

SUMMARY NOTES

CORONAVIRUS: IMPLICATIONS FOR TRANSPORT – INFORMAL MEETING

Wednesday, 25 March 2020, 2.30pm

Informal virtual (Skype) meeting between Members of the House of Commons Transport Committee and Secretary of State for Transport, Rt Hon Grant Shapps MP.

Committee Members in attendance

Huw Merriman (Chair), Ruth Cadbury, Lilian Greenwood, Simon Jupp, Robert Langan, Chris Loder, Karl McCartney, Greg Smith, Sam Tarry

Objectives of the session

The session was an opportunity for the Committee to question the Secretary of State for Transport on the Department's response to the coronavirus crisis and the implications for various UK transport sectors. Initially intended to be a public evidence session, the format was changed on 23 March to an informal private Skype meeting in light of the strengthening of Government advice in respect of the coronavirus crisis.

Areas of discussion

The key points raised in the discussion are listed below.

Departmental planning

The Chair asked the Secretary of State to set out the current situation regarding the transport implications of the coronavirus outbreak and his immediate priorities.

The Secretary of State said that there had been nothing comparable to this in modern Government. The crisis required Ministers to make decisions at an extremely fast rate. He pointed to the practices put in place during Operation Yellowhammer (the Government's preparation for the potential of a no-deal Brexit) as good preparation for the current crisis. Freight planning was at a relative advantage due to no-deal Brexit preparations. Every transport sector had to adjust to the crisis. The SoS stated that he was pleased with the performance of every structure in place.

Limiting essential travel

The Chair asked for further clarification on the definition of ‘non-essential’ travel.

The Secretary of State said that the Government advice made clear that an individual could travel to work if they were unable to work from home and could keep an appropriate distance from others. The public were listening: London Underground usage had reduced by 91%, bus travel by 78%, and road travel by 38%. Goods vehicles remained on the roads and were necessary for deliveries to shops. Very few flights were now taking place.

Karl McCartney MP noted that his local police stopped a removal van while its operators were travelling to their place of work. There were risks in closing down large areas of the economy. He asked for clarification on whether removal companies could still operate.

The Secretary of State said that the Department had not stopped transport or removal companies from operating. They were a vital part of the economy, although it is unlikely that many people would be moving house during this period.

The Chair asked whether the Government might in future instruct people, including construction workers, not to leave the house at all unless for essential reasons.

The Secretary of State said that in the past 10 days the Government had brought forward many significant changes to people’s lifestyles, which were now recognised as the right thing to do. There now seemed to be higher rates of compliance. The Government’s approach appeared to be lessening the virus transmission rate. On balance the current policy was working so far, but the Government would continue to monitor closely. The situation was discussed daily at COBRA meetings and the Department was represented at all those meetings.

Lilian Greenwood MP welcomed the UK Government’s position that people can cycle once a day while practising social distancing. She noted that France had banned recreational cycling, and asked whether there were circumstances in which the Government would do the same.

The Secretary of State said that the Government’s current approach was to educate the public and there were no plans to bring forward a

recreational cycling ban. The difficulty was where people undertaking exercise gathered in groups of more than two, for example when running.

Lilian Greenwood MP said that the communication about who was an essential worker was not clear. **Ruth Cadbury MP** supported this.

The Secretary of State said that the Chief Medical Officer had made this judgement, and that the advice was clear.

Karl McCartney MP asked whether travel permits would be introduced for key workers and workers in the transport industry.

The Secretary of State said he hoped that would not be necessary.

Aviation

Ruth Cadbury MP asked when a support package for the aviation sector would be agreed, following the Chancellor's announcement on this matter on 17 March.

The Secretary of State confirmed that a support package was underway. The Chancellor had written to all airlines and all airports outlining how the measures announced across the entire economy applied to the aviation sector. The 80% furlough subsidy would be important for airlines and airports. The Chancellor had said that there would be bespoke negotiations with individual businesses within the sector, as they had different needs. For example, the International Airline Group said it did not require state help, while Virgin said the sector should receive £7.5bn.

It was vital that shareholders were part of the solution and that taxpayers shouldn't pick up the burden for shareholders. It could not be right that shareholders receive the benefit when things go well, and taxpayers pick up the burden in bad times.

Ruth Cadbury MP asked whether the Government would consider taking a stake in any UK airlines that faced collapse.

The Secretary of State said that everything was on the table. The Department had to try to save the aviation sector and to protect the consumer and the taxpayer. It was important to save companies that should survive in normal times.

Ruth Cadbury MP asked how the DfT was engaging with the range of workers in the aviation sector, such as flight crew, ground handlers, and

retail workers. For example, Swissport had contacted the Committee with concerns about their inclusion in talks with the Government.

The Secretary of State said that the Department had been in contact with Swissport. Furloughing would be a big part of the solution. Having bespoke conversations about funding was important in the aviation sector: any funding would be in the form of loans, in order to protect the taxpayer. The crisis was a global issue and had a massive impact on the economy. The Chancellor had been generous towards the aviation sector, making clear that if the existing measures did not work there could be further bespoke arrangements.

Ruth Cadbury MP noted that many companies in the aviation sector operated on tight margins and would face difficulties even with the Government's support measures.

The Secretary of State said that the Department's engagement with the sector had been intense. Minister Kelly Tolhurst MP had been engaged in constant discussions. The Secretary of State was disappointed by the British Airline Pilots Association's critical comments about the support package, which may have represented a failure by the Department to communicate its scope. Every business would hugely benefit from staff being furloughed. The Department was attempting to save aviation and other areas of the transport sector in an unbelievably fast-moving context.

Chris Loder MP asked whether the Department was holding talks specifically with representatives of ground handling staff at airports.

The Secretary of State confirmed that the Department was speaking directly with the sector. A freight taskforce had been established, led by the Department. There was a mixed picture for ground handlers: some were much busier than usual. Their ability to access the Government's support mechanisms would help to relieve the pressure.

Ruth Cadbury MP asked what the Department was doing to ensure that airlines refund passengers who cancel flights on the basis of FCO guidance.

The Secretary of State said that this was covered by EU law, namely Regulation 261, which was the responsibility of the European Commission. The Department had been working on this matter with the Civil Aviation Authority, which had published guidelines on how airlines should proceed.

Simon Jupp MP said that in the Budget the Chancellor had announced a small increase to Air Passenger Duty (APD), along with a review. He asked whether the Government would consider suspending APD, given the current crisis.

The Secretary of State said this was not part of the Department's discussions with airlines. It was a discussion for another day because the number of flights was so minimal at present. The Chancellor had announced the review of APD, but the current focus was on large rescue packages.

Simon Jupp MP asked whether the Department was holding conversations with each regional airport. Exeter Airport, for example, was not clear on the support available.

The Secretary of State said he had been in contact with Exeter Airport. He was aware of the support the airport required and was looking into this issue.

Simon Jupp MP asked how the Department was working with counterparts in other countries to support the global aviation industry.

The Secretary of State said that he was in regular contact with his opposite numbers, particularly in the UK's devolved administrations, France, and Ireland. Many of those conversations related to repatriation of citizens.

Greg Smith MP asked about the repatriation of UK nationals abroad.

The Secretary of State said that this was being led by the FCO. An enormous amount of work was required to determine where people were based and in what quantity. People should contact their airline, consulate, and Embassy. Knowing who was abroad was a difficult task. There was no record of the number of British people currently overseas.

The Chair, on behalf of **Gavin Newlands MP**, asked whether the Government had considered extending business rates relief to the aviation industry.

The Secretary of State said that this was a question for the Chancellor. It was not an immediate priority but could be something the Government returns to.

The Chair, on behalf of **Gavin Newlands MP**, asked whether there was specific flexibility in the wage subsidy scheme for airlines and bus operators.

The Secretary of State said that businesses are required to adapt to the scheme rather than redesigning the scheme to fit specific sector needs. The Secretary of State had not personally discussed this proposal with businesses or trade unions.

Freight and supply lines

Greg Smith MP expressed his support for the temporary relaxation of EU rules for drivers but asked how the Department would be monitoring the attendant safety risks of this change for drivers and other road users.

The Secretary of State said the Department, particularly Baroness Vere, had worked closely with the Road Haulage Association (RHA), the Freight Transport Association (FTA), and unions on this issue. The industry had put contingencies in place for safety, such as driver sharing shifts. In general, the relaxation in rules had worked and allowed shops to restock. It did not negate the responsibility of company directors to monitor safety of vehicles. The same applies to the MOT exemption for private vehicles, drivers must ensure their vehicles are safe. There was a balance to be struck between stocking shops and ensuring safety.

Greg Smith MP asked whether the DfT had issued any additional guidance for hauliers if they became stranded abroad.

The Secretary of State reiterated that the Department had worked extremely closely with the RHA and FTA who communicated these messages to the industry. A freight handling group had also been established to handle logistical issues.

Greg Smith MP noted an apparent anomaly in that some companies required “duty hours” as well as driving hours: he cited an example of a specific animal feed company.

The Secretary of State said that he needed to examine this specific issue and would reply to the Committee in due course.

Chris Loder MP asked how much the freight capacity of passenger planes had reduced in recent weeks and the implications for the supply of goods.

The Secretary of State said that while there had been a reduction in the amount of freight carried in passenger planes, there had been a slight increase in movements of cargo aircraft. In any case, the vast majority of freight comes by sea and that was holding up well.

The Secretary of State confirmed that the Department was speaking directly with the sector. There was a freight taskforce that had that role, led by Department. There was a mixed picture for ground handlers: some were much busier than usual. Their ability to access the Government's support mechanisms would help relieve the pressure.

Chris Loder MP asked whether the Department was utilising freed-up capacity on the rail network to increase freight and maintain essential supplies.

The Secretary of State confirmed that the number of freight trains had been increased. Rail freight workers had been designated as key workers.

Passenger rail

Sam Tarry MP asked about staffing shortages in rail control centres.

The Secretary of State confirmed that he had discussed this with Andrew Haines, Chief Executive of Network Rail. In general, control room environments were sustaining well. Staff were turning up for work. The Secretary of State said he had been informed about problems in one location, which were now resolved. Network Rail had done a great job in monitoring the situation.

Sam Tarry MP questioned whether non-essential staff (such as ticket barrier staff) could be stood down to ensure the railway operated with a skeleton staff.

The Secretary of State said that ticket sales had reduced by 98% compared to last year. Given the falls in revenue, he did not expect ticket barrier or office staff to be working at the moment, but he would look further into the issue. There had already been an 84% reduction in footfall on passenger services compared to last year, before the recent measures were taken to reduce rail timetables. Passenger numbers had likely reduced further since then. Rail operators would therefore be getting close to running a skeleton staffing service.

Sam Tarry MP asked about the ability of rail season ticket holders, who are not currently using the train, to access refunds on a pro-rata basis.

The Secretary of State said that the Government had announced pro-rata refunds for annual season ticket holders, as well as refunds for advanced tickets.

Sam Tarry MP asked about the Secretary of State's discussions with the Mayor of London about reinstating Underground services during rush hour, to ensure key workers can travel to and from work safely. There were pinch-points on the network due to construction workers and key workers travelling at the same time.

The Secretary of State said that he had been very careful not to enter a public political disagreement with the Mayor. Andy McDonald MP, the Shadow Secretary of State for Transport, had been helpful and offered constructive ideas. Services on the Underground had been reduced too much compared to the number of people who still needed to work. The problem was not solely construction workers needing to travel. The Secretary of State had spoken to the Mayor of London raising six different points to improve the situation, based on information available to the Department for Transport internally.

Sam Tarry MP mentioned there had been photographs taken that morning of extremely congested trains at Canning Town Station. He asked about the Secretary of State's discussions with the Mayor about crowding on the Underground and whether he could provide reassurances for construction companies about the safety of their workers.

The Secretary of State said that he had been concerned by the photographs of crowded Underground services, although the people travelling were not solely builders or construction workers. Despite the Mayor's decision to cancel construction on Crossrail, overcrowding on the Underground continued this morning. Regarding whether construction workers ought to travel to work, the Prime Minister had been clear about the policy. Construction can continue provided workers can socially distance from others. The Government was seeking to strike a difficult balance between keeping people safe and ensuring the economy did not grind to a halt and damage recovery.

Sam Tarry MP asked whether it was better to reduce services now, scaling services back to a minimum for essential workers only, rather than doing so later when the rate of coronavirus cases and deaths had increased.

The Secretary of State said that passenger numbers on the Underground were already 91% below last year. More trains were needed to eliminate crowds at stations.

Ruth Cadbury MP noted that construction workers often began work at 8am and Transport for London staffing had reduced by some 30% due to sickness self-isolation. She asked whether this posed a risk to running a basic service on the Underground. She also noted that Brompton (the bicycle manufacturer) had offered free bikes to NHS workers.

The Secretary of State reiterated that he had spoken to the Mayor of London with suggestions for improving the service. There were a number of things that could be done, such as redeploying Night Tube staff during the day. He had offered the Department for Transport's assistance and was encouraging parallel services on overground rail and Thameslink services in order to duplicate Underground journeys. Transport for London had gone too far in its action and was now struggling to recover. The crowding was unacceptable. The situation had not been well handled.

Buses and community transport

Lilian Greenwood MP asked about the support being offered to bus operators to ensure they could operate socially necessary services.

The Secretary of State said that buses would be the next sector to have a specific deal. The bus package would be announced in the next few days. He could not give detail to pre-empt the package, but a lot of work had been done in this area.

Lilian Greenwood MP asked about the support being provided for small bus operators.

The Secretary of State said that there were a number of larger operators in the bus market and there was a particular concern with smaller operators who would struggle. The Department was looking to be as helpful as possible while adhering to the Chancellor's first principle about cross-economy solutions rather than sector specific ones. Further detail would be in the bus package.

Lilian Greenwood MP asked what assessment the Government had made about the adequacy of bus coverage across the country.

The Secretary of State said that Baroness Vere had been engaging with the Confederation of Passenger Transport. The Department was developing guidance for Local Transport Authorities about supporting bus services. The Bus Services Operator Grant was still being paid even if services had reduced.

Lilian Greenwood MP asked what action the Department was taking to ensure that Community Transport services were available and safe for vulnerable people to use.

The Secretary of State said that information about Community Transport would be included in the guidance issued to Local Transport Authorities. Many users of Community Transport would be vulnerable people and ought to be “shielding” or self-isolating at present.

Chris Loder MP said that there had been significant reductions in bus routes in his constituency with only 48 hours’ notice. This produced a lack of connectivity for key hospital workers to be able to get to work.

The Secretary of State said that he would look at this issue.

Roads

Karl McCartney MP said that agricultural companies were facing difficulties ordering fuel. He asked why the price of fuel was being sold at a high price at petrol stations, despite the global fuel price being relatively low.

The Secretary of State said that this issue was outside of his ministerial remit, but it could be related to “forward buying”. Prices ought to reduce according to the purchase price and that should happen as quickly as possible.

Karl McCartney MP asked how service garages would remain solvent without the income made from vehicle MOT testing.

The Secretary of State said that the MOT extension had been granted due to people being in the position of being instructed to stay at home who would be committing an offence through no fault of their own. Vehicle servicing could still take place. The Secretary of State was aware that the decision had an impact on garages but believed that, on balance, it was the right decision.

Lilian Greenwood MP asked whether there were concerns that people would begin increasing their speed with roads being quieter.

The Secretary of State said that no concerns had been raised with him. Road use had only declined by 38%, which was not as much as other sectors. He would ask his officials for further information.

Other issues

Robert Langan MP noted that some contractors working on Government contracts were concerned about missing timetables and being punished for it.

The Secretary of State said that any Department for Transport contracts would be closely examined for implications of this kind.