

[News story: Post-Monarch review finds too many passengers flying unprotected](#)

Too many air passengers are flying without adequate protection against the insolvency of their airline, a government-commissioned review has reported.

The review found passengers must have clarity and confidence about the risks of airline insolvency and how they are protected when they travel.

The current protection landscape does not give passengers enough support, is often confusing, and can lead to some passengers paying twice for the same protection while others, whether they know it or not, go unprotected.

The Airline Insolvency Review was established by the Department for Transport following the collapse of Monarch in 2017, and has today (12 July 2018) published its [interim report](#).

Peter Bucks, Chair of the Airline Insolvency Review, said:

Air travel clearly brings huge benefits, connecting people from all over the world, but when an airline goes out of business, it can affect large numbers of people who can often look to their government and the taxpayer to assist them in their hour of need. Too many do not have protection of their own, too often requiring the taxpayer to step in.

Even though airline insolvencies are relatively rare, we need to be prepared to deal with the consequences for passengers when one occurs. Ensuring all passengers can get home requires organisation, funding and in many cases more than simply rebooking onto other flights.

The interim report is a key milestone in the Airline Insolvency Review, giving the opportunity to reflect on the views we have heard to date and setting out our initial conclusions. In the next phase of our work, we will continue to engage openly with interested parties as we develop concrete proposals to address these complex issues.

Findings of the review so far have shown that there is no one-size-fits-all solution to repatriating passengers in the aftermath of an airline failure – the best approach will depend on the airline and circumstances of the failure.

In the event of an airline insolvency, the review has identified that the most effective option is to keep the fleet of an insolvent airline flying. However, this is not without considerable challenges, risk and expense.

Therefore it is necessary to ensure a range of options are available, including using existing alternative capacity where possible and chartering additional aircraft. This approach will be described in more detail in the final report.

Other findings of the interim report include:

- the risk of an airline insolvency is significant and if it were to happen, could affect large numbers of people, as was seen in the cases of Monarch and Air Berlin
- current protection measures – such as travel insurance, credit cards, ATOL protection – often overlap, meaning that some passengers have paid for protection twice and others have no protection at all
- there are limits to the numbers of passengers that can be handled by existing capacity and Monarch-style charter operations – this means that larger UK airlines would need to be kept flying in administration to ensure passengers are able to make swift returns home and avoid long delays
- repatriating passengers is likely to require additional sources of funding than are currently available, if the burden is not to fall to the taxpayer – the review is exploring how these additional funds could be made available
- the review will look at the role that awareness-raising among passengers can play, but is sceptical it will deliver a solution to protect the taxpayer fully from the risk of intervention in larger airlines' failures

The publication of the interim report follows extensive consultation, including 2 public evidence sessions held in London and Manchester.

This has allowed the review team to discuss issues raised in the [responses to the call for evidence](#), as well as offering those with an interest the opportunity to speak directly to the chair and review team. It represents a progress report on its analysis to date and sets out the programme of work it intends to undertake to inform its final recommendations.

Recommendations will be developed as part of the final report, due to be published at the end of the year.

Information on the availability of alternative capacity

The review looked at the capacity available on the world's busiest route, London–New York. It found that for some airlines with high market share, even on this route, using existing alternative capacity would not be sufficient to enable all passengers to complete their journeys without significant delay. The analysis found that in the case of British Airways, there would be nearly four passengers chasing each available alternative seat.

Even looking beyond routes between New York and London and including all major US hubs and all UK airports, there would still be at least 2 passengers

for each available alternative seat. The review concluded that sufficient capacity was only therefore likely to exist for all airlines if European hubs were used and passengers undertook journeys with multiple legs.

The review's analysis also showed that the position is likely to be worse for short haul holiday flying, where highly seasonal, mainly outbound routes are common and lead to very low availability of alternative capacity.

The review estimates the availability of charter aircraft to repeat a Monarch style operation, to be currently limited to around 60 aircraft outside the peak season. It is therefore not sufficient to deal with the larger airlines operating to and from the UK.

Information on the risk of insolvency

The review assessed the insolvency risk of the top 17 UK airlines that account for over 80% of the UK's air passengers. The average risk of any one insolvency is around 25% in any one year. For the 11 airlines with publically available credit ratings the average probability rises from 6% this year to 13% in 15 years' time.

On average an airline insolvency would impact 500,000 passengers in 2018 to nearly 900,000 in 15 years' time.

This analysis is based on the average risks of companies with those credit ratings across all sectors. The risk in the aviation sector may be larger or smaller. For example, this analysis does not take into account the possibility that more airlines may cease trading through mergers and acquisitions than is the case across other sectors and hence avoid insolvency.

Datasets for airline insolvencies amongst operators to and from the UK are very limited and single insolvency events would have undue significance in any analysis. For these reasons aviation specific insolvency data have not been used to generate this risk analysis. The review will be sensitivity testing these results against other metrics in the future.

[News story: Extra funding freedoms for Liverpool City Region](#)

The agreement will see over £120 million moved into the City Region's revenue budget, from its capital budget, over the next 27 years. The move will boost the City Region's investment programme, launched following the £900 million devolution deal in 2015.

The arrangement will give Liverpool City Region Metro Mayor, Steve Rotheram,

and the Combined Authority, greater freedom to plan and invest in ways which will drive up long-term economic growth. This includes transport improvements, learning facilities and housing.

Speaking on a visit to Liverpool today, Robert Jenrick, Exchequer Secretary to the Treasury, said:

Liverpool and Merseyside are important parts of the Northern Powerhouse, with businesses in the region delivering vital skills, jobs and growth.

Since 2010 we've seen nearly 50,000 new jobs created in the Liverpool City Region alone, and inward investment increased by 6% in the North West as a whole in the last year.

Today's announcement will build on this progress and provide greater flexibility for leaders to deliver the jobs, infrastructure and growth in productivity that will help secure the region's place in the new economy.

Steve Rotheram, Metro Mayor of the Liverpool City Region, said:

I welcome this announcement which gives us more power over how we use the £30 million a year we receive from central government under our devolution agreement. This shows their confidence in our ability to drive long-term growth and make a real difference to people's lives across the city region.

The announcement comes on the latest leg of the minister's regional tour, where he is championing innovation and looking at how British businesses are boosting productivity. During the visit, he will meet business leaders from the region's Chambers of Commerce and visit tech firms at the Daresbury Enterprise Zone.

Further information

The Exchequer Secretary will meet:

- Metro Mayor of the Liverpool City Region Combined Authority, Steve Rotheram
- Members of the Liverpool & Sefton Chamber of Commerce
- Daresbury Enterprise Zone

The government announced at Autumn Budget plans to work with Liverpool City Region to explore options for further devolution, identify local barriers to growth and how best to overcome them.

The funding agreement will be reviewed every 5 years.

The government's expectation is for this gainshare funding to be invested in the drivers of long-term economic growth rather for day-to-day running costs.

[Press release: Minister for the Middle East travels to the US and Saudi Arabia](#)

During his visit to Washington he will meet with senior US policymakers working on the Middle East and North Africa, including members of the House and Senate Foreign Affairs and Relations Committees. Mr Burt will also participate in a meeting with the House Foreign Affairs Committee alongside Ambassadors from Germany and France on Iran and wider Middle East issues.

In Riyadh, Mr Burt will meet with Ministers from the Saudi Ministry of Foreign Affairs, the Secretary-General of the Gulf Cooperation Council and the Foreign Minister of Yemen.

Speaking ahead of the visit, Mr Burt said:

As the President of the United States makes his first official visit to the UK, my meetings in Washington are emblematic of the of the breadth and depth of the cooperation between our two countries, not least on Middle East and North Africa issues. Over the last few months we have worked together both bilaterally and through international organisations to address the situations in Syria and Yemen, our troops continue to fight together against the scourge of Daesh, and our aid organisations cooperate at every level.

In Riyadh I will be discussing the full range of issues impacting the Middle East region, both with my Saudi counterparts and with the Foreign Minister of Yemen. Together we will reinforce that there can be no military solution to the crisis in Yemen, and we will discuss how best to work with UN Special Envoy Martin Griffiths to achieve a political solution.

Further information

- Follow the Alistair Burt on Twitter [@AlistairBurtUK](#)
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will discuss how best to work with UN Special Envoy Martin Griffiths to achieve a political solution.

[News story: £700 million South West food exports are vital to economic success](#)

The Chief Secretary to the Treasury, Liz Truss used a visit to several food manufacturers in Cornwall this week (12 and 13 July 2018) to unveil new figures that showed food and agricultural exports in the first quarter of 2018 were up for the fourth year in a row.

From January to March 2018, £175 million worth of food and agricultural goods were exported from the region around the globe, up £10 million on last year.

In 2017, nearly £700 million worth of Cornish food and agricultural goods were exported around the world, and the Chief Secretary hopes that this figure will be bettered this year:

Food manufacturers in this region have made a flying start to 2018 and it's hugely encouraging to learn, once again, that food exports are up for the first quarter of this year.

Exporting boosts the earnings of a business, and the wages of local workers, it also enhances the reputation of Britain and Cornwall around the world.

I want to see more people abroad enjoying a taste of Cornwall, like the magnificent clotted cream I've seen made during my visit.

It is so important that local traders in this part of the world have the opportunity to increase their trade and create jobs and I'm here to learn how we can help them do this.

While visiting Cornwall, the Chief Secretary was hosted by groups of businesses and also visited several food manufacturing factories.

The government is delivering for the South West, and the region now has the second-lowest unemployment rate of all UK regions. And this year alone employment has increased by 37,000, with a record high 2.8 million people now in work.

Since 2010 the government has worked hard to make sure businesses in all

regions of the UK can start-up and scale-up. By cutting corporation tax we have helped encourage this, with 1.2 million more businesses starting up since 2010.