

THE FORGOTTEN

The Government's ambitious 10-year plan to revive Britain's railways seems to be fading fast.

Paul Coleman examines why rumours of its death might be slightly exaggerated

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'Attractive six-figure salary' beckons the Department for Transport's blurb for the post of 'Director General, Rail'. Salivating over six figures, I ring the recruitment hotline for an application pack but end up listening to a dead tone. A friendly woman at the recruitment firm apologises profusely but blames the advertising agency for wrongly transposing two digits in the advert carried by *The Sunday Times*.

Despite the buck-passing and inefficiency I finally get my hands on the job spec, which states that the director general will 'drive forward the rail reform agenda' and 'give effect to the thrust' of the department's rail review, conducted earlier this year. July's White Paper, *The Future of Rail*, and the Railways Bill, currently going through Parliament, are both mentioned in the candidate's brief but Transport 2010: The Ten Year Plan for Transport, launched by Deputy Prime Minister John Prescott on 13 December, 1999, is conspicuously absent.

It's a strange omission given that 10-year plans (TYPs) are in vogue. Chancellor Gordon Brown kicked off a 10-year childcare strategy in last month's pre-Budget report. Malawi's TYP is saving the rare Chambo fish from extinction. Sceptics sense the Government is wishfully thinking that the rail TYP will, like a shoal of Chambos, quietly vanish from public view. Few expect John Prescott, or Lord Prescott as he may be by then, to stand up on 13 December, 2010 and ramble over a rough defence of his TYP.

Back in 1999, Professor David Begg described the TYP as 'a radical vision'. Professor Phil Goodwin hailed it as 'new territory'. With hindsight, many transport experts have since



Passenger numbers were forecast to rise by 50 per cent by 2010 but the latest estimate is around half that amount.

radically changed their tune. 'The current 10-year plan will have disappeared from the political scene a long time before 2010,' Professor Goodwin later told BBC's *Panorama*.

'Our aim by 2010 must be to rival the best in Europe,' John Prescott chimed at the TYP's launch. 'It means real investment, year on year.' Real investment meant £63bn over 10 years. The taxpayer would stump up £29bn in return for a 50 per cent rise in general rail passenger traffic and a specific 80 per cent rise in people travelling on inter-city routes by 2010. The big promise included new and safer stations, a modernised train fleet and renewal of all main lines with faster, reliable and more frequent services. Government would decide overall strategy. Public Private Partnerships would deliver.

Certainly, Gordon Brown and Transport Secretary Alistair Darling are wedging taxpayers' money where John Prescott's mouth used to be. The new director general for rail will

be responsible for around £3.8bn this coming year and £4.5bn over each of the TYP's last five years. Purely in spending terms, the TYP is a rip-roaring success.

The big rub is that all this money has returned only relatively limited gains in overall railway performance. Will Hutton, author of *The State We're In*, blames the private sector for escalating rail costs, totally undermining the TYP's original financial calculations. West Coast Main Line modernisation was first budgeted at £2.4bn but then bulged horribly to £13bn before being scaled down to £7.6bn. Such hikes mock ministerial claims of record investment. The money simply isn't buying what was envisaged in 1999.

The House of Commons Transport Committee went even further earlier this year, chiding: 'The sums that have been used ineffectively by the Government's railways structure, in propping up the present poorly performing system, could have paid for a large

TEN PLAN



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proportion of a new railway network.'

Thameslink 2000 was originally estimated at £600m and is now £2.75bn – assuming it is ever completed. The East London Line extension is up from £300m to £1.1bn. Nor is it safe to go back into the water. Much of the forthcoming parliamentary crossfire over the Railways Bill will focus on Crossrail and worries about rising costs and delays.

In December 2002 the Strategic Rail Authority sobbed that it had already spent its £33.5bn 10-year budget – mostly on routine operation, maintenance and repair of an inadequate railway infrastructure. Nothing was left in the kitty to invest in

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modernisation or new projects. Soon the SRA will be railway history. Tony Blair, Gordon Brown and Alistair Darling are clawing back control of overall railway strategy, a surviving TYP remnant. Anthony Sampson, author of *Who Runs This Place?*, wrote – prematurely – that Network Rail's arrival means the railways have been 'effectively re-nationalised'.

The Government had an opportunity to crow that Network Rail's improved financial performance is an indication that the TYP is on track; but no such spin was spun. The Government-backed company slashed its pre-tax loss from £233m to £34m by last September. The RMT growled approval when Network Rail brought infrastructure maintenance back 'in house' to try to procure higher work standards and keep a tighter control on costs.

Network Rail edged up train punctuality to 82 per cent by mid-October but the 90 per cent target by March 2009 still seems a long way off. Passenger kilometres travelled in 2003 were only 5.5 per cent up on 2000 levels. The SRA has forecast that passenger rail travel in 2010 will only be 25 to 35 per cent higher than in 1999. The Transport Committee said that overcrowding on trains was higher than in the 1990s and that 'the problem is not being treated with anything like sufficient urgency'.

The Station Code worthily sets out to make all train stations places where passengers can feel like human beings, entitled to a clean and safe wait for their trains. Nevertheless, passengers won't be satisfied by a lick of paint or lulled by wide-screen advertising for exotic holidays whilst they wait for their train's late arrival. Taxpayers have paid more for services that, as yet, don't reflect the kind of tangible improvements promised by the TYP. The sight of Atoc's George Muir justifying a four per cent average rise in fares must have been particularly hard to swallow for the many thousands of commuters who watched the BBC News 24 interview relayed on concourse big screens as they waited for delayed trains.



Virgin's Pendolinos have failed to live up to John Prescott's promise of trains travelling at 140mph.

John Prescott also promised 'new and faster tilting trains travelling at 140mph, cutting inter-city journey times throughout the country'. Nearly five years after that pronouncement, the Prime Minister graced Platform 10 at Euston, patting Sir Richard Branson on the back for launching Virgin's new 125-mph inter-city West Coast Main Line service. However, just a few weeks later safety regulators banged a 110-mph speed limit on the Pendolinos after concerns over their braking systems.

Next came Bombardier's cry that the Government's dilly-dallying over the replacement of high-speed inter-city trains had been a factor in the Canadian train builder's decision to shed 750 British train engineering jobs, including 560 at its Derby plant, Britain's last remaining train building factory. Replacement HSTs are unlikely to be in service until 2014.

No doubt an incoming director general will be bombarded with questions and suggestions about the direction of government rail policy. Tim Yeo, the Conservative's shadow transport secretary, wants train operating companies to wield more power and to enjoy longer franchises so they can plough profits back into their respective rail patches. The TUC and the rail unions demand that the Railways Bill is amended so that South Eastern Trains stays publicly owned.

The new director general might want to cast an eye over *Renaissance Delayed?*, last summer's report by the Catalyst think-tank, perhaps the most coherent contribution to the ongoing rail debate. Catalyst's position is that the TYP is a lame duck because New Labour planned the

future by the past, that it stuck with the flawed privatised rail industry structure instead of taking a 'modal shift' from private to public transport, from road to rail. 'There is a danger that future generations will look back on this episode as one of the greatest disappointments of Labour's period in office,' Catalyst concludes predictably.

However, Catalyst has a more incisive insight lurking elsewhere. Interestingly, it says that the rail system, despite all the shifting over policy, is experiencing 'incremental consolidation' of its fragmented structure. As the arguments have raged, nobody has noticed that the handbrake's off. Quietly rolling away from the furore is the Mayor of London.

A plank of John Prescott's TYP was to grant more strategic transport control to devolved government in Scotland, Wales and to London. Under Britain's first prudential borrowing scheme, the Treasury has allowed the Mayor's Transport for London to borrow £2.3bn from City institutions in the form of TfL bonds. The money will fund a raft of London rail projects.

Mayor of London Ken Livingstone, a long-standing advocate of selling bonds to fund transport modernisation, is as happy as a puppy in the park. 'This is a huge step forward,' he said. 'I am delighted that we can be the market leader.' Back in 1999 John Prescott would have chosen to run a mile rather than hand so much power to Red Ken. But, if Ken the cuddly capitalist can deliver, then John Prescott might be able to convince us with some characteristic fighting-talk that his 10-year rail plan had some merit after all.