

Questions of Urgent Public Importance

INFRASTRUCTURE

1. Flybe collapse – Statement

The Hon. Member for Onchan (Mr Callister) to ask the Minister for Infrastructure:

If he will make a statement on the collapse of the airline Flybe?

The Speaker: We now turn to Urgent Questions, Hon. Members.

The order was provided to you yesterday, and in that sense we turn to Urgent Question 1, and I call on the Hon. Member for Onchan, Mr Callister to ask a Question of the Minister for Infrastructure.

Mr Callister: Thank you, Mr Speaker.

Can I ask the Minister for Infrastructure if he will make a statement on the collapse of the airline Flybe?

The Speaker: I call on the Minister for Infrastructure to reply.

The Minister for Infrastructure (Mr Harmer): Mr Speaker, I am happy to make a brief statement, although I will concentrate more on what we are doing going forward than about the collapse of Flybe. I hope that this is what Hon. Members wish to hear. (**A Member:** Hear, hear.)

The Island is not responsible for the loss of Flybe services. Flybe has served us well for many years, and its collapse is sad for its staff and its customers.

Flybe's core Manx routes to and from Liverpool, Manchester and Birmingham were successful. The Liverpool operation benefited from the regular movement of patients attending medical appointments. The Manchester route was reported in the media to be the eighth best performing route on the Flybe network. Birmingham was regularly a busy route and Flybe officers reported to us that the yield remained sound.

Flybe had survived a dip that had led to the sale of the company to new investors and trading problems that led to the UK government support. However, concerns in the industry over the effect of coronavirus on travel margins and about the airline's ability to keep trading, led to it entering administration on Thursday, 5th March.

I can tell you that my officers and I have been working night and day since then to find a new operator for these routes. As a result, I am pleased to announce that from Thursday this week Loganair will operate a twice daily scheduled service to Liverpool. This service will operate seven days a week.

This is an interim solution while negotiations continue about the future of these routes. Loganair already operate from the Island to Edinburgh and operate the London City route for BA. I have put Liverpool top of the list of destinations, even though EasyJet also operate the route, because of the needs of the Patient Transfer Service.

I know that lots of people have been affected by Flybe's collapse and that many people have lost out on trips and are having to make alternative arrangements. Despite this, I think we need to put the needs of those travelling to and from medical appointments first. That means we have pre-booked seats each day for patients who will be contacted by the Patient Transfer team with information about their appointments. The remaining tickets will be available on the Loganair website.

I realise that many people rely on the Manchester and Birmingham routes. I am pleased to say a number of airlines are interested in these routes. However, this is a nervous time in the aviation industry and, having met the chairman of one airline myself this weekend, I can tell you there is a real fear that coronavirus, or more properly the fear of coronavirus, will destroy airlines and their routes. Whilst I would have been normally very bullish about the ability of our busy routes to attract a new operator, the industry fear of coronavirus means that I am simply optimistic.

I know that many of us need to travel and many of us need to travel regularly. I do not think we are afraid of travelling to the UK, so I can tell you that my Department is working with airlines and that we will make an announcement as soon as something is agreed. I am very hopeful that this will be in the next week or so.

Two Members: Hear, hear.

The Speaker: Supplementary question, Mr Callister.

Mr Callister: Thank you, Mr Speaker, and I thank the Minister for his positive statement today, especially on the Liverpool route.

Can I ask the Minister has he got any timescale of when the Birmingham and the Manchester routes may be back up and running again? Because they are so key to the Isle of Man.

It is worth mentioning that our friends in Jersey, Blue Islands airline stepped in within two days to secure two routes and Loganair have stepped in within 24 hours or 48 hours to secure another route into the Channel Islands. So when will we get the Birmingham and Manchester routes back on line?

The Speaker: Minister to reply.

The Minister: Thank you.

As I have mentioned, we are in very good discussions. They are at an advanced stage with a number of airlines, and I hope to make an announcement in the next week or so.

The Speaker: Thank you.
Further supplementary, Mr Callister.

Mr Callister: Thank you, Mr Speaker.

I fully understand airline yield and how it works in respect of less seats, higher cost etc. but with so few seats available on Gatwick and Liverpool at the moment, in the short-term, can I ask the Minister what discussions he and his Department have had with EasyJet to look at the yield prices, especially during this difficult period?

The Speaker: Minister to reply.

The Minister: Thank you, Mr Speaker.

My officers are talking to a number of airlines. Obviously at this point all those discussions are confidential, but I can assure this House that we are working day and night on all of these issues and we are well aware of the impact that this is having.

The Speaker: Supplementary question, Mr Hooper.

Mr Hooper: Thank you very much, Mr Speaker.

I would like to thank the Minister for his very positive news about the Liverpool route. One thing he did not really talk about in his statement was the potential human impact of the

changes to flights. There are a significantly reduced number of flights now coming out of the airports. Is he able to comment on any potential impact this is going to have on staff at the Airport, specifically any of those staff who are on zero-hours contracts?

The Speaker: Minister.

The Minister: Thank you.

I do not have that information about zero-hours contracts but I will come back to the Member on that.

The Speaker: Supplementary question, Ms Edge.

Ms Edge: Thank you, Mr Speaker.

I just wonder if the Minister could confirm what times the flights will be that he has secured with Loganair?

The Speaker: Minister.

The Minister: Thank you.

As far as I am aware, it will operate two operations and this will then hopefully go up to a third. Firstly in the morning and then coming back later on in the evening, I do not have exact times, but in the morning and in the evening.

The Speaker: Supplementary question, Mr Robertshaw.

Mr Robertshaw: Thank you, Mr Speaker.

I join other Members in expressing pleasure in the efforts that the Minister's Department are putting in at the present time. But just reflecting on the comment made by one of the airlines in discussion with him at the moment, having expressed concerns about the impact of starting up with coronavirus in front of us, as it were. Could the Minister assure me that Council of Ministers are very well aware of the perfect storm that hoteliers in my constituency currently are subject to in the sense that they have got the problems with the Promenade, they have got concerns and a slowdown in bookings as a result of coronavirus, and the impact of the loss of Flybe. On top of that they also have a slowdown in deposit taking going forward because of the very uncertainty that the Minister has spoken –

The Speaker: Question?

Mr Robertshaw: Could he please reassure me that the Council of Ministers are extremely aware of the sensitivity in this area?

The Speaker: Minister to reply.

The Minister: Thank you.

I do not think I am speaking out of turn, but the Council of Ministers are already meeting around these subjects and have this at the utmost urgency.

The Speaker: Mr Callister.

Mr Callister: Thank you, Mr Speaker.

Can I just ask the Minister if he still has confidence in the Island's open sky policy?

The Speaker: Minister to reply.

The Minister: Thank you.

With all events we always need to reflect and review. At this point we are looking at restoring routes. What I would just comment on, particularly about the open skies, had we been in closed skies it is around protecting the incumbent and the problem with that is, say we had protected the skies around the north west with Flybe, we would not have had alternatives and we would have taken perhaps six months to actually achieve an alternative, therefore making the situation much worse.

I think there is always an opportunity to reflect on things, but I just want to make the House aware of the significant problems that can cause.

The Speaker: Final supplementary, Miss Costain.

Miss Costain: Thank you, Mr Speaker, and again, I congratulate the Minister on moving quickly and trying to get this resolved.

There was obviously a contingency plan in place prior to the collapse of Flybe. Could he tell the House whether the coronavirus, and any other events, have affected the contingency plan, or is he nearly just now carrying out the contingency plan as it already was?

The Speaker: Minister.

The Minister: Thank you, Mr Speaker.

We are ready and waiting and looking at alternatives, should certain things arise and as things become clear. However, unfortunately coronavirus has had a massive impact on confidence – or rather the fear of coronavirus – not necessarily the virus itself but the fear of it has made those conversations much more difficult because of businesses not wishing to invest in those sort of scenarios.