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Watchdog fears delay to cross-London rail project

By Mark Odell, Transport Correspondent

Problems in securing a £1.6bn contract for Thameslink trains threatens to delay delivery of the cross-London rail project beyond 2018, according to the government spending watchdog.

A report by the National Audit Office said the delay in procuring 1,200 carriages posed the biggest threat to the programme, which will see a further £3.5bn spent on upgrading track, signalling and stations to allow faster and more frequent services on one of the most overcrowded routes.

The procurement of new trains, under a private finance initiative, was already running 20 months behind schedule, as part of wider delays to the programme, before Germany's Siemens was controversially awarded the contract in June 2011.

Since then negotiations over the funding have dragged on as banks have become ultra-cautious because of the financial crisis. A final sign-off is expected before the end of June.

Critics have urged the government to reverse its mid-2011 decision to select a Siemens factory in Germany for one of the UK's largest train orders. They argue the contract should go to the losing bidder, Bombardier of Canada, which owns Britain's last remaining train factory, in Derby.

The NAO also pointed to a possible skills gap given the imminent departure of the civil servant heading the Thameslink programme for a new role on the HS2 high-speed rail line between London and the north. The loss of key individuals at the Department for Transport was one of the main causes of the West Coast rail fiasco.

"I am concerned at this stage of the project, given the lengthy delays, that the [transport] department has left itself with little contingency should anything go wrong," said Margaret Hodge, chair of the public accounts committee. She said she was "worried that the department is doomed to repeat history" and had underestimated the complexity of the project. "It needs to plan ahead and make sure it avoids another West Coast mainline style fiasco."

The NAO however praised the DfT for ensuring it had delivered the first phase of the infrastructure project on time and under budget. It also said the project had a "robust" business case in contrast to its recent criticism of the government's case for proceeding with

HS2.

The DfT said: “The procurement process for the new Thameslink rolling stock is complex and it is important that we get it absolutely right in order to ensure the best deal for the taxpayer in these challenging financial times. However we are in the final stages of the process and we expect to conclude the deal shortly. We have an experienced senior team in place and are confident that we will be able to deliver the remainder of the project on time and on budget.”

Maria Eagle, Labour’s shadow transport secretary said: “It is bad enough that ministers decided to build the new Thameslink trains in Germany, but staggering that they can’t even be sure they will be delivered on time.”

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