

FOR IMMEDIATE RELEASE - 08 JUNE 2020

Rail Supply Group COVID-19 research: sector recovery hinges on swift action

Today, the Rail Supply Group (RSG) – the leadership body for the UK rail supply chain – has shared the findings of its independent research into the impact of COVID-19 on businesses supplying the rail industry highlighting how:

- **The vast majority of companies in the rail supply chain have seen declines in revenue, demand and productivity**
- **Visibility of work pipeline is seen as vital for short and long-term planning**
- **Lack of demand for services and cash flow are seen as significant barriers to recovery**
- **On the whole organisations are confident they can survive the crisis provided that new work flows into the pipeline by the early Autumn**

The work – which was carried out by the independent market research organisation Savanta ComRes on behalf of the RSG – also identifies where organisations need support to ensure survival, as well the anticipated barriers to sector recovery.

In total, 442 responses were completed via an online survey between 30 April and 18 May 2020 and 10 in-depth interviews were conducted. The survey was supported by partners from across the rail industry including: The Civil Engineering Contractors Association (CECA), Network Rail, Rail Alliance, Rail Forum Midlands (RFM), Railway Industry Association (RIA), the RSSB and many others.

Summary of findings:

- **The rail supply sector has been significantly impacted** by the Coronavirus crisis with the vast majority of organisations seeing declines in revenue, demand and productivity.
- **Organisations have responded** by implementing working from home and social distancing measures – and where this is not possible, utilising the Government's Job Retention Scheme.
- On the whole **organisations are confident they can survive the crisis**. Although confidence falls the longer the impact continues, respondents who completed the survey after the Government's announcements at the start of May are more confident they could survive the crisis continuing for longer.
- In the short and long term, **cash flow and visibility of the pipeline of work across the rail sector are seen as vital** for the majority of organisations. Firms would like to see an acceleration of the publication of short and long-term plans, detailing what work will be happening, when it will be happening and highlighting where plans have been altered as a result of the crisis.
- There is support for the continuation of the mechanisms that **Network Rail has put in place to make payments quickly**, with many wanting to see this **replicated across the industry**.
- The majority of organisations anticipate **lack of demand and cash flow** being **significant barriers** for the recovery of their organisation to pre-virus levels.

Earlier this year the RSG was invited by Government to form a Coronavirus Taskforce to set out a clear path from the current crisis to the fullest, fastest and best recovery for the rail supply chain.

With the research now complete, the RSG Coronavirus Taskforce will analyse the findings to chart a clear way forward, focussing on and accelerating relevant aspects of the Rail Sector Deal to support the industry's recovery.

The Rail Sector Deal will continue to provide the focus and impetus for the rail industry and Government, to work together and improve the rail infrastructure for our country, while supporting a faster recovery from the current emergency.

Philip Hoare, Chair of the Rail Supply Group and President of Atkins, said:

“While the impact of COVID-19 has clearly been felt right throughout the supply chain, our research reaffirms the importance of a strong working relationship between the rail sector and government as detailed in the Rail Sector Deal.

“Our industry champions are already mobilised and planning how we might accelerate our work to help the sector bounce back and continue its transformation.”

The RSG Coronavirus Taskforce plans to publish its recommendations within the next few weeks and set out the key actions to support the recovery of the sector.

Notes for editors

1. The Rail Supply Group (RSG) is the leadership body for the UK rail supply sector, whose aim is to strengthen the capability and competitiveness of the UK rail supply chain to grow business at home and abroad. Council members comprise of senior representatives drawn from across the rail supply chain including clients, providers, Government and key stakeholders, amongst others.
2. The RSG was invited by Government to form a Coronavirus Taskforce and its terms of reference can be viewed at <https://rsgtaskforce.org/>. The Chair of the Taskforce is Philip Hoare, President of Atkins, a member of the SNC-Lavalin Group and the Vice-Chair is Anna Ince, Chief Executive Officer of Resonate. The secretariat is provided by the Department for Transport (DfT). Membership includes Government representatives, Sector Deal industry champions, co-opted suppliers, trade associations, client representatives and trade union representatives.
3. With this survey, RSG aimed to harness the views from the supply chain to chart a clear way forward for the rail sector, including adapting the Rail Sector Deal to the impact of COVID-19. The Rail Sector Deal will continue to provide the focus and impetus for the rail industry and Government, to work together and improve the rail infrastructure for our country, while supporting a faster recovery from the current emergency. Read more about [the Rail Sector Deal](#).
4. The research survey results can be downloaded at <https://rsgtaskforce.org/>
5. The research was conducted by [Savanta ComRes](#) on behalf of the Rail Supply Group. Savanta ComRes interviewed 442 individuals working in the UK Rail Supply Sector between Thursday 30 April to Monday 18 May 2020. Savanta ComRes also conducted 10 in-depth interviews with individuals representing organisations across the UK rail supply chain between 12 May and 3 June 2020.