

# Coronavirus pandemic leads to £8.6 billion drop in rail fares income

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The Office of Rail and Road (ORR) has published its Rail Industry Finance (UK) 2020-21 report, which reveals the impact of the coronavirus pandemic.

The report shows the income, expenditure, and government funding of the UK rail industry for the financial year 1 April 2020 to 31 March 2021.

The rail industry in 2020-21 was substantially affected by the coronavirus (COVID-19) pandemic. Passenger journeys fell to historically low levels and the government used emergency measures to keep train services running, which led to a large increase in train operator subsidy.

The rail industry has started to recover from the impact of the pandemic. In 2021-22 Q1 (April to June 2021) **182 million rail passenger journeys were made** in Great Britain, more than five times the 35 million journeys made in 2020-21 Q1.

The main points include:

- As a whole, the industry in 2020-21 cost £20.7 billion, which was funded through fares and other passenger income (£2.5 billion), government (£16.9 billion) and other sources (£1.3 billion).
- Fares income in 2020-21 was £1.8 billion, a drop of £8.6 billion from the previous year, due to the impact of the pandemic. The number of passenger journeys reduced by 77.7% in 2020-21 (compared to 2019-20).
- Government funding of the operational railway increased by £10.4 billion to £16.9 billion largely due to the use of emergency measures to support passenger train operators.
- Industry expenditure was £21.0 billion in 2020-21. This represents a £0.8bn annual increase. The rail industry ran 20.9% fewer services which meant that variable expenditure, such as fuel, Network Rail charges etc. reduced. The pandemic also increased expenditure in some areas such as the cost of Personal Protective Equipment (PPE), additional cleaning costs and staff absences.

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