



Luton Airport Jobs Numbers – Post-Covid Baseline

1 Introduction

- 1.1 This note is in response to a question from Inspector Holden as to whether it is possible to calculate what number of jobs would be supported if the airport could operate at 18mppa now.
- 1.2 As set out in my oral evidence, this is a difficult question to answer, in part because of how employment at the airport is measured (and who actually employs staff) and partly because of the effects of the Covid-19 and how they are affecting employment patterns and official measures of employment.

2 Measuring Employment

- 2.1 There is no single source of data on the number of jobs at the airport that is based on monitoring the number of people who come to work there each day.
- 2.2 Estimates of employment are provided in Annual Monitoring Reports. These are based on data from the Office for National Statistics – they do not come directly from LLAOL or the companies that operate from the airport. The AMR measures employment that is linked to the airport across an area that is slightly wider than the airport's boundary – as set out on p. 58 of the 2019 AMR (CD8.26), jobs on surrounding roads and industrial/business parks are included. These are the numbers on which my evidence is based.
- 2.3 Since 2019, the Annual Monitoring Reports (AMR) have shown a decrease in the number of workers (from 11,200 to 10,600 in 2021) but these numbers are affected by Covid-19 as the 2021 report states:
The table illustrates that there are an estimated 10,600 employees in and around the airport although some of these will have been on furlough, working reduced hours or working from home at the time the employment figures were recorded. This employment figure is 5 per cent lower than the previous year. There 8,800 full time and 1,900 part time employees¹. The effects of the pandemic are not yet fully seen in the data because of the furlough scheme.
- 2.4 Effectively furlough meant workers were counted as employees even if they were not working.
- 2.5 In addition, the AMR reports a fall in the proportion of employees who are full time (down to 81% from 85% in 2019) which indicates a reduction in the amount of full-time equivalent jobs.
- 2.6 Not all of the 10,600 employees in 2021 worked within the airport perimeter.
- 2.7 Within the airport perimeter, LLAOL directly employs less than 10% of the workforce.

¹ The numbers do not add up due to rounding



- 2.8 It is also responsible for managing the security system so it has some data on the number of passes in operation and the number of times they are used each day.
- 2.9 These data provide some insight into the scale of changes but again, is not comprehensive - not all workers have security passes (as they do not work in controlled areas) so it is not possible to convert the number of passholders into an estimate of total employment at the airport. Furthermore, LLAOL only keeps security pass data for two years, so there is no ability to compare the current use of passes with 2019.

3 Changes in Employment

- 3.1 The AMRs do not show significant changes in employment even through the pandemic. Similarly, the latest ONS Business Register and Employment Survey (BRES) shows only a small fall in employment on and immediately around the airport of around 200 between 2020 and 2021.
- 3.2 As set out above, probably because of furlough, the official data provided by the ONS is not capturing the true extent of the fall in day-to-day employment that has been seen at the airport during the pandemic.
- 3.3 The security pass data suggests that on-site employment declined significantly in 2020 and 2021 and is now returning as the number of passenger increases.
- 3.4 LLAOL has data on the number of active security passes. This does not correlate perfectly with employment numbers because it reflects churn from people changing jobs as well as growth in jobs, including in part-time working (which has increased and will therefore have increased the number of passes being used).
- 3.5 In the first eight months of the year there were around 3,400 active passes in 2019. In 2020 this fell to just over 2,000 and in 2021 to 1,250. In 2022 this has risen to 2,800.
- 3.6 These figures suggest that staffing levels are currently somewhere around 80% of their 2019 levels, and more than double their 2021 levels, both of which are broadly consistent with the change in passenger numbers.

4 Conclusions on changes in Employment if the Airport were to operate at 18mppa in 2022

- 4.1 It is difficult to be precise about the number of workers that would be needed to support 18mppa.
- 4.2 LLAOL's security pass data suggests that the number of employees on-site has responded to the passenger numbers at the airport.
- 4.3 These changes do not show up in the ONS data. Official ONS data suggests that despite furlough, employment has probably fallen since the start of the pandemic in 2020 (by 200).
- 4.4 As set out in my Proof of Evidence and not disputed in the Ladacan Note (INQ-33) the ratio of passengers to jobs was fairly stable over the period from 2016-2019 as the airport grew from 14.5mppa to 18mppa at between 622 and 642 jobs per million passengers.





- 4.5 The best estimate is that this is likely to continue and that 18mppa would require approximately the same number of employees as it did in 2019/20. At that point recruitment to support 18mppa had not finished so without the pandemic, the 2020 jobs number is likely to have been higher than the 11,200 reported in the AMR.
- 4.6 Set against that, there have been some job losses, some of which may not return, but there has also been an increase in part-time working. That would increase the number of individuals working at the airport, but not necessarily the total hours worked or the number of people on-site on any given day (ie one previously full-time job may now be done by two people).