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ScotRail receives £2m for winter chaos



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TRAIN operator First ScotRail is due to be paid more than £2 million in compensation for train delays encountered during two successive winters when record freezing temperatures and heavy snowfall caused severe disruption to Scotland's rail network.



FROZEN IN TIME: Trains were left standing at Waverley Station, Edinburgh, as snow disrupted services throughout the country. Picture: PA

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The firm was paid £1m for the four-week period covering January 2010 by Network Rail, which owns and operates track and signals, according to figures obtained by The Herald.

Compensation payments for the following winter, when another bout of record sub-zero temperatures led to widespread train cancellations over a six-week period, are yet to be finalised but are expected to be even higher due to an increase in delays blamed on Network Rail.

ScotRail insisted it had not profited as the compensation was outweighed by the loss of income because of passengers not travelling or being compensated for services that did not operate.

However, the payments, part of a system set up when ownership of Britain's railways and trains was separated during the 1990s to hold private companies accountable for delays they cause, have attracted criticism from passenger groups and politicians.

The figures, which were disclosed by Government agency Transport Scotland, reveal £2.8m was paid by Network Rail to ScotRail between October 2004, when First Group won the franchise, and March 2010, while £2m was paid by the train operator to Network Rail.

Anthony Smith, chief executive of rail watchdog Passenger Focus, said: "Passengers benefit when train companies keep Network Rail on their toes. However, the sight of different parts of the rail industry

wrangling over compensation is not edifying, especially when so little of the money reaches the people who have really suffered – passengers. Train companies can be kept sharp and acutely aware of problems when passengers speak up."

Aileen McLeod, the SNP MSP who sits on the Scottish Parliament's Infrastructure Committee, said the arrangements were "clearly inefficient".

She said: "This seems like a waste of money if both companies are simply passing money between each other every time there is a fault. Clearly, Network Rail are causing more of the hold-ups on the system, but when money simply moves from one company to the other and back again there is little incentive to improve."

Network Rail, under pressure to reduce the cost of running Britain's railways, conceded compensation payments for delays – known as Schedule 8 payments – "can't be the right way forward" if they put it into conflict with train operators.

A spokesman for the company said: "The performance regime (Schedule 8) is a useful management tool that helps us to understand the root cause of delays and thereby improve train performance.

"However, contractual relationships that look to put us into conflict with our customers – where the purpose is to allocate blame – can't be the right way forward when we're trying to work more closely together to deliver a better, more efficient railway for the farepayer and the taxpayer."

A spokesman for ScotRail said the company spent £2m to better prepare for this winter. "That spend – which had not been budgeted for – was in direct response to the worst winter in 100 years. It shows just how committed we are to reducing delays and to ensuring as many services as possible run, no matter the conditions we face."

The company also pointed out it had paid "at least £500,000" in ticket refunds following the 2010/11 extreme weather, which exceeded its requirements under the Passengers' Charter and delays for which it was responsible had fallen by half since the start of the franchise.

A Transport Scotland spokesman said: "The flow of monies to and from First ScotRail is based on the arrangements and benchmarks laid out in its Track Access Agreement with Network Rail, an agreement regulated by the Office of Rail Regulation.

"The intention of the financial component of the performance element of this agreement is to encourage the parties concerned to work to reduce delays and cancellations on the railway network in Scotland for the benefit of passengers."

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