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Train delays offer chance for rivals to jump queue

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A conservative think-tank has called on the Government to usher in a new era of rail competition by encouraging private, unsubsidised operators to run services against the big regional train companies.

Government train franchising policy is on hold after the scrapping of tenders to run the West Coast Main Line and Great Western licences. However, according to the Centre for Policy Studies, the franchising fiasco and present standstill and bottleneck of 12 train operating licences waiting to be tendered offers a chance to set out incentives for unsubsidised competition.

It wants the Department for Transport to revisit so-called open-access arrangements — originally a central plank of rail privatisation — aimed at encouraging private train companies to compete with incumbent, franchised regional monopoly operators. It argues that the West Coast intercity services run by Virgin linking London Euston, the Midlands, the North West and Scotland are ripe for such competition.

Tony Lodge, the author of the CPS study *Rails Second Chance: Putting Competition Back on Track*, said: “The principles of the 1992 rail privatisation White Paper have been betrayed.”

He claimed that the department and the Office of the Rail Regulator had actively sought to discourage open-access operators, which can offer services to poorly or unserved communities, and added: “Where rail competition has emerged ... competition has led to new private investment, innovation, new routes, lower taxpayer subsidies, lower transparent fares, more journeys and happier passengers.”

Open access has been embraced only on the East Coast Main Line between London King’s Cross and Edinburgh. First Hull Trains runs open-access services between London and previously unserved stations on Humberside. Grand Central has linked forgotten railway towns in the North East and Yorkshire to the capital. Passenger journeys increased by 42 per cent at stations where there were competitor operators, compared with 27 per cent served by a single train company, the CPS says.

Where there is competition, train fares have increased by 11 per cent, compared with 17 per cent where there are no rival services. Latest passenger satisfaction statistics for the UK’s 31 train operators put Grand Central and First Hull Trains in first and second places.

Tim Knox, the think-tank’s director, said that the rail industry was failing customers like other sectors dominated by quasi-monopolies, but added: “The good news is the Government can do something to put things right very quickly.”

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