

**27th June 2003**

## **Strategic Rail Authority Terminates Connex Rail Franchise**

Connex Transport UK Ltd has been placed on six months notice that their South Eastern rail franchise will terminate no later than 31 December 2003.

Reasons for this decision include Connex's failure to meet a detailed action programme of improvements which was a requirement before the SRA was prepared to consider any increase in subsidy for the period 2004-6. A 'Deed of Amendment' previously signed with the company included this requirement, alongside the provision of short-term financial stability for the franchise, its passengers and staff during 2003.

The SRA is bringing forward the competition for a new 'Integrated Kent Franchise', incorporating South Eastern services and the planned high-speed domestic services on the Channel Tunnel Rail Link. The competition for this franchise will be advertised shortly and the winning private-sector company is expected to take over within 12-18 months. Once a handover date is agreed with Connex, the business will transfer to an interim management company to be known as South Eastern Trains, acting on behalf of the SRA.

Advisors to South Eastern Trains are First Class Partnerships. The Directors of the company are Nick Newton (Chairman), and Doug Sutherland.

SRA Chairman, Richard Bowker, reassured passengers, staff and other companies:

"It is business as usual for all passengers, and for the vast majority of Connex staff. This is a decision we have taken to protect taxpayers' money and passenger delivery.

"The railway is a public/private partnership. We expect strong competition for the new Integrated Kent Franchise, which we will shortly be putting out to tender and which will bring early improvements for passengers. In the meantime we expect to work constructively with Connex to ensure a smooth transition."

### **Notes to Editors**

1. The termination notice was given to Connex Transport UK at 18:00 hours on Thursday 26 June 2003 to take effect on 31st December 2003.
2. The Deed of Amendment for Connex South Eastern, and plans for an Integrated Kent Franchise, were announced in an SRA Press Release dated 11 December 2002.

3. First Class Partnerships is a leading railway consultancy that has been retained by the SRA for such an eventuality. Its Directors have extensive rail management experience.
4. Nick Newton is the SRA's Managing Director, Operations. Doug Sutherland is the SRA's Managing Director, Finance and Commercial.
5. The SRA's duties to ensure continuity of services in the absence of a franchisee are set out in Section 30 of the Railways Act 1993, as amended by the Transport Act 2000, and the processes it should follow are described in specific Directions & Guidance from the Department for Transport.