

Go-Ahead on same track as Transport Secretary



The Thameslink contract will be awarded on a profit-limiting management contract Joe Fepler/Rex Features

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The Transport Secretary has received a rare message of support from the rail industry after a leading hopeful to run an expanded Thameslink network backed his plans to rip up the refranchising rule book.

Patrick McLoughlin recently suspended the normal franchising process to appoint a train operator to run the cross-capital, north-south Thameslink service, which is to be merged into Southern Railway.

The minister conceded that the contract, which will hinge on massive works at London Bridge to allow 24 mainline trains an hour through the heart of London, is too important to be let as a normal franchise. Instead, he said that it would be awarded on a profit-limiting management contract.

Go-Ahead Group, the operator of Southern and one of five companies shortlisted for the expanded franchise, backed the move yesterday. "It is a pragmatic and sensible solution," David Brown, the chief executive of Go-Ahead, said. "It is a big project and needs to be treated as a project in which the rolling-stock provider, Network Rail, as the infrastructure provider, and the train operating company work together. [A management contract] will be good for the industry and for Londoners. What we now need is to get on with it, as decisions need to be made at the very earliest stage."

The management contract decision came alongside Mr McLoughlin's decision to scrap the present Great Western franchise process. That hold-up, together with the West Coast Main Line refranchising fiasco of last autumn, has prompted industry executives to complain in private that Mr McLoughlin has created market confusion.

Go-Ahead's bid for Thameslink-Southern follows its own difficult time on the railways. It was "yellow-carded" by Norman Baker, the Transport Minister, and forced to hand out £7 million of discounted journeys because of foul-ups on its London-Midlands service.

At its half-year figures, published yesterday, Go-Ahead revealed that rail profits had dived by 14 per cent. Mr Brown admitted that he was concentrating on maximising profits in its nationwide bus operations. "We are still committed to rail but our focus is on bus," he said. Bus profits came in 5 per cent better, giving pre-tax profits for the the six months to the end of December of £43.2 million, down £800,000 on a year earlier. The interim dividend is staying put at 25¼p. The shares closed 6p higher at £13.89.

• More Britons are buying British when it comes to their new motor, the latest statistics reveal (Robert Lea writes). Of the 129,000 cars produced by manufacturers in England last month, 27,000 — or about one in five — stayed in the UK. That compares with an average of about one in six in recent times. The data from the Society of Motor Manufacturers reflects the success in UK dealerships of the Sunderland-made Nissan

Qashqai, which has become one of Britain's most popular cars. It also reflects the toughening export market, with European car retail markets plunging.

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