

# ScotRail franchise to come to an end early

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Transport Secretary Michael Matheson has today confirmed that the Abellio ScotRail contract will come to an end early.

The current franchise agreement requires Scottish Ministers and Abellio to revisit the level of government subsidy provided for the remaining 5 years of the contract and to determine whether additional subsidy should be paid. This is a process known as rebasing.

Following considerable analysis and careful consideration of the information provided by Abellio ScotRail, Ministers have decided that the significant increase in Government subsidy proposed would not secure delivery of commensurate benefits to passengers, communities and the economy.

Ministers have therefore served a No Rebasing Notice on Abellio ScotRail. As a result of this decision, existing Government subsidy levels remain in place and the franchise will come to an end early, currently expected to be March 2022.

Mr Matheson said: “Our rail network is of significant social, economic and environmental value to the people of Scotland, and Ministers must ensure that the services we secure are high performing, financially sustainable and offer value for money.

“We currently provide around two thirds of the running costs for our railway and it is essential that this is sustainable going forward. Our record investment in rail is already delivering more seats, more trains and more stations.

“Any changes to the level of subsidy paid by the government must deliver new benefits for passengers and taxpayers and whilst there have been improvements in recent years, the proposed changes were not sufficient to justify additional subsidy.

“Of course, the Scottish Government must plan for the future of our rail services, beyond 2022 and work is already underway to examine the options open to us in this regard.

“Longer term, this Government has already made clear its position that the current franchising regime, which is a matter reserved to the UK government, has failed and it is widely accepted that the rail industry, as a whole, must embrace reform.

“The best way to deliver this is through the transfer of all rail powers, which would allow us to work together to find the right solution for our railways in future – properly integrated and fully aligned with the public interest and Scottish Government policy.”

The rail industry is currently awaiting the outcome of the Williams Rail Review which is led by the UK Government.