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POINTERS

★ In a submission to the Treasury, the Freight Transport Association has called for gas oil duty to be frozen in the 2005 Budget or for rail freight operators to be specifically excluded from further duty rises. According to FTA, the 1p/litre rise introduced in the last Pre-Budget Statement has increased fuel costs 'by 4% over and above the 37% increase in product prices', pushing up operating costs and 'creating uncertainty for operators and their customers in the long-term viability of rail freight'.

★ Derrick Potter, Chairman of freight terminal operator The Potter Group, has criticised DfT plans to create a single pot for freight grants from 2007 (RBI239 p1), noting that 'the funds available will be spread too thin to make an impact'. He said that 'even modest levels of support as part of a consistent, long-term policy can make a big difference in persuading companies to follow the example of firms such as Argos and Corus to switch to rail'.

STOP PRESS

Transport Secretary Alistair Darling travelled aboard the EWS company train from Rugby to Stafford on February 22 to inspect the site of the Trent Valley quadrupling project between Tamworth and Armitage, now costed at £327m. The train called at Lichfield Trent Valley where site offices for the project are already being built, and the minister formally launched the civil engineering works. Alfred McAlpine has already constructed haul roads, and Birse has just been awarded the contract for the four-track bridge across the River Tame.

IN THIS ISSUE

Easter T-6 target not met

The industry has failed in its attempt to provide information on timetable changes in time for advance-purchase tickets for travel over Easter to be made available earlier. According to the recovery plan agreed by ORR with Network Rail last August, timings for Easter should have been made available six weeks in advance (T-6), but the best that inter-city operators have achieved is T-4.

At a meeting called by ORR on February 11, ATOC was asked to report back with an update on ticket-booking horizons for the Easter holiday period. On February 18 ATOC revealed that while 11 of the TOCs which sold discounted advance-purchase tickets were 'generally open for Easter bookings now or will be shortly', First Great Western, GNER and the two Virgin franchises were not expected to do so before February 24 (table p5).

ATOC sought to excuse NR's failure to meet the T-6 target for the largest markets on the grounds of 'the massive amount of engineering work being done on the railway'. The task of timetabling this work while minimising disruption to rail services is 'considerable', according to ATOC.

But NR chose to blame the TOCs. According to a spokesman, the company had set engineering works for Easter in the first week in January and it had not 'changed a jot'. Since then, however, train operators had been making 'late bids' to change the timetable. Otherwise, there was no reason why the cheapest advance-purchase fares should not be available.

ORR had called the February 11 meeting to review NR's progress towards achieving compliance with its T-12 licence requirement. At the meeting, a draft report on performance over the Christmas and New Year period was tabled.

This showed that NR 'broadly achieved' the target of providing TOCs with timetable information four weeks in advance for each of the three weeks spanning Christmas and the New Year. However, not all the information provided was of 'an acceptable standard', affecting the ability of some TOCs to provide advance bookings including discounted advance-purchase fares.

Despite ORR's claim that T-4 was 'broadly achieved', the report then added that 'many' travellers making long-distance journeys were unable to reserve seats even three weeks in advance. Some passengers also received incorrect information because of a computer crash on December 16 that affected the accuracy of information given in advance and at stations.

The major weakness in the handling of the T-12 issue by both *Continued on page 5* ☞

Printbite

'Things are getting better with passengers able to book long-distance journeys anything from one to two and half months in advance. It's still not where we would like to be but the situation is improving week by week.'

Network Rail press release
August 24 2004

Soundbite

'Passengers who want to book in advance are not being given adequate booking horizons. They are right to be fed up. We and Network Rail are intensely aware of passenger frustration and we are in discussions with them and the ORR to see how the situation can be improved.'

George Muir
Director General, ATOC
February 18 2005

NAO probes Connex South Eastern

On February 9 the National Audit Office revealed that it had begun an investigation of SRA's termination of the Connex South Eastern franchise. NAO is due to publish its report 'in the summer'.

On June 27 2003, SRA announced that it would be terminating the CSE franchise by December 31 that year. This was the first, and so far only, occasion that a franchise has been terminated early.

NAO is examining how well SRA managed the franchise, why it was terminated and how well the risks associated with termination were managed. SRA's role in overseeing the financial and operational performance of its South Eastern Trains subsidiary which replaced Connex will also be examined, given that financial mismanagement was given as the reason for terminating the CSE franchise (below).

In addition to interviews with SRA officials, Connex executives and the existing SET management, the investigation team will also survey other TOCs, passenger representatives and industry bodies. Under Audit Manager Nicola Coy, NAO will also make its own analysis of financial and performance information. ■

Why the franchise was terminated

When Connex signed a Deed of Amendment on December 11 2002, bringing forward the end date of the South Eastern franchise from 2011 to 2006, the company demanded additional subsidy to cover the remaining four years. 'I refused to do that', SRA Chairman Richard Bowker told RBI in June 2003.

Instead, Connex received just enough to 'stabilise' operations during 2003. According to Bowker 'that £58m came with some extremely tight and rigorous obligations that they had to meet, and in respect of the financial management of their business. In particular, a financial management improvement plan was made a requirement of the additional money.

'They have not met that obligation to our satisfaction, and we have therefore lost confidence in their ability to be a competent financial manager of that business,' he said. 'It was made very clear to them that a condition of the Deed of Amendment was that they had to provide these improvement plans, and it was very clear that not to do so was an event of default that leads to termination.'