

# Newcastle transport firm Go-Ahead loses southeastern rail franchise

Newcastle transport group Go-Ahead has lost one of its rail franchises in the south of England after failing to declare £25m of taxpayer funding.

Train services on Southeastern's network have been taken over by the Government, completing the switch first announced last month in which the Department for Transport (DfT) runs trains under the Operator of Last Resort (OLR).

Southeastern's network is one of the busiest networks in Britain, stretching across south-east England including London, Kent, East Sussex and the High Speed 1 line.

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Passengers are unlikely to see any immediate changes as the trains, timetables and fares will stay the same, and staff will remain in place.

The franchise was owned by Govia – a joint venture between Go-Ahead Group (65%) and Keolis (35%) – since 2006.

Go-Ahead Group's chief financial officer Elodie Brian resigned after the decision to take over the franchise was announced.

Transport Secretary Grant Shapps said at the time an investigation by his department identified that Govia had not declared more than £25m of historic taxpayer funding which should have been returned.

He added that the Government would not accept "anything less" than "absolute transparency with taxpayer support".

Further investigations are being conducted and the Government is considering options for more action, including financial penalties.

The OLR also runs services previously operated by two other franchises. It launched London North Eastern Railway in June 2018 and Northern Trains in March last year.

The takeover of Southeastern's network means around a quarter of passenger journeys in Britain will be on trains under public sector control.

Cat Hobbs, director of public ownership campaign group We Own It, said: "Again and again, privatisation is failing our railway and franchises are being brought into public ownership one by one.

"Profit-driven companies won't put passengers or the public first – especially as the railway is a natural monopoly where we don't have a choice between companies.

"It's time to bring the whole rail network into public hands where it belongs. Public ownership would save around £1bn a year."

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