Network Rail versus Railtrack plc: the saga continues

By Everard Smith

Public optimism that Network Rail will be able to succeed where Railtrack plc. had failed appears to be coming under great strain. According to the BBC, "the cost of running Britain's ailing rail network has doubled" (BBC News Monday, 31 March, 2003, 09:55 GMT). Quoting from the new Network Rail business plan, 'spending on the railways in the next three years would be more than £6bn a year compared with £3bn originally expected."

Citing what it terms 'a huge legacy of under-investment', Network Rail claims that 'it would take up to five years and cost £27bn to clear up the backlog of repairs and improvements that has built up. At the same time, and quite curiously, Network Rail's Chairman has been reported as saying 'we recognise that the current costs are unaffordable in the long-term' (BBC News op. cit.)

Are these developments simply predictable echoes of earlier messages from Railtrack plc? How has the elimination of shareholders and shareholder interests prepared Network Rail to fund the doubling of its annual operating costs (from £3bn to £6bn)?

Rail passengers watch out. Ticket prices are about to be increased without any significant improvements in services!

Everard Smith, April 1, 2003.