# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE**  | **Future of the Ynys Mon – Cardiff Public Service Obligation** **(PSO) Air Service** |
| **DATE**  | **08 June 2022** |
| **BY** | **Lee Waters MS, Deputy Minister for Climate Change**  |

The Ynys Mon – Cardiff Public Service Obligation (PSO) air service has been suspended since March 2020 due to the impact of COVID-19. Following a full cost-benefit analysis of the future of the air service, we have made a decision to cease all support for the service.

We currently commit up to c£2.93m per Financial Year in support of the PSO. Passenger demand is not estimated to recover to pre-Covid levels until 2024/2025 and it will not match the potential demand that would have happened by 2025 if Covid had not occurred. Future demand for air travel continues to remain very uncertain.

According to pre-pandemic passenger surveys undertaken by the operator, 77% of the people who travelled on the service used it for work purposes. It is widely recognised that business travel has significantly reduced as a result of the pandemic, and this change in behaviour is likely to continue.

Unfortunately ceasing support for the service has led to the loss of 7 of the 10 jobs employed by Cardiff International Airport Limited to run Anglesey Airport. Three of those employees have already resigned and gained employment elsewhere.

We have put a redundancy package in place to support those individuals during this difficult time. Furthermore, we are committed to working with our local partners, in the Jobcentre Plus, Careers Wales and Local Authorities to provide a tailored package of advice and support to those affected, including assistance to find alternative full time employment, access to information, advice and guidance from Working Wales, and advice about the ReAct programme which can provide financial grants in order to access training.

The decision follows the outcome of an independent study commissioned by the Welsh Government into the carbon impact of the service on the environment. The study showed the service had a more negative impact on the environment than any other form of travel between Ynys Mon and Cardiff, unless it was flying close to full capacity every day, which, given the significant reduction in business travel since the pandemic, would be very highly unlikely. Even if every flight was full, the carbon impact of the service would be significantly worse than the rail alternative.

The analysis also showed that despite common perceptions, the air service was not always the fastest link to Cardiff from north Wales, especially east of Bangor, where rail travel is actually faster, door-to-door. The Welsh Government’s investment in new rail carriages, with Wi-Fi, comfortable workspaces and on-board catering, means that the Holyhead-Cardiff rail service now offers a much more attractive proposition for those who still need to travel on business between the north and the south.

This decision follows the news yesterday that despite Wales being on track with our immediate climate targets, there is still much more that needs to be done. We need to achieve greater reductions in our emissions in the next decade than we’ve achieved over the course of the last three decades if we are to avert catastrophic climate change. It’s going to an uphill challenge and difficult choices will need to be confronted.

The Welsh Government has established a North Wales Transport Commission that has already begun looking at options to build more efficient, high-quality connections across and into north Wales, and the multi-million-pound Metro programme is pressing ahead.

Ministers have decided to use the funding earmarked for the air-link to accelerate work on north-south connectivity within the North Wales Metro programme, including faster progress on the Holyhead Masterplan, Bangor Gateway and Wrexham Gateway, alongside work towards new station development at Broughton and Greenfields.

The plans also bring forward work to improve rail journey times and service between Holyhead and Cardiff and improve integration with other sustainable modes of travel along the route, to meet the Welsh Government’s ambitions for four trains per hour on the North Wales Main Line and easier, faster rail access to South Wales. The work will also look at options for doubling the bus service frequency between Caernarfon and Porthmadog, to improve connectivity to rail links to South and Mid-Wales.

These projects are essential steps on the path to ensuring that people can travel more easily and quickly between north and south Wales whilst helping to address the climate emergency.

The Welsh Government are providing £4.2 million of funding to Bangor University’s Digital Signal Processing (DSP) Centre of Excellence to bring 5G broadband connections through fibre optic cables into harder to reach areas. The University are working with a consortium of companies to increase the capacity and enhance the sensing ability of fibre optic cables used to deliver faster and more reliable mobile broadband, and this will be trailed with more than 400 premises on Ynys Mon that do not have access to superfast broadband. The broadband delivery part of the project will last 18 months and will allow customers to be connected as soon as the first site is live and will continue through 2025. The project is also supported by Isle of Anglesey County Council and the North Wales Economic Ambition Board.