

There's plenty of variety in this month's column, ranging from my attempt at a Profit & Loss (P&L) Account for Great British Railways to the go-ahead for the fleet trial of a solution to low adhesion during leaf fall.

GBR P&L account confirms growth only option

Latest support data reveals post-Covid recovery

Gripping times ahead for Class 323s

Nuneham Viaduct failure update.

Informed Sources tries to be helpful. So when the Transport Secretary says 'From the taxpayer's point of view, you want to bring the P and L together — the revenue that is coming in from the fare box and the cost of delivering the rail network' my immediate response was to answer the call, fire up a spread-sheet and get stuck in.

The result, after a lot of work, is a quite small table. But its key message, from bringing costs and revenue together, is that cost cutting will not save the railway. This is largely because neither the Government nor the railway controls expenditure on Operating, Maintenance and Renewal (OMR) of the infrastructure.

Under the Railways Act 2005, the Office of Rail & Road (ORR), determines Network Rail's income for the five years of each Control Period (CP). That income is required to cover OMR and includes the Network Grant – Network Rail's share of the industry's subsidy.

Since this subsidy is 'determined' independently, the Government has to pay up, come what may. Currently, the only place the Department for Transport can impose cuts is on what used to be called 'Franchised TOCs' and are now 'Contracted Train Operators'.

But even under these contracts, DfT covers the operators' costs, while their revenue is passed on to the Treasury. While the industrial disputes have been about more efficient working practices, getting all the engineering disciplines needed for a maintenance job into one van is not even going to be a rounding error in the P&L Account.

It has been claimed that Great British Railways (GBR) will save £1.5 billion in costs in its first five years. But as GBR is a long way away, for the railway to survive and thrive, the only way to reduce Government support is to bring in more revenue - now.

To do this, an aggressive marketing policy will be essential. As an example of what was done the last time round, I provide a case-study from the early 1990s when, having ridden the economic boom of the second half of the 1980s, British Rail was suddenly overtaken by the recession. Over the next five years passenger traffic would plummet from the highest levels since 1952 to the lowest since the strike-hit year of 1982.

When Chris Green took over BR's InterCity Sector in 1992, the business, was forecasting a £50 million shortfall on income for the 1992-93 financial year. With his budget fixed, Chris's response was to launch what Modern Railways called 'an aggressive autumn marketing campaign'. In the column I list some of the commercial tools Chris deployed in the fight-back.

The aim is not to offer suggestions for today's managers – much has changed over the last 20 years – but to show that the railway has been in desperate straits before and that hard times require strong measures.

It can be argued that Chris Green had it easy compared with today's railway managers. He had an integrated railway with a strong established brand. When he pulled levers, something happened at the other end.

Nor did he have the Department for Transport man-marking his decisions, questioning the associated costs and telling him to scrap trains. But he did have to operate within a fixed budget.

How could such a forward policy be implemented today, when the current approach to GBR is based on the primacy of the Regions with a 'light-touch' guiding mind looking on? Well, an integrated approach to the Intercity business would be a good start.

Bright spot amid the encircling gloom is leisure travel. The long distance operators are individually targeting this market effectively and, as reported in Modern Railways last month, Cross Country is re-positioning itself as a long distance operator.

So perhaps the long distance operators might integrate their marketing and generate a buzz about the magic of train travel. Well, you can dream.

DfT support for passenger operators falling.

Readers may have noticed that, when berating the ingrates of the railway trades unions, Government ministers seem to have reined back on instancing the vast sums of money the Government put into the industry to keep the trains running during the pandemic. This level of funding was, ministers warned, unsustainable.

While the Department for Transport had been happy to publish the payments to individual train operators during the worst of the crisis, the series ended with Period 4 of 2021-22, effectively July 2021.

Now, however, the system has caught up with itself.

Publication of this important data series now extends to Period 9 2022-2023 (13 November-11 December 2022)

Just to recapitulate, when lockdown was implemented, railway ridership and revenue virtually disappeared. Because the railways had to be kept open to provide transport for essential workers, DfT effectively took over the franchised train operators under Emergency Measures Agreements (EMA).

DfT covered all the operators' costs while taking whatever money came into the farebox. The operator was paid a small management fee.

What this latest information shows is that with the return of ridership the payments to the operators have dropped significantly. Analysis in the column suggests that the subsidy payments, net of revenue, are approaching the equivalent of £2 billion a year.

This can't, of course, be compared with pre-Covid subsidy for Franchised Train Operators, whose costs included track access charges. But it does show that stability is returning and, perhaps, why ministers are toning down the rhetoric.

Class 323 sanding upgrade under way

A recent press announcement highlighted the current confused state of the industry. Early in April, Northern Trains issued a press release on its trial of the Sheffield University train borne railhead treatment system which fires pellets of dry ice at the rail.

According to the release, 'Autumn disruption could be a thing of the past' following the trial of new technology. In addition to testing, a plan is being developed 'for the system to be fitted throughout Northern's fleet next year'.

This announcement reminded me that I had lost track of progress with the application of Double Variable Rate Sanders (DVRS). I wrote about this technology in the January 2022 Informed Sources. At that time, initial trials at Old Dalby test track had resulted in £4 million funding from the Network Rail Performance Improvement Fund (PIF) for the Class 323 fleet to be equipped. Fitment is about to start.

As I reported, West Midlands had fitted one of its Class 323s with DVRS for trials on the Birmingham Cross-City Line during leaf fall. These confirmed that it worked as advertised.

Class 323 operator Northern carried out further tests last November, again while leaf fall was in full swing. What does DVRS bring to leaf fall? Well it provides assured Step 2 braking under all condition.

However this also presents human factors issues. After years of defensive driving during leaf fall, drivers have to be really confident that when they apply Step 2 braking their train really will consistently brake normally.

Throughout the Class 323 fitment project, fleet owner Porterbrook has made a point of involving both West Midlands' and Northern's Company Drivers' Councils. Northern drivers' representatives attended the latest trials and helped determine the demonstrations - starting with the request for a run with the standard Single Fixed Rate Sanding to set the base-line.

On that initial run, with the Class 323 running at 60 mile/h, application of Step 1 braking at the usual braking point for Hattersley Station resulted in almost instant brake lock up, confirmed by the speedometer falling to zero. When the driver released the brake, the speedometer came back to life in time to show the train running through the station at 40 mile/h, before coming to a stand some 600 metres further on.

For me, perhaps the most persuasive demonstration involved a Step 3 brake application with DVRS. The speedometer fluttered while the DVRS worked out what was happening. Then normal braking was resumed despite the low adhesion.

So effective was DVRS, even at the maximum braking rate that the driver had to come off the brakes to run into the station. Otherwise the train would have stopped an estimated 50-60 yards short.

Fitment on both fleets starts this month at Allerton (Liverpool) and Bletchley Depots and is scheduled for completion in October.

ScotRail has now also received PIF funding to fit DVRS to its 34 three-car Porterbrook-owned Class 170 DMUs. An extension to other ScotRail fleets is being 'pressed'. Following the Salisbury collision it is not surprising that the fitment of the single version (SVRS) to South Western Railway's Class 158-159 DMUs is also being funded.

Nuneham Viaduct repairs

After some historical background the column includes an illustrated report on the work to replace the failed abutment at the London end of the bridge over the Thames. Since Modern Railways went to press, the span has been jacked up and the brick abutment and the end of the embankment removed.

As ever, when faced with major civil engineering construction works to reopen the railway, the 'Orange Army' is really getting on with it and the June 10 reopening date looks feasible. As I write, piles are being driven which will support the new abutment - the old one had been sinking, and the embankment will be reinstated to modern standards.

Roger's blog

As you will see when you read the column, creating the notional P&L account for Great British Railways, took a lot of to-ing and fro-ing with the long suffering media teams at ORR and Network Rail. But in between the brain stretching and head scratching I did have time for a Teams session with Porterbrook on their Class 323 DVRS programme.

And I did find time to desert my desk for a lunchtime walk down to the station to see, and, more importantly, hear restored Deltic D9000 'Royal Scots Grey', come though on a short-notice shake-down run. She looked a treat but was running at around 60 mile/h, so I didn't get the full-on 100 mile/h 3,300 hp Napier close-up experience!

Cooling system problems saw D9000 running on one engine further along the line. But whether it's locos, cars or planes a rare appearance of equipment being used 'in anger' refreshes memories in a way no static museum exhibit can match.

Meanwhile I have a rolling stock technical issue I detected on a recent journey to chase up, background material on the transfer of Trans-Pennine Express to research plus more number crunching as I continue to grapple with the finances of a notional GBR. And, of course, publications of Network Rail's Strategic Business, officially deferred because of the local elections, can't be stalled for much longer - however embarrassing it may be for Government.

Roger