

**Tuesday 26 March, 2013**

## **Franchise Update**

The Department of Transport (DfT) has today made an important announcement to the market. This announcement affects Directly Operated Railways (DOR), and the DfT has now established a timescale for East Coast's return to the private sector.

## **Background**

It follows a written statement to the House of Commons on 31 January 2013 by the Secretary of State for Transport, Patrick McLoughlin, when he said the *Brown Review*, published earlier in January, had endorsed the Government's overall franchising policy. The Review also provided advice for improvements following the cancellation of the InterCity West Coast competition last October, when the franchising programme was paused.

At the end of January, the Transport Secretary outlined how the Great Western, Essex Thameside and Thameslink, Southern, and Great Northern franchise competitions would be handled; he also said he would make a further announcement about the franchising programme in the spring, setting out the timetable for future franchise competitions together with a statement on franchising policy in light of the Brown Review's recommendations and the Transport Select Committee's *Rail 2020* Report.

## **Today's announcement**

In this morning's announcement, the Transport Secretary said he has decided that the East Coast franchise will now be returned to the private sector in February 2015, some five years and three months after DOR took over the business in November 2009. The decision means that the competition process for East Coast will re-commence almost immediately.

DOR has actively worked to prepare the business for a return to the private sector when the Government decided that the time was right. Due to the delay to the original programme caused by the cancellation of the West Coast competition last autumn, DOR agreed with the Government that it should prepare a fresh medium term business plan to cover a five-year period starting in April 2014. This work is almost complete and will be used to guide the further development of the business over the remaining two-year period of operation before the new franchise is scheduled to start, and to inform the work of bidders at the appropriate time.



### **East Coast today**

Since 2009, the East Coast business has been transformed. The Company has returned more than £640 million in cash to the taxpayer, achieved record-breaking customer satisfaction, and last year delivered the best operational performance on the route since records began in 1999.

Today's announcement from the DfT can be found here:

<https://www.gov.uk/government/news/fresh-start-for-franchising>