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LEGACY 2014
XX COMMONWEALTH GAMES
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6 December 2012

Dear Maureen

Rail Statement – 6 December 2012

I will be making a statement shortly about measures that I am putting in place to secure Scotland's rail refranchising programme as well as some positive announcements on rail fares and services. I thought that it might be helpful to share with the committee the issues that I will cover within the statement.

Though I am confident in the robustness of our refranchising programme, I have decided that the current ScotRail franchise will continue until 31 March 2015. This will allow me to review the findings of the Laidlaw Inquiry, which was published this morning, as well as assessing the recommendations from the Brown Review, when it reports at the end of the year, without having to accelerate or put at risk the programme to take these factors into account. As I said in my previous statement on 4 October, should the findings give me cause to change our procedures then changes will be made. It is imperative – as I think you will agree – that we absorb lessons learned.

By conducting the franchise hand-over at the end of the 2014/15 financial year First ScotRail will be able to focus on addressing the demands on the run up to the busy Christmas period and, importantly, it ensures that the handover does not occur in the midst of, potentially, the worst of winter weather. I have also decided that two separate procurement exercises will now be run in a phased approach – one for the Caledonian Sleeper contract and another for the main ScotRail franchise. The competition for the Sleeper franchise will be launched in spring 2013 with the ScotRail contest following in the summer.

I am struck by the financial magnitude of the franchise contracts: the Sleeper franchise is likely to be a contract in excess of £200 million; the ten-year ScotRail franchise, may be in excess of £2.5 billion. These are colossal sums and therefore it is worth investing time to get the procurement exercise right.

In addition to confirming the procurement programme for Scotland's rail franchises and the date on which the existing franchise will terminate, I will also briefly signpost this afternoon some proposed benefits of the future franchise that I will now bring forward to the current franchise. These will include a cap on peak fares to RPI in 2014 and 2015 and a freeze on off-peak fare rises from 2013 for the remainder of the current franchise.

I appreciate that for many travellers improved services are as important as lower fares. Therefore, in 2014 (in the current franchise) there will, for example, be more frequent services between Glasgow and Ayr, improved services to Oban, additional Sunday services between Aberdeen and the central belt, as well as improved commuter services serving Aberdeen. However, I also recognise that there is more that we should be doing within the regions of Scotland and I will be sharing details as they are confirmed over the coming months and years.

I hope that the committee acknowledges that the approach that I have adopted underlines my ambition for the future of our rail service but, importantly, that I am prepared to exercise appropriate levels of caution in the management of its realisation.

Kind regards



KEITH BROWN