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First ScotRail franchise extended to spring 2015

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The Scottish Government has extended First Group's ScotRail franchise with the end date put back from 9 November 2014 to 31 March 2015.

Transport minister Keith Brown said this decision would allow time to factor the results of the Westminster government's Brown Review and Laidlaw Inquiry, commissioned following the collapse of the West Coast Main Line competition, into procurement of a new ScotRail franchise as well as a Scottish Sleeper contract. He also said the change of end date would avoid having a franchise handover during the middle of winter.

"I have decided that it will be sensible to plan for the franchise handover at the end of the 2014/15 financial year on 31 March 2015," said Keith Brown. "This date also enables First ScotRail to focus on addressing the demands in the run up to the busy Christmas period. Importantly, it also ensures that a handover does not occur in the midst of, potentially, the worst of winter weather."

The minister said new ScotRail and Sleeper contracts could be worth more than £2.5bn and £200m respectively. A competition for the Sleeper franchise will be launched in spring 2013 with the ScotRail contest following in the summer.

Speaking after making a statement in the Scottish Parliament, Keith Brown added: "We have decided to use part of the seven month contingency built into the existing franchise to allow us to factor in any lessons arising from UK government commissioned reviews into the debacle, but also give the industry certainty and enhance the value of our franchises."

First Group was awarded the ScotRail franchise on 20 August 2004 and commenced operation on 17 October 2004. The initial franchise was awarded for seven years with a three year extension option subject to performance targets, which was confirmed in April 2008. This three year option had a further contingency period of up to seven months built in and which has now been exercised.

Train passenger numbers are at a historic high in Scotland with 81 million using ScotRail services in 2011/12, up by 17 million since the start of the franchise in 2004.

* Regulated peak rail fares in Scotland will be capped at RPI in January 2014 and 2015 rather than the RPI+1% rise south of the Border. Keith Brown said this would be achieved with "no additional cost to the franchise subsidy". Off-peak fares will be frozen at the January 2013 level for the remainder of the franchise, subject to RPI being no greater than 3.5%.

ScotRail: Scottish Government has exercised contingency option to switch end date to 2015



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