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WEDNESDAY, 15 MAY 2013

Burns Lite - RMT unspins the big man

This from the Brothers...

RMT research and answers to parliamentary questions have revealed that in an effort to justify the government's decision to privatise the successful publicly owned East Coast Mainline the Rail Minister Simon Burns has recently deliberately mislead Parliament about the performance of East Coast Mainline in the public sector.

The Minister wrongly told the Transport Select Committee on 24th April that the West Coast Mainline operated by Virgin pays more in premium payments than the publicly owned East Coast Mainline. The Minister then repeated the misinformation the following day at Transport Questions.

Yet Parliamentary answers and official figures recorded by the Office of Rail Regulation show that, Publicly owned East Coast Mainline through Directly Operated Railways has paid the taxpayer significantly higher premium payments than Richard Branson's Virgin on the West Coast Mainline.

- Publicly owned East Coast paid the Treasury £411 million between 2009 and 2012 whilst Virgin's West Coast paid £282 million during the same period. A difference of £129m.
- Publicly owned East Coast through Directly Operated railways also paid almost twice as more (£602m) than its predecessor National Express (£370m) over a four year period.

Just fancy that!

Eye awaits with interest to see whether Mr Toad is required to apologise for misleading the House...

UPDATE: This from the Editorial Team at Rail Business Intelligence

Simon Burns is also convinced that returning East Coast to "the private



Eye's Sectional Appendix

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sector" will bring about improved punctuality.

According to the details of an interview on BBC Two's Daily Politics contained on the Minister's own website:

[Mr Burns] said there have been improvements on the East Coast Mainline since it was taken into public ownership into 2009, but said there had now been a "plateau".

He said now was the time to return it to the private sector "for a number of reasons".

"...Firstly, because the improvements have now plateaued and we believe that passengers should get even better service from it, better punctuality..."

"We now believe it is the right time to move forward so we can get a new franchise holder coming in, providing the service, using their innovative skills to improve the service for passengers."

Readers of tomorrow's *Rail Business Intelligence* will no doubt find the following table of interest.

Train punctuality	in Period	1, 01/04/13 to 2	7/04/13
тос	RT MAA	PPM MAA	PPM P1
London Overground	86-8	96-6	96-4
Merseyrail	74-6	95-5	96-4
Chiltern	86-5	95-0	96-1
ATW	85-5	93-3	96.0
FTPE	63-8	91-8	95.2
SWT	67-9	91-5	94-6
c2c	84-5	97-3	94-2
Greater Anglia	71-6	92-4	94-1
ScotRail	59-8	92-9	94.0
EMT	74-7	92-4	93-8
Southeastern	64-5	91-1	93-5
Northern	72-2	90-7	93.5
CrossCountry	46-1	87.0	91.9
FGW	69-3	88-9	90.5
Southern	55-5	87-9	90.3
London Midland	62-3	85-8	90-2
FCC	68-9	88-3	89.7
Virgin	48-9	83-5	86.0
East Coast	60-9	83-9	85-1
National average	68.0	90.9	93-0

RBI readers will of course draw their own conclusions about how much better the private sector is at delivering a more punctual railway.

UPDATE: This from Alecto...

Here is some ORR Data which tells us a lot about the Department for Transport's commitment to 'transparency':

All £ million (payment to Govt negative)	Revenue*	Total support	Revenue support/ (share)	Subsidy/ (premium)	Network Grant	Net support
East Coast Trains Limited	665.9	-187.7	0	-187.7	191.3	3.6
West Coast Trains Limited (Virgin)	869.5	-165.7	44	-209.7	297.2	131.5

In this Table premia paid to government are shown as a negative number.

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So when Mr Burns says that West Coast pays more in premium he is clearly right.

BUT under Cap & Collar Virgin gets revenue support because the fare revenue coming in is less than forecast.

So the Treasury got £209.7 million, but paid back £44 million, thus vindicating the RMT claim and showing that Mr Burns either can't do difficult sums or is a political weasel (Shurely: political colossus! Ed)

And here are the comparative net payment figures for the three years (premia shown positive)

Premium £ million	2009-10	2010-11	2011-12	Total
East Coast	46.1	170.7	187.7	404.5
West Coast	-50	167.9	165.7	283.6

Of course the real issue is not about the Minister, but whether the Permanent Secretary is party to this dissimulation.

Telegrammed by The Fact Compiler at 10:27

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