

Government denies First Great Western franchise talks are in limbo

Department for Transport says state rail operator's preparations to take over line are 'sensible contingency measure'

Gwyn Topham, transport correspondent
The Guardian, Wednesday 12 June 2013 20.00 BST



First Group said negotiations with the DfT over its Great Western franchise were 'contrary to claims by the RMT, progressing well'. Photograph: Fiona Hanson/Press Association

The government has denied claims that franchise extension talks with **FirstGroup** over the Great Western rail franchise are in trouble after the state-owned Directly Operated Railways (DOR) filed preparatory paperwork to take over the line.

The Department for Transport said it was "a sensible contingency and negotiation measure" as it looks to agree terms for a further two-year extension to the franchise with First Great Western, the current operator. Labour demanded that the government "come clean" over its plans for the route as the RMT union claimed that applications to the regulator for safety certificates meant the route could soon be back in public hands.

But insiders said the applications were "routine" work that had been followed during

recent franchise negotiations for Virgin's west coast and C2C's Essex Thameside lines.

Speculation that the DfT may be less inclined to settle cheaply with First has been fuelled by the politically toxic history of the Great Western franchise. First took up an option to walk away from the final years of its contract to avoid around £800m in premium payments to the government, yet has been left running the service after last year's west coast fiasco meant the government could not meet its timetable for re-letting the franchise.

The RMT's general secretary Bob Crow said: "Clearly the talks with First are in trouble, otherwise DOR wouldn't have set up GW Railways and wouldn't have applied for the certification and licensing to sweep up the mess created by a another twist in the sorry shambles of rail franchising."

He added that First had "already soaked up over a billion pounds in taxpayer bailouts and dodged premiums in the past two years" and called for the route to be renationalised.

A spokesman for First Group said negotiations with the DfT were, "contrary to claims by the RMT, progressing well. We expect to submit our proposal to the DfT next month."

A DfT spokesman said DOR was carrying out minimum preparatory work to protect passenger services. "This is just a routine standard procedure and part of the government's sensible contingency planning. It does not relate in any way to how the negotiations are proceeding and it is wrong for the RMT to suggest otherwise."

The shadow transport secretary, Maria Eagle, said: "Ministers must come clean if they are preparing to take over Great Western rail services. The plan to extend existing franchises is collapsing into chaos."

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