

Rail franchising future programme

Press release

Organisations: [Department for Transport](#)

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Policy: [Expanding and improving the rail network](#)

Minister: [The Rt Hon Patrick McLoughlin MP](#)

The government is announcing its plans for the 3 live competitions which were put on hold last October.



A major step in delivering a more robust and improved rail franchising system was taken today as the government announced its plans for the three live competitions put on hold last October.

In a written statement to the House of Commons, Transport Secretary Patrick McLoughlin outlined how the Great Western, Essex Thameside and Thameslink, Southern and Great Northern franchise competitions would be handled following the findings of an independent investigation into rail franchising.

The [Brown review](#), released earlier this month, endorsed the government's overall franchising policy while providing advice for improvements following the cancellation of the InterCity West Coast competition.

Transport Secretary Patrick McLoughlin said:

These plans mark an important step on the way to restarting the franchising programme, and while I am determined this should happen as quickly as possible we do need time to get this right.

We have had to take some tough decisions regarding franchising, and while they may provide a challenge in the short term, I believe the lessons we have learnt will help deliver a more robust system in the future benefitting fare payers and taxpayers alike.

As always our priority is to ensure these changes will not impact on services or our commitment to improving the railways. Our latest step towards delivering a high-speed rail network which will link many of our major cities by a new fleet of state-of-the-art trains is testament to how we are delivering on that commitment.

The department will now commence negotiations with current operators, First Great Western, First Capital Connect and c2c, to negotiate new short-term franchises while longer-term options can be explored.

Franchising decisions include:

- The competition for the Essex Thameside franchise will be resumed with a revised invitation to tender for a 15-year franchise issued to existing short-listed bidders over the summer. Negotiations will commence with current train operator c2c for an interim contract of up to 2 years
- The Great Western franchise competition will be terminated. The current franchise will now run until October after the department exercised its contractual right to extend the current contract with First Great Western by 28 weeks. Negotiations for an additional two-year contract will commence with the operator, while longer-term proposals will be set out in the spring
- The Thameslink, Southern and Great Northern franchise competition will be resumed with the department working towards awarding a 7-year contract. The current Thameslink/Great Northern franchise operated by First Capital Connect ends in September but allows for a 28-week extension, which the department intends to exercise. Negotiations will commence for a further contract of up to 2 years as part of the finalisation of the wider franchise programme

In parallel with negotiations with existing operators to continue running their services, directly operated railways will also be undertaking the minimum necessary preparations to take over services in case terms cannot be agreed.

In keeping with the relevant invitations to tender, which made clear that bidders are responsible for their own costs, the Secretary of State does not believe it would be appropriate to reimburse bidders.

In line with the recommendations from Richard Brown's report into rail franchising we are also now consulting on amending the franchising guidelines required by the [Railways Act 1993](#).

A further announcement about the franchising programme will be made in the spring, setting out the timetable for future franchise competitions and a statement on franchising policy in light of the Brown review's recommendations and the Transport Select Committee's ['Rail 2020'](#) report.

Related documents

- [Supplement to the Brown Review of the rail franchising programme, 31 January 2013](#)
- [Rail franchising written statement by the Secretary for State for Transport, 31 January 2013](#)
- [The Brown review of the rail franchising programme, 10 January 2013](#)
- [Railways Act 1993 section 26 policy statement consultation, 31 January 2013](#)

Notes to editors

- [Transport Secretary's written statement to the House of Commons](#)
- When publishing the [Brown review](#), specific recommendations regarding the 3 franchise competitions were temporarily redacted due to their potential stock market sensitivity. The ['Supplement to the Brown review of the rail franchising programme'](#) will be published later today