

# The nationalised railway loses too much money with poor service

The present debate about whether to nationalise the railway overlooks one crucial fact. In 2002 Labour did nationalise all the track, signals and stations and ensured a public regulator controlled timetables and many fares for the residual private train companies. Since then several of the train franchisees have given up and the state has taken over. It is not easy to run a private rail company if you cannot get the track slots you want, if the track and signals provider lets you down too often with track and signals faults, and if the timetables required do not conform with demand patterns of passengers.

If there was any doubt about the failure nationalisation can bring you then consider the case of the entirely nationalised HS 2. There over paid public sector managers spend their way through huge sums of donated public capital, happily overrunning agreed budgets massively and progressively announcing delays to the arrival time of London to Birmingham and putting off the start time for the northern routes.

Network Rail states the value of the track, land and buildings at £82 bn but after 22 years of its management taxpayers only have £15 bn of net assets left. Network Rail has lost us money and taken out £53 bn of loans courtesy of a taxpayer guarantee. Strange how this justified high pay and bonuses. It looks like the work of a bad hedge fund, taking over great assets then borrowing and borrowing on the back of them, lumbering itself and us as taxpayers with huge interest bills.

There is plenty of bad commentary about this nationalisation idea. Margaret Thatcher with myself as her adviser did not privatise British Rail. When John Major did he rejected my advice on how best to do it.