

Failures of fragmentation



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Whether you come from an argument demanding a state run system, or an argument demanding vertical integration, it all points you in the same direction: that fragmented railways do not work. And with the latest review, the Government seems set to continue its dithering – instead of tackling the fundamental problems

ANOTHER MONTH, ANOTHER RE-ORGANISATION. WHOEVER it was who said that when you re-organise, you bleed, had it just about right. The rail system is fragile and anaemic. The last thing it needs is more interference. And yet, seemingly, only interference can save it.

January's convulsions are all about the dawning realisation within the Government's inner circles that a key litmus test of Government competence – can we make the railways work? – will be spectacularly failed, unless a rabbit can be pulled out of the hat.

In this context, making the railways work comes down to having a working West Coast Main Line and significant numbers of London and South East commuter trains in service, so that long suffering rail users have something to feel good about. Throw in a few other commitments that haven't been delivered yet – new trans-Pennine trains are a good example – and it will all look good.

Except that it will not. Anyone who thinks the rail system is somehow on the mend needs only to look at the latest Network Rail plan to pad out the timetables with yet more recovery time to understand that here is a system that has been on its knees since Hatfield. And one that is showing little sign of getting off them.

Anyone who believes that yet another re-organisation of fundamentally the same system will bring significant improvements has, in my view, to be living on another planet. The problems are too deep, too entrenched, too intractable.

It comes down to a mixture of two things:

First the basically unworkable system used to privatise the network all those years ago. You could find a hundred examples of how the trains keep on running despite the system, not because of it, without having to think too hard.

There are too many interfaces and too much self-interest to allow the existing system to flourish.

Network Rail and the SRA tacitly admitted this when maintenance work was taken back in-house – after months of hot denials that it would happen, and equally hot insistences that the existing system was fundamentally sound and was working well.

When the news broke, it made Network Rail's insistence that a handful of contracts were being taken temporarily in house to allow it to become 'an informed buyer' look nonsensical and foolish – especially when it was quietly taking signal design work back in-house at the same time.

The SRA has reached a similar conclusion in its plans to have one operator per London terminus. It is trying, quietly – and with no use of the dreaded 'R' word, which sends Downing Street into a fit of the vapours – to stick back together as many of the fragments as it can.

At this point, whether the railways are privately- or publicly-run almost becomes irrelevant. Whether you reckon Bob Crow is right to demand a state run system, or that James Sherwood and Brian Souter were right to demand vertical integration for the newly privatised system, it all points you in the same direction: that fragmented railways do not work.

Secondly, the lack of political courage in tackling the

railway problem. Sir Alastair Morton made few friends when he chaired the SRA but, commenting on the latest twists, it was difficult not to agree with him when he laid the blame squarely at the door of a succession of weak transport ministers and too much interference from Downing Street.

He has a point. There have been only two major changes to the Mk I model of rail privatisation since New Labour came to office: the ending of the maintenance contracts and Stephen Byers' decision to switch off the (taxpayer funded) life support system to the late and unlamented Railtrack.

Alastair Darling's big problem now is that Network Rail is not showing any sign of the big cost and efficiency breakthroughs needed to demonstrate that railways are off the critical list, and it will be years before the changes to the maintenance regime show any appreciable benefits.

Instead, word is leaking out that this project has been dropped, that one postponed, another deferred. There is now a real danger that both the East Coast and Great Western main lines will slide into the spiral of decline that has blighted the West Coast since the mid-1980's.

Somewhat belatedly, the penny has dropped that too

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much of the cash allocated in the Ten Year Transport Plan has been – or will be – squandered, either because the private sector is too greedy and performs indifferent work, or because the system itself is basically inefficient. The truth probably lies somewhere between the two. Private sector companies are, after all, there to make a profit first and deliver a service second.

And the Government is finding out the hard way that railways are the original supertanker industry: you swing the wheel hard over and wait... and wait... and wait until, finally, the bows start to come around to the new course. That is not now going to happen by May 2005.

As a nation, we have every right to feel bitter about what has happened to our railways. Before privatisation they were the most efficient in Europe, with the lowest subsidy levels and the highest staff productivity, as measured by international, not British Rail yardsticks.

This year, to quote a well-worn statistic, we will pay well over three times the subsidy we gave BR – for a rather poorer service. A punctuality record that, last summer, saw one intercity operator run very nearly four out of every 10 trains late. And that was before Network Rail's latest timetable-fiddling wheeze.

It is a truly appalling legacy. And, yet again, instead of tackling the fundamental problems, the Government is re-arranging the deckchairs.