

News release
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Darling's cuts don't go far enough - TSSA

TSSA, Britain's second largest rail union, welcomes Secretary of State for Transport Alistair Darling's announcement that the existing 25 rail franchises will be reduced to 19 over the coming months.

But the union warned that this does not go far enough and said Mr Darling needs to show a commitment to getting better value for public money by keeping South Eastern Trains in the public sector.

Taxpayers are getting poor value for money from the railway. Last year, the private train operating companies received more than £2bn in public subsidy. Prior to privatisation in 1993-94, British Rail got only £1.5bn (at today's prices).

Out of the 28 franchises which all receive public subsidy, only seven operators made payments back to the SRA, totalling £117m - or just five per cent of the £2bn paid out.

TSSA general secretary Gerry Doherty said: "Reducing the fragmentation that currently plagues our railways is a step in the right direction. But it's not enough to tackle Britain's overly complicated and dysfunctional rail system.

"Mr Darling says he wants efficiency of savings by maximising economies of scale. Cutting the franchises down to 19 is tinkering around at the edges when more radical surgery is needed.

"Nor does it address the issue that millions of pounds of taxpayers' money is still being used to bolster shareholders in the private sector rather than being invested directly into improving the railways.

"Look at the improvements in the service of the South Eastern franchise since it was brought back into the public sector by the SRA. Instead of pumping £500 million in subsidy into Connex, every penny now goes directly into the service rather than into shareholders' pockets.

"We urge Mr Darling to take the opportunity of this review to say that he will keep South Eastern Trains in the public sector."