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Briefing

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Caledonian Sleeper rail franchise out to tender

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Transport Scotland has begun procurement for the new Caledonian Sleeper rail franchise which is estimated to be worth £375m over the full 16 year term.

The Scottish Government's transport agency is now seeking bids to take over sleeper services between London Euston, Edinburgh, Glasgow, Inverness, Aberdeen and Fort William from First ScotRail in April 2015 when sleeper services will be separated from the franchise covering train services within Scotland.

Confirmation of the need to replace or refurbish rolling stock for sleeper services is given in the OJEU contract notice which adds that Transport Scotland will invest between £50m and £60m in this project. The successful bidder for the sleeper franchise will be required to project manage the delivery of new and/or refurbished rolling stock to bring the service into line with ministerial expectations. They will also relaunch the sleeper brand with the improved train offer expected to lead to an increase in passenger numbers and revenues.

In 2011/2012 the Caledonian Sleeper service brought in about £20m of revenue, insufficient to cover the £25m operating costs. The Scottish Government hopes investment in rolling stock will ensure the service at least breaks even and the new franchise agreement will include a profit share mechanism.

The successful bidder will be required to provide a loan facility from its parent company of up to £4m plus a performance bond of up to the same amount. Expressions of interest are due in by 22 May.

Caledonian Sleeper: existing rolling stock will be refurbished or replaced



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