

INFORMED SOURCES e-Preview May 2016

Most of this month's column is given over to analysis of Nicola Shaw's report on 'The future shape and financing of Network Rail'. Taking the long view, this represents just another swing of the pendulum between centralisation and devolution in the organisational structure of the railways in Britain.

As such, I expect the pendulum to start swinging back before the more extreme aspects of the Report can be implemented – who talks about McNulty today and that was only five years ago? But in the here-and now we have to assume that Shaw is going happen and assess the implications.

Shaw – all power to the Routes
Shaw proposes a Route for the North
Concessions favoured for private funding
Waboso to head Digital Railway
Short reports

Having identified four 'core problems' with the current delivery of infrastructure services by Network Rail, Nicola responds with four 'key objectives'. The first is to establish a more-local focus to deliver increased capacity in rail infrastructure and bring accountability closer to customers and end users. Next, the safety and integrity of the system must be ensured, and the country's needs met.

Financial discipline must be improved and the call on public finances reduced. Finally, NR and the industry must ensure that they have the people needed to deliver growth and safety with a culture that attracts and retains them.

For readers of an historical bent, the parallels with British Rail's aborted Field Reorganisation of 1972 are surprisingly close. Of course, today we have the Route structure with a commitment to devolution. But Nicola recommends an even higher degree of autonomy plus, creation of a new ninth route aligned with Rail North.

She also endorses DfT's proposed policy for Control Period 6, that all of NR's income should be generated through track access charges paid to the Routes, with only Scotland retaining an additional direct Network Grant from Government.

In addition to bringing in the money, the Routes would be responsible for operation, maintenance and renewals. Enhancements with 'limited national impact' should also be specified, planned and delivered at a Route level. Chief executives of the more-autonomous Routes, will need to 'champion and drive innovation' to meet their customers' need for more capacity to meet growing demand, but within a constrained budget.

This sounds like an action replay of the 1950s when the Regions remained the big four private railway companies, thinly disguised by the British Transport Commission lion and wheel motif, and did their own thing. Is this farfetched? I think not. Remember how the Western Region 'championed and drove' its unique innovative traction policy.

Centre functions

At the centre of NR a new 'Route Support' function would take over a number of current common services. A Route Services Directorate would include the current National Supply Chain. With outside companies competing for business with the Directorate, whose services 'will need to remain competitive or cease operation': tension seems guaranteed.

Also classified under Route Support is the Infrastructure Projects(IP) organisation which will continue to be responsible for the development, design and delivery of enhancements and 'other large complex capital projects'. Nicola Shaw says IP should either move into the Route Services Directorate or be made 'very much more clearly an organisation which exists only to deliver services to the routes'. Reading between the lines it seems that Nicola is suggesting that IP would need to provide a service to the devolved Routes in more of a customer/contractor relationship.

Completing the Route Support portfolio is Digital Railway (DR). As already noted, the reconciliation of DR's long-term aspirations with the here-and-now opportunities for the Routes to meet their customers' needs by building on their existing 'digital' capabilities such as IECC and Driver Advisory Systems, is yet another potential source of tension.

New route for the North

Our supplement in this issue provides a comprehensive review of rail in the North. The Shaw report recommends a new Northern Route to be created from three existing areas - London North Eastern - North, London North Western - North and London North Eastern - Central.

An indicative map in the Report shows the southern boundary of the new Route running from Grimsby in the east to the border of NR's Wales Route south-west of Wrexham. To the north it would extend to the Scottish border.

What the Shaw Report calls the 'residual' LNE and LNW routes would then be 'more closely aligned to the East and West Midlands. Well, yes, but the East and West Coast main line Intercity franchises would no longer be the responsibility of a single Route in England for operational and timetabling purposes.

Does this matter? Previous reorganisations thought it worth retaining the integrity of the two Anglo-Scottish Intercity main lines. Ms Shaw emphasises that one reason for devolution is to align routes with the requirements of their passenger and freight operators. But intercity and freight traffic will run through several Route areas.

Virtual

For Freight the Report proposes a 'virtual route 'sharing some of the properties of the geographical routes in terms of autonomy and local policy-setting and subject to the same network-wide considerations'. Its Chief Executive would have equal standing to the Other Route Chief Executives with the 'authority to act in the best interests of freight customers'. I reckon a similar virtual Intercity Route may be needed for East Coast, West Coast and Cross Country.

Concessions to bring in private money

Chatting to Nicola Shaw during her review, she was clear that it was a case of 'structure first, funding second'. The eventual recommendation is unlikely to satisfy either extreme of the 'privatisation/nationalisation spectrum'.

According to the Report, concessions, or time-limited licences, covering all or part of a Route are likely to generate the 'most significant' sums for the Treasury. That said, Nicola warns that the complexity of structuring and implementing such deals should not be underestimated. She also points to the aborted London Underground Public Private Partnership (PPP) as a source of 'useful and informative experiences'. I think that is code for 'awful warning'.

Apart from the injection of private cash, 'significant additional benefits' from concessions could include a different approach to management of the assets, more comprehensive benchmarking of alternative approaches, 'innovation', greater efficiency and a focus on cost management'. Yeah, yeah whatever: everyone in government has always known that anyone could run the railways better than railway managers.

There's more in this vein. Train operators would also gain from 'a greater focus on innovation and cost control, more-effective benchmarking and competition between routes'. Of course they would. It looks to me as though a new Informed Sources Law is emerging here.

Serious signalling experience for Network Rail

There I was, giving my submission to the House of Commons Transport Committee's inquiry into Network Rail's signalling and traffic management deployment plans a final polish, when an e-mail came in which pre-empted one of the bullet points in my executive summary. I was arguing that the Network Rail Board needed some serious technical experience.

Clearly I was not alone because the e-mail announced that David Waboso, London Underground's Capital Projects Director, was expected to join Network Rail in June as Managing Director Digital Railway. Welcome as this is, given David's responsibilities at LU, I hope that the job title is just a temporary place-marker.

As I found when we met last year for an update on LU's projects, 'Capital Projects' on the Tube embraces everything from power supplies to track and signalling. But it is signalling overall, of which Digital Railway is an extension, that will need sorting out first and David's experience goes back to the re-signalling of the Docklands Light Railway (DLR) in the early 1990s.

DLR, designed as a simple, affordable, link between the City of London and Docklands, was running at capacity from the day it opened, initiating a continuing programme of expansion and capacity upgrades. In 1990 GEC upgraded the signalling system to reduce headways. But with seemingly insatiable demand for travel it was decided to convert the network to Seltrac moving block.

DLR appointed David Waboso, then with the Nichols Group, as Project Manager for the conversion. This was completed in 1995 after which he moved to London Underground on the Jubilee Line Extension project.

Based on an over-optimistic assessment of the maturity of the technology, LU had specified moving block signalling for the JLE. That would not have been terminal had not opening of the JLE been linked to the millennium celebrations at the dome.

As a result Westinghouse substituted a conventional mass transit signalling system for moving block. David Waboso was one of the team responsible for implementing and commissioning the new signalling system in time.

David's next job was Executive Director, Technical at the short-lived Strategic Rail Authority, at the time when the main line railway was under huge pressure to implement the recommendations of the 2001 Joint inquiry into train protection systems by Professor John Uff and Lord Cullen. SRA was the focal point for the implementation of UFF Cullen and David's roles included leading the cross industry group responsible.

With the demise of the SRA, in 2005 David Waboso was appointed Director of Engineering for London Underground, subsequently becoming Director Capital Projects. There was a lot of resignalling to be done and a lot of experience to be gained.

This included the contract with Thales to resignal the Jubilee and Northern Line moving block. The Jubilee Line project was a painful and protracted process as customer and contractor were climbing a common learning curve. The more complex Northern Line, commissioned in six phases, was a much smoother process.

Meanwhile total modernisation of the Victoria Line included replacement of the pioneering Automatic Train Operating system. At the function reported in last month's 'Welcome' David paid generous tribute to Siemens, the heir to Westinghouse, for the implementation of the modernisation.

LU's recent signalling experience has not been universally successful, with the aborted Bombardier contract to resignal the Sub Surface Railway with moving block. I reckon this painful reminder of the pitfalls of introducing new technology on a working railway and the subsequent renegotiation of a realistic replacement contract will be highly relevant in David's new role.

Short reports

ECML ETCS slides back

Within Network Rail's programme to deploy the European Train Control System (ETCS), the southern section of the East Coast Main Line between London and Doncaster was scheduled to be the first to be resigned with ETCS Level 2 with cab signalling and no lineside signals. Commissioning was due in 2020

Bidding having gone suspiciously quiet, a quick call to the ever-helpful Network Rail press office brought confirmation that the 'signals away' date is now summer 2022. The primary reason for the delay is to allow sufficient time in the programme to fit ETCS cab equipment to some 170 freight units that operate on that route. The new date will also align ETCS commissioning with the start of the Digital Railway deployment planned for Control Period 6.

Remodelling and associated re-locking of the King's Cross local area is going ahead as planned so as not to waste the possessions already for this major scheme.

External forces pushing telecoms sale.

As remarked in last month's column, after press reports that Network Rail was considering selling its FTNx fibre optic telecommunications network, a clarification was issued by Chief Executive Mark Carne that only spare capacity was, potentially, for sale.

That should have been that, but on 26 March, the Financial Times reported that a source 'close to' preliminary discussions between NR, government and telecoms providers had faced a 'deluge of interest' from investors.

Having spoken to three people 'familiar with the situation' the FT reported one source as saying that options on the table could include a sale of the network, a joint venture between NR and a telecoms group or rental of the fibre infrastructure. Oddly, the FT didn't mention Mark's statement, which informed sources assure me was given to the paper before the piece was published.

So what does this tell us? It looks as if those 'close to' preliminary discussions, which I assume to be the Treasury or the Department for Transport, are still pushing for the discredited sale or joint venture options. These would bring in money up-front, where sale of capacity would be a nice little earner in the long term.

Letters, we get letters

When you get the magazine you will see that the April Informed Sources set a new record by attracting letters from three aggrieved parties. Which took my mind back to the April 1976 issue where an editorial I had penned for Modern Railways got up the nose of someone seriously important, seriously enough to get a response. And what a response!

Back in the industry after a decade in the 'normal' world, I was getting up to speed on developments, and that included the Advanced Passenger Train. And the editorial on the train included the sentence, 'In other words after nearly ten years endeavour the APT is exposed as something akin to a confidence trick or at best, a piece of technological delusion'.

This nasal abuse did not go down well with Ian Campbell, then Executive Director (Systems & Operations) British Railways Board and later Vice-Chairman. APT was his baby and he replied vigorously. The introduction was a classic of its kind.

'Sir, - Normally I respect the informative nature of the editorials and articles which appear in your publication. I was therefore bitterly disappointed in the leading editorial in your April issue concerning APT for, whilst it has the superficial authority of omniscience, in fact, it displays almost total ignorance. May I help by offering one or two facts?'

Nine years later, an Informed Sources analysis of some puzzling aspects of BR's procurement of Diesel Multiple Units for regional services, generated this riposte.

'Sir.

Provincial Sector DMU Ordering Policy

Your various comments on this issue in your August 1985 issue repeat a theme well established in earlier copies and contain so many factual and conceptual errors that I would like the opportunity as soon as circumstances permit of clarifying the position for your readers.

In the meantime I should remind you that good speculative journalism depends on establishing well informed sources and on careful analysis of those willing to talk out-of-turn when negotiations are progressing. Your articles fail on both counts

J.C.P Edmonds.

Director Provincial Services

Ouch! I went in to see John Edmonds and he explained his aspirations for higher quality, higher performance DMUs for Regional services which materialised with the Class 158 family.

I was just about to say that the letters in the May issue suggested that the art of the put-down letter had gone to pot since privatisation, when Network Rail Chairman Sir Peter Hendy restored my faith with this critique in a speech to the Young Rail Professional's dinner on 8 April. 'The railway technical press is terrible. It is appalling and written by elderly, backward, white men'.

All is not lost

Roger's blog.

Having been late last month, I am writing this before I go to Infrarail. As mentioned last month there's been a lot of writing going on, with the Rail North supplement and the Transport Committee Submission on top of the usual cycle.

However, I did find time to get to Waterloo for the latest announcement of the Waterloo Capacity upgrade. This effectively marked the start of the publicity campaign alerting commuters to the closures of platforms 1-8 for lengthening next August. The international platforms will be available, but disruption is unavoidable and SWT and Network Rail want passengers to be ready for the change in travel patterns, or even book summer holidays while it is going on. So it was more a chance for informal chats with Informed Sources than a news event.

This coming week is the Fourth Friday Club's 'Rail in the North' conference at York, but I will be on a technical visit to see some part of the current electrification upgrade on the ECML. Otherwise May is fairly quiet apart from a general talk on railways to a local, non-railway, group. But as we all know the 'Roger Principle' states that 'interview opportunities and site visits always occur in time to fill up any spare writing capacity'.

Off course, the Roger Principle is a straight crib from the Peter Principle and here is a quote from Laurence J. Peter Himself: 'Sometimes I wonder whether the world is being run by smart people who are putting us on or by imbeciles who really mean it.' Substitute 'railway' for 'world'; and I'm sure you've all had that feeling reading Informed Sources over the years.

Roger

