

Graham, the guardian angel

NEWS ANALYSIS 1: CASTING THE NET

As Network Rail's performance fails to improve and costs continue to spiral the company is pinning its hopes on external help.

As Paul Clifton explains; cue Graham Eccles

IT LOOKS LIKE A CRY FOR HELP; AN ADMISSION THAT Network Rail does not know how to bring its own business under control.

Graham Eccles, railwayman-in-chief at Stagecoach, has been drafted in to advise the men at the top of Network Rail what to do.

Eccles himself puts it in more diplomatic terms: 'They might well have the organisational ability to sort themselves out. But at this stage they do not know if they do. That's not being facetious; the three top guys have had a traumatic year, and they haven't spent their working lives running railways. My appointment represents an acceptance that they need a little external help to put them on the right track.'

The chairman of South West Trains and Virgin Rail is probably one of only half a dozen people with the authority and influence to carry that off. He's been on the railways for 42 years. He's been appointed as a consultant, working for Network Rail unpaid for four days a month.

Since he holds on to all his other roles as well, it would not have been appropriate to pay him a salary – Stagecoach is effectively handing him over to Network Rail on free loan, where he will advise on behalf of the Association of Train Operating Companies.

Network Rail's Chief Executive, John Armitt said: 'We are able to draw on Graham's experience in order to ensure the closest possible working relationship between Network Rail and the train operators, which is vital to deliver improved punctuality.'

'I suppose it's the railwayman in me bursting to get out,' said Graham Eccles. 'I can help them to understand what makes a railway function effectively. The people at the top of Network Rail don't really know how to do that. I can steer them away from the bear pits their predecessors fell into. My aim is to focus on the levers they can pull quickly in order to make a difference.'

'The decision to take over maintenance is one I support whole-heartedly. But it is a huge organisational challenge. Network Rail is doubling in size. There is a huge issue of culture change to deal with, there is a management succession issue, and potentially there is an industrial relations issue.'

'Since Hatfield, the amount of delay per single incident – in other words the ability to recover from a setback – has got much worse. Every incident causes longer delays than it used to. This is the key to getting better performance. Of course we need to reduce the number of incidents, but at least as important is to discover the reasons why the delays are so long, and tackle them. I think it is to do with inconsistent processes, the way events are managed, and the competence of the managers.'

The deal to borrow Graham Eccles took several months to tie down. The impression is given by others that Network Rail had attempted to poach him outright from Stagecoach for a full-time position. It must have been tempting for a man who is close to the end of his railway career, and who has already been through the biggest challenges Stagecoach is likely to offer – Virgin's new fleet and the West Coast upgrade; the replacement of SWT's slam-door trains; the shifting sands of 20-year franchise renewals that ended in simpler management contracts;

and getting to grips with some very poor train performance. Plus, uprooting the family home to work from Stagecoach's Perth headquarters – with frequent flights south and too many nights in hotels.

But Stagecoach colleagues often speak of Eccles' absolute loyalty to his chairman, Brian Souter. In 1996, Eccles found himself unexpectedly on the street, dumped unceremoniously following a failed management buy-out bid for what became Connex. Souter picked him up and dusted him down, and Eccles has shown him unwavering loyalty ever since. He's ended up as an executive director of one of the industry's biggest companies, a degree of influence he must never have anticipated, and the financial rewards that go with it.

So a loan deal seems a compromise. 'For Stagecoach, there are plenty of good reasons for doing it,' Eccles explained. 'If I can help to get the railway running more effectively, and if delays can be reduced, then in the long term it brings a benefit for the shareholders.'

But it is a decade since he last had anything to do with infrastructure – he was running passenger services well before privatisation.

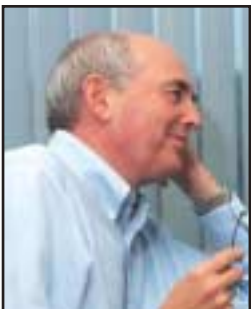
'1993 was the last time I managed track and signals. But the only real change since then is in the names of the managers. The rails are the same distance apart; the signals are still red, yellow and green. But being a consultant is a new role for me. I'm used to telling people what to do, and 24 hours later asking them why it's not been done.'

It will be difficult for him not to tread on a few toes at Network Rail, too. Eccles has been brought in to work directly with chief executive John Armitt and his deputy Iain Coucher. To the people below, it must be akin to Tony Blair listening to Peter Mandelson's strategic advice in preference to that of cabinet ministers.

Different industry factions have spent years tearing each other apart. Maybe some will see Eccles' appearance at Network Rail's Euston offices as a sign of desperation, evidence that it doesn't know what to do. It's certain the SRA will have been asked for a view before he was lured – Richard Bowker knows Eccles well from his time at Virgin.

But with the government's patience with railways wearing a bit thin, Eccles himself prefers to interpret his presence as a sign of a more mature industry working together to sort out its problems: 'We've stopped hanging ourselves together and now we're working to save ourselves together.'

He won't be there for long though. Graham Eccles had long ago announced he would walk away from the industry on July 1st 2005 – his retirement date. As it has edged closer, he has extended his self-imposed deadline by 10 months to May 2006. That gives him two and a half years of four days a month (that's 120 days) to make a difference. There's certainly no hint of freewheeling gently towards his pension, but Eccles still promises that the day he retires is the last day anyone in the industry will see or hear from him. He'll walk away; on his own terms, with the job done.



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