

First lose out in franchise bid

- ✘ FirstGroup has been informed by Transport Scotland that it has not been awarded the new ScotRail franchise.

Tim O'Toole, FirstGroup's Chief Executive, said:

"We are very proud of our success in operating First ScotRail and our team were recognised last week, once again, as Rail Operator of the Year. We have kept our promises and more for ten years, delivering record levels of service including during this extraordinary summer in Scotland with the Commonwealth Games and the Ryder Cup. Our bid would have delivered even greater levels of service and growth, and we are disappointed we will not have the opportunity to implement the credible plans we submitted, building on our record of improvement across every measurable score, for the benefit of ScotRail's passengers and employees.

"We shall continue to operate First ScotRail until the new franchise commences on 1 April 2015. Until that time we will deliver further enhancements to trains and stations including further free Wi-Fi and continue important work to enable the extension of smart ticketing across the whole country and the opening of the Borders Railway next year.

"Today's news does not alter the Group's stated medium-term targets. As one of the largest and most experienced rail operators we are actively participating in franchise competitions with the objective of achieving earnings on a par with the last round of franchising, with an acceptable level of risk. We are in negotiations with the Department for Transport (DfT) to operate the First TransPennine Express franchise until February 2016, and continue discussions with the DfT in respect of a potential longer direct award to

operate First Great Western, our largest franchise, over the period when a substantial programme of infrastructure upgrades and introduction of new trains will take place on the network.”

FirstGroup has operated the First ScotRail franchise since 2004 and during that time it says it has:

- Provided more services and introduced new trains: Scotland now has its biggest ever timetable of 2,300 services each day, up by 300 since 2004. In addition 215 extra coaches have been introduced. This has helped to attract new passengers, with customer numbers rising to more than 86 million – an increase of 34% since 2004.

- Improved service quality: Punctuality and reliability scores reached a record high this year of 95.3% – up from 84% in 2004, and customer satisfaction is at its highest ever level at 90% – eight points higher than the UK average and six points higher than in 2004.

- Invested in Scotland’s rail services: more than £82 million invested since 2004 including station improvements of £56m and improvements to rolling stock of £26.3m. More than 130 trains and 50 stations have been fitted with free Wi-Fi.

- Invested in our people to deliver performance and customer service: Employee numbers increased from 3,500 to 4,900 including nearly 300 more drivers. We achieved Investors in People Gold status, the largest UK Company to do so, and we launched a Modern Apprenticeship in Customer Service – the first of its kind in the rail industry.

- Awarded Rail Operator of the Year at the National Transport Awards on 2 October 2014 for the third time in six years and also current Rail Business of the Year.

- Forged effective partnerships: First ScotRail was one of the first train operating companies to sign an alliance

agreement with Network Rail, resulting in savings including the delivery of the industry-leading Paisley Canal line electrification project within 6 months whilst reducing the costs from £28m to £12m.

- Delivered Scotland's successful year of events in 2014: First ScotRail carried more than 1.1 million people to the Commonwealth Games, and 50,000 to the Ryder Cup as well as Edinburgh Festivals and Bannockburn Live.