

# The Times view on the temporary nationalisation of Northern Rail: Wrong Track

It may be unavoidable but its failure highlights the urgent need for wider reform of the rail industry

No one should be surprised that the government has taken the first steps towards nationalising Northern Rail. The train company, which serves a large tract of England, taking in Nottingham, Manchester, Liverpool and Carlisle, is a shambles. Exasperated commuters have had to put up with endless strikes and delays. The botched introduction of a new timetable in summer last year led to chaos, cancellations and long waits on the platform. In May the metro mayors of Manchester and Liverpool called for Arriva, the German-owned operator, to be stripped of its franchise. Improvements in its service since then have been minimal. That has prompted Grant Shapps, the transport secretary, to issue a “request for proposals”, which could lead to the franchise being brought under direct government control.

Northern is hardly an isolated case. The government was forced last year to nationalise the East Coast Main Line intercity franchise after its operator, Virgin Trains East Coast, ran out of money. That service had been returned to the private sector only in 2015, having had to be nationalised by the Labour government in 2009. Nationally, public patience with the railways is wearing thin. In December punctuality dropped to a 13-year low. The ticketing system is out of date. And fares have risen at double the rate of wages over the past decade. Perhaps understandably, 60 per cent of the public say that they favour nationalisation of the entire system.

Nationalisation is of course not the answer to the industry’s problems, except as a temporary last resort to tackle failures of individual franchises. As with the East Coast Main Line, if the government does take Northern into public ownership, it would hold on to it only for as long as needed to hand it back to a competent private operator. Alternatively, ministers could opt to allow Arriva to continue to run the rail service under a “management contract”, which would permit the Department for Transport to adopt a much more hands-on role in the operation of the franchise.

Nonetheless, the debacle is further evidence that Britain’s rail network needs root-and-branch reform. The industry is split into two parts, which have different incentive structures. The tracks are owned by Network Rail, a public company, whose priority is to maintain the infrastructure. The passenger services are provided by private sector operators whose priority is to carry as many commuters as possible. When Network Rail decides that it needs to close the tracks for repair, the process is rarely smooth. Operators also complain that the length of franchises, between seven and ten years, is too short to incentivise companies to make big investments.

The government at least recognises that there is a problem. Last year it initiated a review into the state of the rail system under Keith Williams, a former chief executive of British Airways. The report is expected to recommend a new commercial model along with a separate, independent body to

oversee the sector. It will push for more regulation on punctuality. In the Queen's Speech on Monday the government indicated that it would take these proposals seriously.

It is not clear that another quango is really the answer. However, nothing could be worse than Jeremy Corbyn's proposals to renationalise the whole industry. That would not address the core problems: the reliability of the publicly owned train tracks and signalling system, as well as a failure to maintain standards. Whatever the present difficulties, privatisation has delivered big improvements. Since the 1990s passenger numbers have more than doubled, and in the past decade companies have pumped some £5.6 billion into the railways. Safety has improved too. The objective must be to make the system work better before Mr Corbyn can make it worse.

~~~~~ End of Times leader – 17<sup>th</sup> October 2019 ~~~~~

Sir,

Your leader 'Wrong Track' continues the long line of editorials on the state of our railways. These include the relatively recent 'Off the Rails' (May 2018) and 'Rail Fail' (Jan 2017) and further back 'Tangled Network' (Jan 2011). The "shambles" of Northern Rail is just the latest iteration of problems with our railway system which you then go on to say "has delivered big improvements". You know very well that your "Since the 1990s passenger numbers have more than doubled and in the past decade companies have pumped some £5.6 billion into the railways" are easily-exposed half truths.

What about the investment by the taxpayer which could, of course, have been made before privatisation (but wasn't)? The Cameron Government declared 'In 2012 the Government set out the most ambitious rail programme since the Victorians - a £38 billion programme for enhancing and maintaining the current network'. And passenger numbers have increased across all European networks whether nationalised or privatised - this growth has nothing, per se, to do with privatisation but is a function of population growth and congested roads.

But the irony of it! Privatisation has brought 'ownership' by foreign, nationalised companies of which Northern Rail is one, owned by Deutsche Bahn which also owns Chiltern, Cross Country, Grand Central, London Overground, Tyne & Wear Metro and Wales & Borders all under the Arriva umbrella. A further eleven train operating companies are owned by foreign, nationalised companies - these companies are SNCF, Abellio, Trenitalia, Govia and Keolis. And where do the profits go?

The canard that nationalisation is not the answer is exposed by this situation. Our under-invested, nationalised railway was doing fine in the 1980s. In their book 'BR in the Eighties', the respected writers David St John Thomas and Patrick Whitehouse noted "And the abiding memory of the eighties must be of the greatest achievement, the enormous increase in passenger traffic". We see here the real reason for the push for privatisation by the Conservatives - an opportunity for profit. This has backfired having, as you say, become a "shambles" - hence the reason for your continuing leaders on the subject.

Yours etc

Paul Turner