BBC NEWS BUSINESS

26 September 2013 Last updated at 16:51

Rail franchises up for tender following West Coast fiasco

Two rail franchises have been opened up to bidders, the first invitations to tender since the fiasco of the West Coast franchise contract last year.

Invitations have been issued to tender for the Essex Thameside franchise and for the combined Thameslink, Southern and Great Northern franchise.

Last year the Department for Transport (DfT) scrapped the award of the West Coast franchise.

An official report blamed a "damning failure" by the DfT.

FirstGroup was told it had won the bid in August 2012.

The government scrapped that decision in October because of numerical mistakes - at a cost of at least £40m.

The mistakes came to light after bidder Virgin Trains, which had run the West Coast Mainline since 1997, launched a legal challenge against the decision.

Since that debacle the tendering process has been revised.

If all goes to plan the successful bids should be announced in May next year.

In a statement, Rail Minister Simon Burns said: "Rail franchising has been a force for good on our railways and the department has been working hard to roll out its new franchising schedule."

The Essex Thameside contract will begin in September 2014 and run for 15 years.

The Thameslink and Great Northern contracts also start in 2014, but run for seven years.

The Southern contract will be running by July 2015 and also run for seven years.

More Business stories

UK jobless total falls to 2.49m

[/news/business-24547749] The number of unemployed in the UK fell by 18,000 in the June-August period to 2.49 million, official figures show. US debt talks grind on amid disarray [/news/world-us-canada-24543581] Numbers relying on food banks triple [/news/business-24536817]