

Package of support worth up to £40m to safeguard the future of rail service operations in Wales

March 31, 2020



The Minister for the Economy and Transport has released a statement on the COVID-19 impact on rail, bus and air services and outlined its response.

Ken Skates has said the ambition of the Welsh Government remains to create a sustainable integrated public transport network, including community transport, across Wales.

He said: “We therefore must act now to ensure that when we reach the other side of the current COVID-19 pandemic we will have a viable public transport network to allow us to achieve this.”

Among the measures includes a package of support, worth up to £40m over the next few months to allow them to give certainty to passengers. He said the funding will assure the skeleton service now operating, and will safeguard the future of rail service operations in Wales and the Borders.

Full statement from Ken Skates AM Minister for Economy and Transport

The ambition of Welsh Government remains to create a sustainable integrated public transport network, including community transport, across Wales. We therefore must act now to ensure that when we reach the other side of the current COVID-19 pandemic we will have a viable public transport network to allow us to achieve this.

Our rail franchise provider, together with bus companies and community transport operators, many of whom are SMEs or charities, are facing a significant and unprecedented challenge. Travel demand has reduced significantly following the advice for everyone to stay at home unless in specific circumstances, the need for social distancing, widespread working from home, and the closure of schools and colleges.

The public transport network in Wales should now only be used by key workers, such as health professionals, in providing essential support for our communities, and those without a car to get to shops for essential food and medical supplies.

As a result of this evolving COVID-19 response and ours and the UK Government's advice for the public to confine itself to all but essential travel, I have made a series of decisions to help safeguard public transport across Wales.

Firstly, the Coronavirus pandemic has already had a profound impact on the railway in Wales. Passenger numbers have plummeted as a result of our advice to socially distance or self-isolate and not travel unless journeys are essential.

We therefore must act now to safeguard the future of services. I have agreed a package of support, worth up to £40m over the next few months to allow us to give certainty to passengers. This funding will assure the skeleton service we are now operating, and will safeguard the future of rail service operations in Wales and the Borders.

We are working closely with our partners in TfW and TfW Rail Services on the details of the mechanism, which I expect to evolve further over the coming weeks. I intend to provide more details to members on the specifics of the package in further announcements.

Secondly, the Coronavirus pandemic has created uncertainty and challenge across all industries and sectors and the bus industry is no exception.

Following discussions with businesses and stakeholders to understand the impacts of the COVID-19 pandemic, including a 90% reduction in the usual patronage on some TrawsCymru routes, it is clear that the industry needs immediate support in order to remain viable even for the next few months, while longer-term measures are developed.

My recent letter with the Welsh Local Government Association recommending that local authorities continue to pay a minimum of 75% of the contract value for school and other contracted local passenger services was the start of the process for stabilising the industry.

The next step will help bus operators through the inevitable uncertainty of the next 3 months, through an injection of £29m. Our on-going financial support to the bus industry, delivered through grants

administered by local authorities, will be paid monthly up-front until we are able to put a more sustainable solution in place or the end of the first quarter of the financial year, whichever is the earlier. During this time, payments will be based on the value of previous payments of the Bus Services Support Grant, Mandatory Concessionary Fare reimbursement and payments under the MyTravelPass scheme which were determined by number of passengers and route distances in normal times. All operators, including community transport operators, who have qualified for these payments in the previous two quarters will be eligible.

In return for this support, all operators who receive it will commit to the following for the next three months:

- Scheduled services will operate a foundation timetable (contracts to be agreed with Local Authorities), sufficient to allow key workers to get to work and those without a car to get to shops for essential food and medical supplies
- No bus will carry more than 50% of its maximum capacity
- To match the offer announced on our train services, all NHS workers who use a scheduled bus service will travel free of charge
- Each operator will provide us and our partners in the Local Authorities with a weekly report showing how every bus in its fleet has met its obligations. Setting out what routes have been run, what times it arrived at each stop, how many passengers alighted, what the fare each passenger paid, etc.

We have made clear that as well as these commitments, we expect the bus operators to minimise running costs, for example using the UK Government's Job Retention Scheme for staff who are not needed to run the reduced service.

I hope that this will give operators some short-term resilience to continue to deliver services, pay employees and sub-contractors, while we work with them to develop the comprehensive package of measures, called for by the scale of the crisis, to secure an efficient, sustainable, and robust bus network.

In addition, during this period when we are asking people to travel only for essential purposes, we will be temporarily withdrawing the offer of free weekend travel on the Traws Cymru network, and allowing all NHS staff to travel from free on the TrawsCymru network throughout the week from Monday. I will update members on when free weekend travel may be able to return.

This announcement, together with the specialist support for bus operators available through Business Wales[1], the Welsh Government's business rates relief, and the wage subsidy offer available from the UK Government[2], will go some way towards helping the industry.

These are difficult times and we need to work together to ensure bus companies are able to deliver these vital services. We will continue to work closely with the industry to develop further support measures and I hope to be able to make additional announcements very soon.

Finally, looking to the aviation sector. The pandemic and ongoing adaptations to the way we need to live our lives for the foreseeable future, means the aviation market has been significantly hit with many passengers rightly choosing not to fly. Many airlines have already suspended a number of their commercial

services, and for services that are still operating, the majority of passengers are simply not turning up to travel. As a result of this, after discussions with Eastern Airways, I have suspended the Cardiff – Anglesey Public Service Obligation (PSO) air service for an initial period of up to three months.

The suspension of the Cardiff-Anglesey air service will be reviewed in line with the ongoing and unpredictable development of the COVID-19 pandemic. My officials will work with the relevant authorities and the airline operator to determine the best approach to re-starting services in the safest way possible, but only when the time is right.

The impact of COVID-19 on airports and the aviation industry has been hugely significant. The industry has already seen the failure of Thomas Cook and Flybe, and is now facing a reduction in flying of virtually 100% across all UK airports. The whole sector is affected as airlines and passengers follow our and UK Government advice not to travel. I will say more about Cardiff Airport in the next few days.

In all cases we will require any public transport operators seeking our support to explore and exhaust all other options for financial support available from the UK Government.

[1] <https://businesswales.gov.wales/coronavirus-advice>

[2] <https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses>

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