



DEBATE PACK

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Future of the coach industry

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Debate initiated by Grahame Morris MP

The proceedings of this debate can be viewed on [Parliamentlive.tv](https://www.parliamentlive.tv)

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The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

1. Background

1.1 The coach industry

The coach industry – as distinct from the bus sector that runs scheduled public transport journeys – primarily refers to long distance travel for leisure and tourism, as well as providing other services such as school transport.

It is difficult to define the contribution and employment of the coach industry from official statistics because of the way that industry statistics are categorised (the coach industry is captured within the broader “[other land transport](#)” sector).¹

The Confederation of Passenger Transport (trade body for the coach industry) states that prior to the pandemic there were around 3,000 coach operators in the UK, sustaining around 42,000 direct full-time equivalent (FTE) employees.²

1.2 Impact of the pandemic on the coach industry

Like other tourism and transport industries, the coach industry has seen a loss of business during the pandemic due to travel restrictions and changes in customer behaviour. The CPT told the House of Commons Transport Committee in April 2020 that “bus patronage is down 90% and many operators have laid up more than half of their fleets”.³ It estimated that around 80% of the sector’s income is derived from tourism related activities that have been greatly disrupted by the pandemic, in particular seasonal travel.

The Department for Transport (DfT) does not generally publish statistics relating specifically to coaches.⁴ The DfT’s [ad-hoc publication on transport use](#) during the pandemic shows that bus travel has decreased significantly: bus travel journeys were down to around 10-13% of 2019 levels during the first lockdown in April 2020 (it is not clear if these figures include coaches as well as buses). Numbers recovered slightly with easing restrictions over the summer. On 30 November 2020 the number of bus passenger journeys were around a half of what was experienced on the same day in 2019.

¹ [Standard Industrial Classification \(SIC\) Code 49.39](#). This includes: scheduled long-distance bus services; charters, excursions and occasional coach service; airport shuttles; operation of teleferics, funiculars, ski and cable lifts if not part of urban, or suburban transit systems; operation of school buses and buses for transport of employees; passenger transport by man- or animal-drawn vehicles,

² Written evidence to Transport Committee inquiry Coronavirus: Implications for Transport, [CIT0123](#), April 2020, para 4.

³ Written evidence to Transport Committee inquiry Coronavirus: Implications for Transport, [CIT0123](#), April 2020, para 2.

⁴ These are subsumed into the statistical publications relating to bus and Public Service Vehicle (PSV) operators more generally.

The coach industry has been actively highlighting the impact on the sector (see below). In May, Shearings, a coach tour operator, went into administration causing the potential loss of 2,500 jobs.⁵ The industry states that “more than 24,000 people employed in the industry could be out of a job by April 2021” and that “thousands of family businesses are at risk”.⁶

The Society of Motor Manufacturers and Traders (SMMT) reported that new bus and coach registrations dropped by 30% in the year to September 2020 compared to the same period in 2019 and called for further support for the industry going forward.⁷

1.3 Support for the coach industry

There has been no specific financial support provided to the coach industry. Specific support provided to transport sectors has focused on support for regulated public transport services such as scheduled rail and bus services. For example, in March, the DfT put in place Emergency Measure Agreements (EMAs) with privately owned franchised train operating companies (TOCs) “to mitigate the financial impacts resulting from the COVID-19 pandemic and ensure that key rail services could continue to operate”. In the period March to September, the Government provided just over £4billion to TOCs through the EMAs.⁸ From September onwards, the EMAs were replaced by [Emergency Recovery Measures Agreements \(ERMAs\)](#).

The Government has provided a number of support schemes that are available to all sectors including the coach industry, such as the Coronavirus Job Retention Scheme and business loans (see the Library briefing paper on [Coronavirus: support for businesses](#)). Graham Vidler chief executive of the CPT, said that many businesses in the sector were unable to access these support schemes over the summer for various reasons (such as being ineligible for grants or rejected for loans).⁹

The Library debate pack, [Support for the tourism industry after the Covid-19 lockdown](#) (4 September 2020) provides information about support to tourism industries in general.

1.4 Coach industry campaigns

In June 2020, [over 550 coach operators wrote to the Chancellor](#) calling for further cash support for the coach industry, worth around £65

⁵ LaToya Harding, *The Telegraph*, [Coach company Shearings collapses into administration](#), 22 May 2020

⁶ [UK coach sector warns of looming disaster without government support](#), George Steer, *Financial Times*, September 2020, accessed 8 December 2020 [subs only]; [CPT News Release: Coach operators call on Chancellor to support forgotten industry and save 10,000s of jobs](#), 8 June 2020.

⁷ SMMT, [Bus & Coach Registrations](#) (% change on 2019, year to September 2019, accessed 8 December 2020); [Call for vital investment in bus and coach industry](#), 29 October 2020.

⁸ DfT, [Payments to passenger rail operators under emergency measures agreements \(EMAs\), March to September 2020](#), 27 Nov 2020

⁹ [UK coach sector warns of looming disaster without government support](#), George Steer, *Financial Times*, September 2020, accessed 8 December 2020 [subs only]

million a month.¹⁰ In response to calls for further support the Treasury has pointed to existing Government support schemes available to the industry (see above).¹¹

In April, the Confederation of Passenger Transport ([CPT](#)) launched the 'Back Britain's Coaches' campaign. The campaign is calling on Government support of the coach industry during the coronavirus pandemic. Its main aims are:¹²

- The publication of formal government guidance to support the Local Government Association's view that coach operators should be considered leisure businesses, which would help them to access the Covid-19 business rates and grant schemes.
- Alongside ABTA securing an amendment to the Package Travel Regulations to allow coach operators longer than 14 days to process refunds and to issue refund credit notes as an alternative to cash refunds.¹³

CPT tweet about the campaign from their Twitter account [@CPT_UK](#) using the official campaign hashtag [#BackBritainsCoaches](#).

¹⁰ [CPT News Release: Coach operators call on Chancellor to support forgotten industry and save 10,000s of jobs](#), 8 June 2020.

¹¹ [PO 113215, 9 November 2020](#) [Bus Services: Coronavirus]

¹² Moving Forward Together, [We need you to back Britain's coaches says CPT](#), 16 April 2020

¹³ Moving Forward Together, [We need you to back Britain's coaches says CPT](#), 16 April 2020

2. Press Articles

The following is a selection of press and media articles relevant to this debate.

Please note: The Library is not responsible for either the views or the accuracy of external content.

[Bus industry faces £500m recovery challenge in first year](#)

Dom Browne, *Transport Network*
6 December 2020

[Treasury reply to latest coach support proposals 'in new year'](#)

Route One
4 December 2020

[Coaches have played a vital role in 2020 and now that sport is returning we need them even more](#)

Mark Gannon, *City A.M.*
2 December 2020

[Easington MP Grahame Morris calls on the Government to save the UK coach industry](#)

Gavin Engelbrecht, *The Northern Echo*
12 November 2020

[Covid-19: Coach firms 'facing collapse' without help](#)

Michael Hamilton, *BBC*
29 October 2020

[Meeting with MPs sees coach operators make support case](#)

Tim Deakin, *Route One*
23 October 2020

[UK coach sector warns of looming disaster without government support](#)

George Steer, *The Financial Times* [requires subscription]
29 September 2020

[UK Coach Sector Faces Crisis Without Government Intervention](#)

Industry Europe
29 September 2020

[Coach industry warns 27,000 jobs on the line without government support](#)

Edward Thicknesse, *City A.M.*
2 September 2020

[MP calls for a tailored support package to help the coach industry get back on the road](#)

On the Wight
29 July 2020

[Coronavirus: Coach travel and school buses at risk as sector struggles](#)

Gerard Tubb, *Sky News*
20 July 2020

[Ross calls for UK coach industry support deal](#)

Alan Beresford, *The Northern Scot*

17 July 2020

[Coronavirus: Coach convoy highlights impact on industry](#)

BBC

14 July 2020

[COVID-19: Positive change for the coach industry?](#)

Alex Crawford, *Route One*

24 June 2020

[Chancellor urged to back 'forgotten' coach industry](#)

Passenger Transport

9 June 2020

[Coach industry pleads for £370m bailout](#)

Oliver Gill, *The Telegraph* [requires subscription]

6 June 2020

[Fears for future of Scotland's coach operators](#)

Fiona Dobie, *The Falkirk Herald*

23 April 2020

[CPT Back Britain's Coaches- England and Wales](#) [video]

Maynes Coaches, *YouTube*

22 April 2020

3. Parliamentary material

3.1 Parliamentary questions

[Bus Services: Coronavirus](#)

18 November 2020 | UIN 117295

Asked by: Alan Brown

To ask the Secretary of State for Transport, what recent assessment he has made of the effect of covid-19 restrictions on the coach hire industry; and if he will make a statement.

Answering member: Rachel Maclean | Department for Transport

We have announced several financial support measures available to UK businesses, including the coach industry. This includes measures announced on 24 September as part of the Winter Economy Plan, further support on 22 October for businesses in local lockdown areas, changes to the Job Support Scheme (JSS), and increased business grants. With the introduction of new national restrictions on 5 November, the COVID-19 Job Retention Scheme has also been extended until March 2021.

The full return to education supports a key revenue source for the industry and this has been augmented by the additional vehicles needed compared to previous years. The Department of Education has announced over £70 million to local transport authorities to provide additional dedicated school and college capacity in our transport system, helping children and young people to get to and from their schools and colleges whilst social distancing reduces the capacity of existing public transport. It is for local transport authorities to decide how to use this funding, but some of this has been used to fund additional coach services.

We continue to work closely with representatives from the coach sector including the Confederation of Passenger Transport, and with other government departments, to understand the ongoing risks and issues the sector faces and how these could be addressed.

[Bus Services: Coronavirus](#)

9 November 2020 | UIN 113215

Asked by: Mike Amesbury

To ask the Secretary of State for Transport, pursuant to the Answer of 23 June 2020 to Question 59592 on Bus Services: Coronavirus, what progress the Government has made on a sector-based financial support package for the coach sector; and if he will make a statement.

Answering member: Rachel Maclean | Department for Transport

We have announced several financial support measures available to UK businesses, including the coach industry. This includes measures announced on 24 September as part of the Winter Economy Plan, further support on 22 October for businesses in local lockdown areas, changes to the Job Support Scheme (JSS), and increased business

grants. With the introduction of new national restrictions on 5 November, the COVID-19 Job Retention Scheme has also been extended until March 2021.

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We continue to work closely with representatives from the coach sector including the Confederation of Passenger Transport, and with other government departments, to understand the ongoing risks and issues the sector faces and how these could be addressed.

Bus Services: Coronavirus

13 October 2020 | UIN 102962

Asked by: Selaine Saxby

To ask the Secretary of State for Transport, what steps he is taking to provide support to bus and coach industries to mitigate the effects of covid-19 outbreak on those industries.

Answering member: Rachel Maclean | Department for Transport

The Department for Transport is working closely with representatives from the bus and coach industries through the Confederation of Passenger Transport, and colleagues in the Department for Digital, Culture, Media and Sport (DCMS), and other Government Departments, to discuss the concerns of the coach and bus industries in England and review our approach to mitigating the effects of covid-19 on these industries.

The Department has published [Safer Travel Guidance for Operators](#) which helps transport organisations in England understand how to provide safer workplaces and services for themselves, their workers and passengers.

On 8 August, the Department announced funding at up to £27.3 million per week to support the bus sector, through the Covid-19 Bus Services Support Grant (CBSSG) Restart scheme, until a time when the funding is no longer needed. CBSSG Restart funding also covers costs for essential PPE such as hand sanitiser and protective screens for drivers' cabs. This is in addition to the £397 million the Government announced on 3 April 2020 so that England's buses will continue to serve those who rely on them, and the £254 million announced on 23 May to support services returning to 100% service levels.

On 31 July 2020, the Department announced that a further exemption from Public Service Accessibility Regulations (PSVAR) until 31 July 2021. Whilst many coach operators are PSVAR-compliant, we understand the COVID-19 outbreak may have constrained some operators' ability to

invest in PSVAR-compliant vehicles. This further exemption enables operators to redirect their revenue streams to those areas most needed for the immediate future.

The Department of Education (DfE) has announced over £70 million to local transport authorities to provide dedicated, additional capacity in our transport system, helping students journey to and from their schools and colleges whilst social distancing reduces the capacity of existing public transport. This has been provided in two tranches that were announced on 8 August date and 14 October and will provide additional capacity to the end of the autumn term.

Bus Services: Coronavirus

28 September 2020 | UIN 96001

Asked by: Kevan Jones

To ask the Secretary of State for Transport, what tailored support is available to the coaches industry during the covid-19 outbreak.

Answering member: Rachel Maclean | Department for Transport

The Government has announced several measures available to UK businesses, including the coach sector, which can be found here: <https://www.gov.uk/government/collections/financial-support-for-businesses-during-coronavirus-covid-19>(opens in a new tab)

On 8 August, the Government also announced a funding package of over £40 million for Local Transport Authorities to procure additional, dedicated home to education transport services, including the provision of additional coach services for the first autumn half term.

The Department for Transport has also provided a further exemption from Public Service Accessibility Regulations (PSVAR) until 31 July 2021. Whilst many coach operators are PSVAR-compliant, and we remain committed to ensuring that all vehicles meet the standards set out in PSVAR, we understand the COVID-19 outbreak may have constrained some operators' ability to invest in PSVAR-compliant vehicles. This further exemption enables operators to redirect their revenue streams to those areas most needed for the immediate future.

Bus Services: Coronavirus

15 September 2020 | UIN 90045

Asked by: Derek Twigg

To ask the Chancellor of the Exchequer, if he make an assessment of the potential merits of extending (a) VAT deferral and (b) the Time to Pay scheme for the coach industry to help ensure that no coaches are repossessed during winter 2020-21.

Answering member: Jesse Norman | Treasury

The Government has put in place an unprecedented package of support for businesses and individuals affected by COVID-19. This includes the deferment of VAT and Self-Assessment payments for specified periods, with interest on these deferred payments waived. The VAT deferral

ended at the end of June as planned, and payments are now due as normal.

HMRC's Time to Pay scheme continues to be available to any taxpayer in temporary financial distress and with outstanding tax liabilities, including those in the coach industry. Time to Pay agreements are tailored to each taxpayer's circumstances and can include deferment of tax payments and an agreed time period to repay. They can cover any tax liability including VAT.

Any taxpayer with an existing Time to Pay arrangement that finds their circumstances have changed as a result of COVID-19 should contact HMRC to discuss their situation. HMRC's dedicated COVID-19 helpline can be reached on 0800 024 1222.

Bus Services: Coronavirus

8 September 2020 | UIN 86643

Asked by: Gordon Henderson

To ask the Secretary of State for Transport, what steps he has taken to ensure additional support for the coach industry during the covid-19 outbreak.

Answering member: Rachel Maclean | Department for Transport

On 8 August, the Government announced a funding package of over £40 million for Local Transport Authorities to procure additional, dedicated home to education transport services, including the provision of additional coach services.

This funding will help children and young people get to school and college, whilst social distancing reduces the capacity of existing public transport.

Coach operators could contact local authorities to discuss their home to school transportation plans.

The Government has also announced several measures available to UK businesses, including the coach sector, to support them through this time, including: a further exemption to the Public Service Vehicles Accessibility Regulations until July 2021; Government recognition of refund credits under the Bonded Coach Holiday Scheme to allow customers to book a future holiday or request a refund when trading resumes; and access to the Coronavirus Business Interruption Loan Scheme, Coronavirus Large Business Interruption Loan Scheme, Coronavirus Bounce Back Loan Scheme, and Time to Pay.

Bus Services: Coronavirus

7 September 2020 | UIN 86015

Asked by: Jonathon Edwards

To ask the Secretary of State for Transport, what discussions has he had with the Confederation of Passenger Transport on the challenges facing the coach industry as a result of the covid-19 outbreak.

Answering member: Rachel Maclean | Department for Transport

The Department is in regular contact with the Confederation of Passenger Transport (CPT). Baroness Vere of Norbiton, Parliamentary Under Secretary of State, hosted a roundtable with the CPT and coach operators on the 15 July, and on 13 August the Minister spoke with the CPT's CEO to discuss wider issues facing the coach sector. Officials continue to meet with the CPT regularly to discuss a range of issues including the challenges facing the coach industry.

Bus Services: Coronavirus**4 September 2020 | UIN 85122****Asked by: Sam Tarry**

To ask the Secretary of State for Business, Energy and Industrial Strategy, for what reason the coach industry was ineligible for support from the Retail, Hospitality and Leisure Grant Fund; and what assessment he has made of the effect of the covid-19 outbreak on the coach industry.

Answering member: Paul Scully | Department for Business, Energy and Industrial Strategy

Eligibility for the RHLGF was based on businesses being in scope of the Expanded Retail Discount Scheme for Business Rates, as set out here: <https://www.gov.uk/government/publications/business-rates-retail-discount-guidance>(opens in a new tab).

This eligibility definition was agreed as a way of ensuring that Local Authorities could target businesses at pace and ensure that the process of disbursing funding could proceed quickly.

The Department for Transport is monitoring the impact of the COVID-19 pandemic on the coach industry. Ministers and officials have met with the Confederation of Passenger Transport (CPT) and considered an assessment provided by the CPT on the impact of COVID-19 on the coach industry.

Baroness Vere of Norbiton, Parliamentary Under Secretary of State for the Department for Transport, hosted a roundtable with the CPT and coach operators on the 15 July, and on 13 August spoke with the CPT's CEO to discuss wider issues facing the coach sector. Department for Transport officials continue to meet with the CPT regularly to discuss a range of issues including the challenges facing the coach industry.

3.2 Debates

[Support for SMEs: Covid-19](#)

10 November 2020 | Westminster Hall | HC Deb Volume 683 | cc331WH-356WH

[Transport Sector: Support and Covid-19 Emergency Funding](#)

22 October 2020 | HC Deb Volume 682 | cc1210-1212

[Covid-19: Transport Industry](#)

6 October 2020 | HL Deb Volume 806 | cc506-509

Tourism: Covid 19

10 September 2020 | HC Deb Volume 679 | cc.855-883

3.3 Early Day Motions

[Support for the transport industry during the covid-19 outbreak](#)

EDM 399 | session 2019-21

Gavin Newlands MP

28 April 2020

That this House calls on the Government to act urgently to support the transport industry, many sectors of which have been met with silence from the Department for Transport and the Treasury; urges the Government to listen to representatives of the aviation, road haulage, coaching and holiday travel industry who have made it clear that without urgent action many companies will not survive and many thousands of their workers will be left without a job; asserts that by failing to act now, increased state intervention will be required in the long run in the form of prolonged benefit support, and in event of travel companies collapsing, a huge administrative burden with a bill to match to cover travel consumer protections; and further urges the UK Government to follow the strategy of the Scottish Government on aviation and offer all aviation related businesses 100 per cent business rates relief for a full 12 months.

[Honk for Hope Campaign](#)

EDM 977 | Session 2019-21

Hywel Williams MP

11 September 2020

That this House notes with concern the effect of the covid-19 outbreak on the coach industry; supports the aims of the Honk for Hope Campaign organised by Jenna Rush; is disappointed that the coach industry has been excluded from the Retail, Hospitality and Leisure Grant fund; further notes the significant financial losses operators have endured throughout the covid-19 outbreak; recognises the invaluable contributions of the coach industry to the UK leisure and tourism sector; and calls on the Government to provide further financial support for the coach industry.

Honk for Hope campaign to protect jobs and business**EDM 851 | Session 2019-21****Grahame Morris MP****7 September 2020**

That this House recognises the Honk for Hope campaign to protect jobs and businesses in the coach industry; notes the sector's critical role as the backbone of the British Tourism Industry, connecting people to leisure, cultural and retail centres; expresses concern that many small, medium and family-run coach businesses are on the brink of closure due to covid-19; welcomes the grassroots Honk for Hope campaign organised by coach operators working to safeguard the 42,000 people employed within the industry that contributes over £14 billion to the economy; backs the call for sector-specific support for an industry hit first, hit hardest and will be the last to recover from covid-19; and praises the campaign for organising peaceful protests to highlight their concerns and is worried about heavy-handed tactics adopted to limit the exercise of their democratic right to demonstrate through the police use of Section 12 of the Public Order Act 1986.

4. Further reading

4.1 Briefings

[Coronavirus: Support for businesses](#)

30 November 2020 | House of Commons Library

[Coronavirus business support schemes: statistics](#)

19 November 2020 | House of Commons Library

[Support for Small Firms](#)

13 March 2020 | House of Commons Library

4.2 Debate packs

[Support for the tourism industry after the Covid-19 lockdown](#)

4 September 2020 | | House of Commons Library debate pack

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