

Merseytravel wastes £6.5m of taxpayer's money on smartcard company

by David Bartlett, The Liverpool Post

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Merseytravel chairman Liam Robinson

MORE than £6.5m of taxpayers money was wasted by transport authority Merseytravel on the purchase of a smartcard company that never made any money.

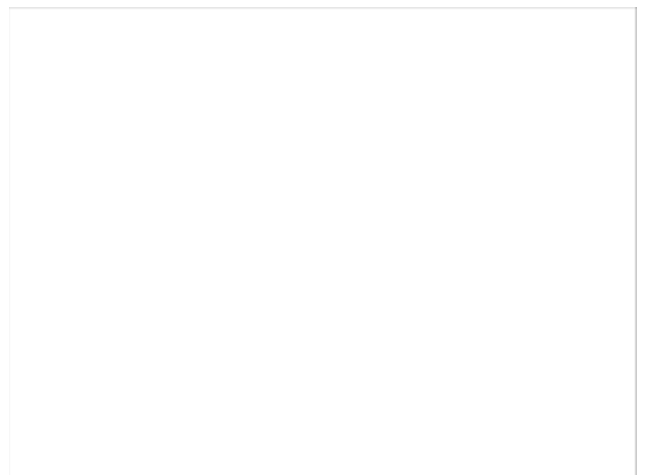
An internal audit has found that Merseytravel's acquisition of Livesmart delivered "little tangible benefit" to the organisation or the taxpayer.

The Post has seen parts of the audit, which is being kept under wraps by Merseytravel.

The review, which was overseen by St Helens council, said "significant failings in corporate governance" by Merseytravel led to the huge loss.

The organisation is now in the process of winding up Livesmart and its chairman Liam Robinson, who took over last summer, admitted mistakes had been made.

He said: "It is fair to say that Livesmart was not a successful commercial venture, giving little return for a significant investment by Merseytravel. We recognise that mistakes have been made in the past, but we are determined to examine them, learn from them, and make sure they are not repeated. That is the process we are following with Livesmart."



Livesmart was founded in 2004 by

businessman David Wade-Smith. It ran the popular 08 Capital of Culture card scheme offering discounts in shops, retailers, restaurants and bars across Liverpool.

Merseytravel first became involved in the company in 2006. In 2008, the transport authority paid £750,000 to increase its stake in the company from 24.9% to 87%.

At the time Neil Scales, then chief executive and director general for Merseytravel, said: "This is a sound investment for us. It is a company of real potential. We are literally just touching the surface in terms of the potential for smart card technology."

But the company spent the last few years racking up the huge losses, with Merseytravel pouring money into the firm.

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2 (<http://www.liverpooldaily.com/Liverpool-News/Regional-News/2013/05/16/Merseytravel-Wastes-6-5m-Of-Taxpayer-S-Money-On-Smartcard-Company-99623-33336056/2/>)

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