

NATIONALISED RAILWAY FOR SCOTLAND

The Scottish Government is to take over the running of ScotRail next year, Transport Secretary Michael Matheson announced on March 17. The decision has been triggered by the UK Government scrapping the franchise system, which it controls, with no replacement yet announced.

ScotRail has been run by three firms since British Rail was privatised in 1997 – National Express, FirstGroup and Abellio. Mr Matheson said it would "not be appropriate" to extend the current franchise or award a contract to another firm. The move follows a previous decision to terminate Abellio's ten-year franchise for Scotland's main train operator in March 2022 – three years early.

Mr Matheson said ScotRail would be run from then on by an arm's length company owned and controlled by the Scottish Government, through an "operator of last resort". The franchise has been run by three firms since British Rail was privatised in 1997 – National Express, FirstGroup and Abellio

Mr Matheson said it would "not be appropriate" to extend the current franchise or award a contract to another firm. There had been speculation last week that Abellio might be offered an extension to its franchise, which is being ended early because ministers refused to accept demands for extra money the company said it needed to run the contract until 2025.

The future of ScotRail had been thrown into doubt by the UK Government scrapping the franchising system with no replacement yet announced. The future of ScotRail had been thrown into doubt by the UK Government scrapping the franchising system with no replacement yet announced.

While ScotRail's performance suffered under Abellio, many of the problems were caused by factors outside its direct control, such as Network Rail infrastructure failures, late-delivered new trains and industrial action. Punctuality was improving by the time Mr Matheson pulled the plug on the franchise in December 2019, and it has since risen significantly during the Covid pandemic, albeit largely because fewer trains are running and passenger numbers are down by 90 per cent.

Mr Matheson also announced that extra funding to cover the shortfall in revenue would continue until September. A series of such "emergency measures agreements" have nearly doubled public support for ScotRail to almost £1 billion a year. He said last week they would be extended until the franchise ends next March. He commented: "I have repeatedly stated the current franchising system is no longer fit for purpose. It is high time the UK Government listened to our requests to place the future structure of Scottish railway in Scotland's hands.

"In the meantime, with the current ScotRail franchise expected to end in March 2022, we need to take decisions about successor arrangements within the current legislative framework. We have for some time been considering the full range of options available under that framework for continuing services beyond the franchise expiry.

Following a detailed assessment process and given the uncertainty caused by Covid 19, alongside the continuing delays to the UK Government white paper on rail reform, I have decided it would not be appropriate to award a franchise agreement to any party at this time,

either through a competition or a direct award. That is why I have confirmed that, from the expiry of the current franchise, ScotRail services will be provided in public hands through a company wholly owned and controlled by the Scottish Government. ScotRail staff will transfer to the new Scottish Government owned entity, with their terms and conditions protected.”

Ends

Source: Scottish Government