

Public Transport

## WEST COAST FRANCHISE FIASCO COST COULD RISE ABOVE £40M

Jennifer Williams

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The cost of the West Coast Mainline fiasco could soar beyond the government's original £40m estimate, it is feared.

Opposition MPs said there is a real threat of legal action by FirstGroup, which lost the line's contract in a dramatic government U-turn earlier this month.

Maria Eagle, shadow transport secretary, said the overall bill to the taxpayer is likely to spiral far beyond the figure predicted.

Labour also called on the government to abandon the privatisation of the East Coast Mainline in the wake of the affair.

The West Coast line has been run by Virgin since 1997, but the firm's contract runs out in December.

A tendering process originally awarded the new franchise to First – but after 'significant' flaws were found in the tendering process, the government made an embarrassing climb-down.

Three civil servants were suspended as a result of the crisis, which will see around £40m refunded to the firms that took part. But Labour say the fall-out could cost far more.

Two inquiries into the fiasco area already underway, but Ms Eagle demanded another.

She said: "The cost to taxpayers is likely to be in the tens of millions of pounds more by the time you've got Britain's rail services back on track.

"You're going to be handing millions over to private train companies, millions spent running three

competitions for this franchise when you should have only been running one, and millions more if companies decide to sue the Government for the losses your department's incompetence has caused them.

"Don't taxpayers deserve a truly independent inquiry into what went wrong and who was to blame for so much of their money being poured down the drain?"

Transport secretary Patrick McLoughlin said he ordered two immediate inquiries because "I wanted to get to the bottom of this as quickly as I could".

He said: "I'm sure we will not be short of a number of inquiries which will take place subsequently. I expect the Public Accounts Committee will certainly want to look at the issue."

Chi Onwura, MP for Newcastle Upon Tyne Central, called for the planned franchising-out of the East Coast Main Line to be scrapped.

She said: "Since 1997 we have seen GNER fail, National Express fail, but now we have East Coast Trains returning £187 million to taxpayers. Why on earth would the minister want to swap that for the unmitigated disaster of the West Coast tender? Isn't that free-marketism gone mad?"

Mr McLoughlin said contracting for the eastern line out would go ahead because the system delivered value for money and "steadily improved services".

He also confirmed that negotiations on how much Virgin will pay to the taxpayer to continue running the West Coast Main Line in the short term have not been concluded.

**Mad Welsh Scotsman, Cadishead** Comment posted: 18/10/12 at 13:12 Registered: 30/11/2007  
I'm damn sure it will cost more seeing as the tax payer is paying it.

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New Poster **Chris Pollard** Comment posted: 18/10/12 at 14:17 Registered: 18/10/2012  
Why don't they just re-assess the original proposals factoring in the correct measures over the 13 year period?

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**The Whalley Ranger** Comment posted: 18/10/12 at 21:54 Registered: 26/06/2009  
Yes, oui needs moor tax cnuts four the ridge Bransons and his maids two fund essential pubic cervixes. That would be fair.

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New Poster **jfdiso huifdsa** Comment posted: 19/10/12 at 04:06 Registered: 19/10/2012  
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