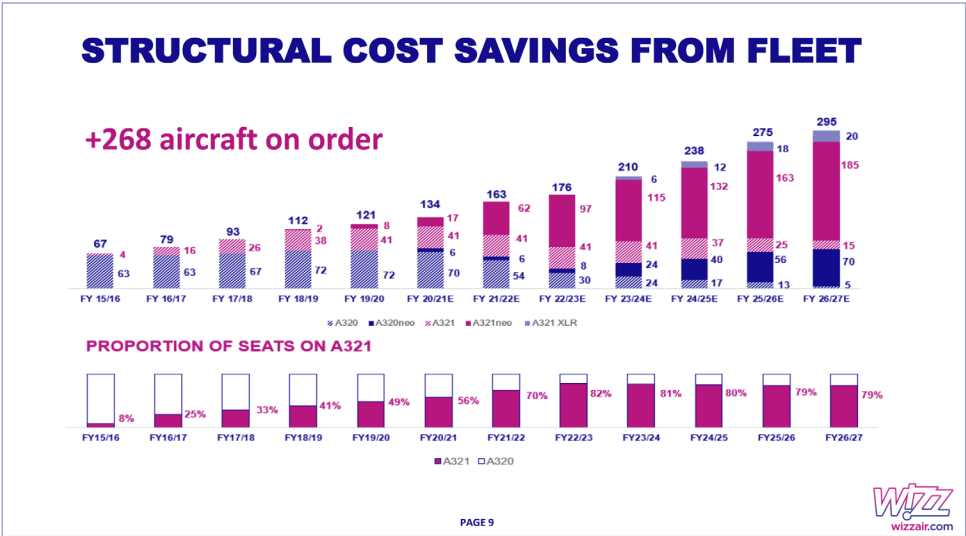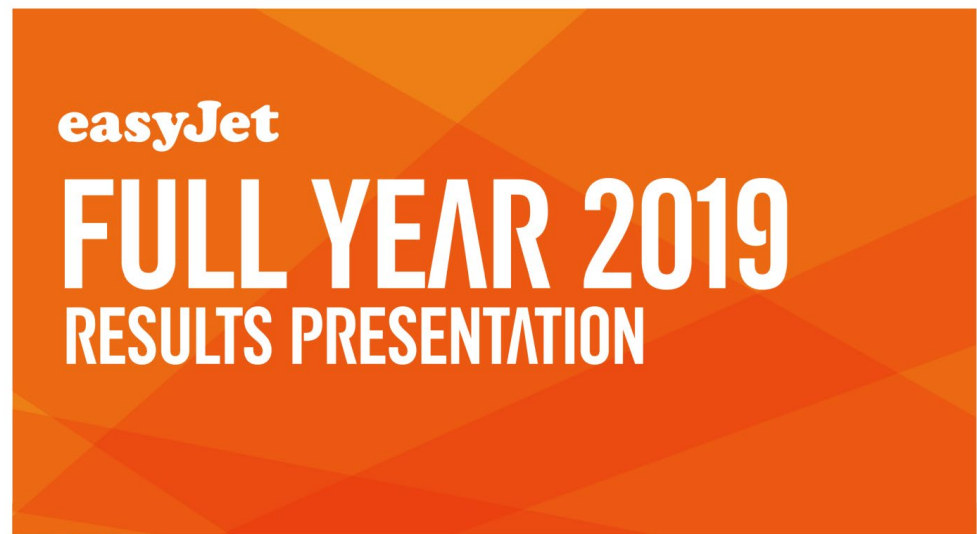
UTILISING FLEXIBILITY IN FLEET PLANNING

Updated fleet plan

> Deferral of contracted delivery months for 12 aircraft: Moving from expected delivery in 2021 to dates in 2023+

> The exercise of 12 purchase options, guaranteeing our firm delivery positions in 2024

> A321 deliveries have been particularly susceptible to industrial assembly issues

> easyJet have worked with Airbus to concentrate on delivering more A320s, where certainty of delivery is greater

> Airbus and easyJet have pre-agreed compensation rates for delivery delays as part of its Purchase Agreement

FY 2019   13   - Upside cases assume extension of leases and ownership beyond year 16
- Downside cases assume sale at 16 years of age   easyJet

Appendix 3

Boeing Confirmation of Boeing 737 MAX order from Sun Express – 18th November 2018

Boeing, SunExpress Sign Order for 10 Additional 737 MAX Airplanes

Leading leisure carrier exercises options for 10 MAX 8 jets for fleet renewal and growth

SunExpress CEO: "Have full confidence Boeing will deliver us a safe, reliable and efficient aircraft."

DUBAI, United Arab Emirates, Nov. 18, 2019 /PRNewswire/ -- SunExpress is exercising options for 10 additional Boeing 737 MAX 8 airplanes to continue renewing its fleet and growing its position in the leisure travel industry, the airline and Boeing [NYSE: BA] announced today at the Dubai Airshow.

The purchase, valued at $1.2 billion according to list prices, adds to a previous SunExpress order for 32 MAX airplanes.

"We have a long standing, strong and trustful relationship with Boeing and thus we decided to turn our option into an order. We stand behind our strategic decision to phase the 737 MAX into our fleet for all of its economic and ecological advantages, mid- and long-term," says Jens Bischof, CEO of SunExpress. "We have full confidence that Boeing will deliver us a safe, reliable, and efficient aircraft. However, it goes without saying that this requires the undisputed airworthiness of the model, granted by all relevant authorities. Our utmost priority at SunExpress is and has always been safety."

The airline, which specializes in offering direct connections between Europe, Turkey and popular holiday destinations, has achieved significant growth in recent years as it steadily expanded its fleet of mainly Boeing 737 airplanes. Last year, SunExpress' passenger count climbed to nearly 10 million across roughly 100 destinations.

"We are honored and humbled by the trust that SunExpress has placed in our team at Boeing. They have been a wonderful partner over the years, demonstrating every day the efficiency and reliability of the Boeing 737 across their growing network," said Stan Deal, president & CEO of Boeing Commercial Airplanes. "We regret the impact the MAX grounding has had on SunExpress and their passengers. The Boeing team is working hard to safely return the airplane to service and providing the capacity for SunExpress to continue serving as the backbone of air travel in the Turkish tourism industry."
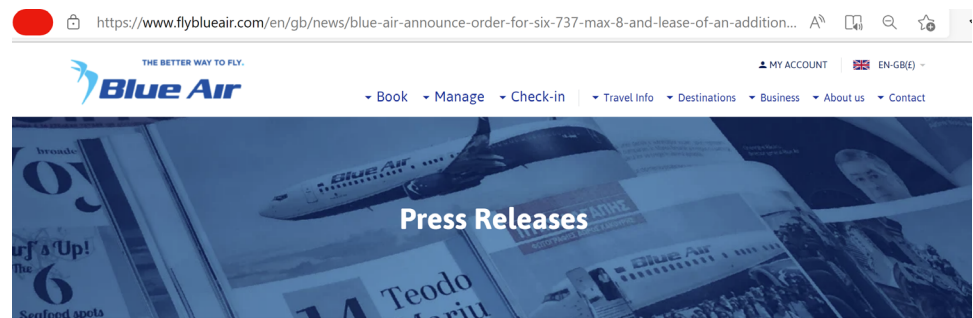
The 737 MAX 8 is part of a family of airplanes that offer 130 to 230 seats and the ability to fly up to 3,850 nautical miles (7,130 kilometers). With improvements such as the CFM International LEAP-1B engine and Advanced Technology winglets, the 737 MAX provides operators a 14% improvement over today's most efficient single-aisle airplanes and extended range to open up new destinations.

About SunExpress:

As a holiday specialist, SunExpress has been offering non-stop services between Europe and Turkey, as well as to popular holiday destinations on the Mediterranean, the Black Sea, North Africa and the Red Sea coasts for almost 30 years. This year, the joint venture between Lufthansa and Turkish Airlines has been operating the largest fleet in its history, with 84 aircraft serving 90 destinations in 30 countries. The airline, which has received numerous awards for its service, provides customers with a comfortable flying experience at the best value and scores highly with its wide range of innovations and digital travel services. For more information, please visit www.sunexpress.com.

Appendix 4

Blue Air Confirmation of Boeing 737 MAX order at Paris Air Show June 2017

https://www.flyblueair.com/en/gb/news/blue-air-announce-order-for-six-737-max-8-and-lease-of-an-addition...

Blue Air

THE BETTER WAY TO FLY.

MY ACCOUNT   EN-GB(£)

Book Manage Check-in   Travel Info Destinations Business About us Contact

Press Releases

BLUE AIR ANNOUNCE A CONFIRMED ORDER FOR SIX 737 MAXS 8

Blue Air and Boeing announce a confirmed order for six 737 MAXs 8 and another two options

The carrier becomes the first Romanian 737 MAX operator

Blue Air will also lease an additional twelve 737s from Air Lease Corporation

Blue Air and Boeing announced today a confirmed order for six 737 MAXs 8 and additional two options, at the 2017 Paris Air Show. The carrier will also lease a further six 737 MAXs 8 and six Next-Generation 737-800s from Air Lease Corporation.

Gheorghe Racaru, General Manager of Blue Air, said: "Due to our great partnership with Boeing, Blue Air has a long history of operating the 737, that has resulted in unmatched operational reliability and leading safety record. By placing a firm order with Boeing as well as contracting additional aircraft from our strategic partner Air Lease Corporation, Blue Air will incorporate 20 ultra-modern aircraft into its fleet. This highlights our commitment towards safety, comfort and reliability for our passengers, while also focusing on environmental protection. The 737 MAX will help shape the future of Blue Air, allowing us to fly to new, further destinations whilst continuing to keep our fares low for our passengers due to the incredible efficiencies of the aircraft."

The 737 MAX family has been designed to offer customers exceptional performance, flexibility and efficiency, with lower per-seat costs and an extended range that will open up new destinations, capabilities that perfectly match with Blue Air's Smart Flying strategy. The 737 MAX is the fastest-selling aircraft in Boeing history, accumulating more than 3,700 orders from 87 customers worldwide. The 737-800 is one of the best-selling versions of the highly successful Next-Generation 737 family, the most technologically advanced single-aisle airplane family.

"We are delighted to announce Blue Air as Romania's first 737 MAX customer," said Monty Oliver, vice president, European Sales, Boeing Commercial Airplanes. "The 737 MAX is ideally suited to Blue Air and the market it serves, increasing revenue potential all with improved operating efficiencies."

Appendix 5

easyJet Trading statement July 2022 confirming additional fleet order.

easyJet plc
Trading statement for the three months ended 30 June 2022

easyJet's key areas of transformation continue to deliver, with Q3 financial performance improved despite costs from industry wide operational issues

- **Q3 group headline loss before tax of £114m, included:**
  - £133m cost impact from disruption
  - £36m loss from FX balance sheet revaluations
- **Q3 headline EBITDAR profit of £103m (Q3 FY19: £313m)**
- **easyJet's transformation continues to deliver**
  - Network optimisation driving positive demand with Q4 load factors booked slightly ahead of FY19
  - Step-changed ancillaries continuing to deliver with Q3 ancillary yield 55% above FY19
  - easyJet holidays generated £16m profit in the quarter
- **easyJet is currently c.83% hedged for fuel in Q4 at c.US$705 per metric tonne**

build greater resilience in time for 2023 peak periods.

Slot addition

During the third quarter easyJet won 18 daily slots (9 slot pairs) at Lisbon airport, achieving growth in a highly slot constrained airport. These slots will result in easyJet becoming the second largest airline at the airport. The additional capacity enabled by the new slots will be deployed starting in October.

Approved aircraft purchase

After obtaining shareholder approval earlier this month, easyJet has agreed to purchase an additional 56 A320neo family aircraft for delivery between FY26 and FY29, as well as converting 18 planned deliveries of A320neo aircraft to 18 A321 neo aircraft. These aircraft will continue the modernisation of the easyJet fleet, delivering both cost and sustainability benefits to easyJet, as well as facilitating further up-gauging of the fleet.
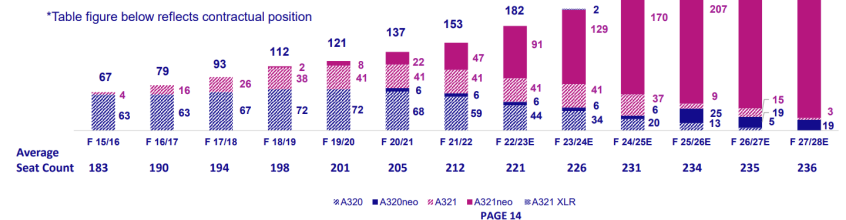
Sustainability

easyJet has signed a Letter of Intent with Airbus to support the development of carbon removal technology and to explore the opportunity to secure a future supply of carbon removal credits from direct air capture technology.

Appendix 6

Easyjet Trading statement July 2022 confirming additional fleet order.

WIZZ AIR HOLDINGS PLC
Q1 F23 RESULTS
27 July 2022

FLEET RENEWAL DRIVING GROWTH + EFFICIENCIES

✓ **157 aircraft; eight x A321NEO delivered; four x older A320CEOs exit fleet**

✓ **4.9-year average fleet age, 214 fleet average seat count at Q1 F23 (vs 199 Q1 F20)**

✓ **Young and fuel-efficient fleet partially offsets rising fuel prices**

✓ **Strong financing offers despite interest rate environment**

✓ **Expect delays of deliveries in balance of F23***

✓ **ASKs 30% growth in Q2 F23, 40%+ in H2 (versus a 'normalized' F20)**

407
AIRBUS
A320 FAMILY
AIRCRAFT
ORDER

INDUSTRY
LEADING
PRICING

LOWER
OPERATING
COST

*Table figure below reflects contractual position

| Average Seat Count | 183 | 190 | 194 | 198 | 201 | 205 | 212 | 221 | 226 | 231 | 234 | 235 | 236 |
| | F 15/16 | F 16/17 | F 17/18 | F 18/19 | F 19/20 | F 20/21 | F 21/22 | F 22/23E | F 23/24E | F 24/25E | F 25/26E | F 26/27E | F 27/28E |

※A320 ■A320neo ※A321 ■A321neo ※A321 XLR

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wizzair.com

Appendix 7

London Luton Airport Recruitment Fair – November 2021

London Luton Airport

08 November 2021

Careers set for take off at airport job fair

London Luton Airport (LLA) will bring together over 20 employers on Friday 12th November, as they look to fill hundreds of roles currently available at the airport.

Job seekers attending the fair will learn about the wide range of roles available, both directly at LLA and with broader employers operating from the airport. Representatives from Wizzair, easyJet, and UK Border Force will all be on hand to discuss the jobs on offer, which cross a range of sectors and positions, including aviation security, cabin crew, IT and retail and hospitality.

The free event is being held between 10am and 1pm at London Luton Airport's Headquarters, Percival House and is being supported by Luton Council and the local Job Centre service.

The Council's Adult Learning team will be on hand to talk to people about its Passport to Employment programme which helps local people get the support they need to get a job, build a career and take advantage of the opportunities on offer including specific support for those applying for aviation security roles at the airport.

Commenting on the fair, Nik Jones, HR Director at LLA said: "London Luton Airport is a major employer and economic driver for the wider region. With air travel steadily resuming, now is the perfect time to consider a career in aviation. That's why I'm so pleased we're able to host this jobs fair and showcase the breadth of roles available. Previous events have proved very popular and very successful at introducing airport employers with new employees."

You can find out more on the webpage here: www.london-luton.co.uk/jobfair