



Department  
for Transport

From the Minister of State  
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To: South Eastern Railway Route and London MPs

28 September 2021

Dear Colleague,

## **South Eastern Railway Franchise**

I am writing to inform you that today, the Government has taken strong decisive action in relation to a number of serious issues on the London Southeastern (LSER) rail franchise. This means that on the expiry of the current LSER contract on 17 October 2021, the franchise will be transferred to the Operator of Last Resort (OLR).

To ensure the rail industry has been able to stem the worst of the impact of COVID-19 on the sector, this Government has provided an unparalleled level of support to the industry, entrusting nearly £13 billion of taxpayers' money to secure the continuation of passenger services and protect frontline jobs. Given the level of support, it is essential that the Department can trust its partners.

LSER has broken this trust, deliberately failing to report over £25 million of historic franchise payments due to be repaid to Government. Further investigations into other historic contract issues may identify further money owed. It is essential that there is public trust in operators, who should work tirelessly for the interests of passengers and taxpayers.

On the basis of the available evidence, I have been advised that the behaviour exhibited by LSER is a significant breach of the good faith obligation within the franchise agreement. Given the nature of these issues, which are serious and cover a number of years, we will not be entering into a further contract with LSER on 17 October 2021.

This Government is committed to protecting taxpayers' interests and holding private sector operators to the highest standards, and this means that we will take swift, effective and meaningful action against those who fall short.

To date, the Government has recovered over £25 million from LSER and I will ensure my team continues to investigate outstanding matters relating to historical contracts with LSER, with a view to recovering any additional

money owed. My officials and I will continue to engage with the relevant owning groups, Go-Ahead and Keolis, to consider further remedial action depending on the outcome of the investigation.

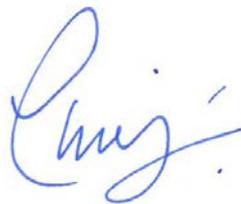
This swift action will guarantee the continuation of passenger services following the expiry of the LSER franchise. I would like to reassure your constituents who use LSER services that there will be no change to fares, tickets or services. Likewise, we will protect all frontline jobs – I would like to reinforce that this decision is no reflection on those LSER staff, who throughout the pandemic have kept services running with professionalism and dedication.

Under the OLR, we will prioritise the punctual, reliable services that passengers deserve, rebuild trust in this network and continue to deliver additional benefits to the route including new and refurbished rolling stock as well as improving safety.

I have also instructed the leadership of the OLR to deliver the reforms which I announced in the Williams-Shapps Plan for Rail earlier this year. This will create a more modern, sustainable and accountable railway, which puts the passenger first.

If you would like any further information or a briefing, please let me know.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Chris', with a stylized flourish at the end.

**Chris Heaton-Harris MP**

**Minister of State for Transport**