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East Anglia: Government considers rail split when Greater Anglia franchise comes up for renewal

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Rail services in East Anglia could be split between different companies when the next franchise is awarded in 2016, we can reveal today.

Senior officials at the Department for Transport are working on proposals which could see the region split in a similar fashion to that before 2004 when the single franchise for all rail services operating out of Liverpool Street Station was created.

One franchise would be responsible for main line "InterCity" services from London to Norwich through Ipswich, as well as the local and regional services like Ipswich to Lowestoft, Cambridge, Peterborough, and Felixstowe.

The other franchise would run outer suburban trains from London to Ipswich and Cambridge, also running to Southend, Clacton, Walton, and Harwich.

The current "Metro" service from London to Shenfield will be transferred to the new Crosslink franchise when that opens in 2017 and inner suburban services on the Cambridge line are to be transferred to Transport for London's "Overground" route.

The proposed split is being discussed by ministers and senior civil servants at the DTp, but is not yet official policy.

An announcement from the government is not imminent but details of the franchise changes are expected to be confirmed next year well in time for bids for the new franchises which are due to start in October 2016.

Senior figures in the DTp believe that the Greater Anglia franchise is very large, and that two smaller businesses could be more responsive to public demand.

It would also re-introduce competition from stations like Ipswich, Manningtree and Colchester. Before 2004 this competition meant it was possible to buy cheaper "Great Eastern only" tickets for commuter trains or more expensive tickets valid on any trains.

The franchise split was originally created by John Major's Conservative government to boost competition and give passengers more choice.

By 2004 there had been a change in government and with Deputy Prime Minister John Prescott responsible for transport, the government felt it would be easier to co-ordinate rail services if a single rail franchise operated from Liverpool Street.

This removed the need for delicate negotiations between train operators with Network Rail for "paths" over the tracks.

It also created a financially stronger service – with the hugely-profitable suburban trains able to subsidise the loss-making rural services.

Services in the region are currently run by Greater Anglia and a spokesman for the company said it was unable to comment on speculation about the new franchise.

Ipswich MP Ben Gummer has been one of leaders of the group of East Anglian MPs trying to improve rail services in the region.

He said: “I think the idea of breaking up the franchise is very interesting, and people look back at the time of the original franchise as an innovative period for the rail industry – spurred on by competition.

“The idea of one company able to concentrate on the main line trains serving the region’s main centres is attractive although there would clearly be a lot of details to sort out.”

However Suffolk cabinet member for Transport Graham Newman said he would be concerned about splitting the franchise.

“The franchise was brought together to create a large enough company to run services across the region.

“People look back fondly at Anglia Railways as an innovative, and quite an exciting company – which it was.

“But it was a minnow in the rail industry and it was not very secure financially.” The share price of Anglia Railways slumped before the company was bought by First Group towards the end of its franchise.

Mr Newman added: “You need the profits from the busy suburban lines near London to underpin the costs of the rural services – they may be busier and bringing in more revenue before, but they still need support.”