

Let's see a plan for the nationalised railway

Trains travel largely empty. Losses must be colossal. The railway has all the costs of the pre CV19 era, with the turnover of the post CV 19 social distancing era. Ministers need to seek a new plan and tell us how they will make the railways more useful and less costly to taxpayers.

For a long time the railway has been effectively nationalised. Network Rail is completely state owned and heavily subsidised. The private sector train operating companies have to run a timetable laid down by government, under heavy regulations that leave little scope for innovation or service change. Rail pathways are strictly rationed. It is little wonder many of them struggle to survive as management has little scope to cut costs or boost revenues. Trying to get productivity and service improvements is very difficult. There is a long tradition of industrial action against management induced change.

The railway normally prevents choice for passengers and competition to reduce fares and raise quality of service. Rail operators respond to requirements imposed by Regulators. Their remuneration in part depends on targets, where it may make sense to game the rules. Quite often the train operator fails to provide a reliable on time service owing to failures of the nationalised network operator. The whole system has out of date signalling which limits the numbers of trains per hour. Monopoly providers seek to prevent new challengers competing.

Instead of building a very expensive new line, HS2, the railway should accelerate digital signalling to increase track capacity by around 25%. The railway needs to reconsider what sustainable travel patterns are likely in this new world and adjust services accordingly . It is difficult to see how passengers will be attracted back and better served without private capital and competition in service provision. The nationalised monopoly based model we have been running for sometime is not delivering the services and quality we want. It is now sending unaffordable bills to taxpayers.