

Delivering reform and reopening the railway

Remarks from Andrew Haines, Chief Executive of Network Rail.



Rail Live 2021

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Thank you to Nigel for bringing us all together. It's quite a moment, isn't it? I don't know about you, but this is certainly the largest group of people I've been involved with for fifteen months now, in person anyway. And I think it's a fantastic opportunity. And that's why before we do anything else I think we should really recognise what the railway has done through this pandemic.

There were siren voices saying the railway should be very different, but actually the amazing thing is that the railway family has pulled together in a truly unprecedented way to keep key workers moving. We saw lots of empty trains, but one day I went to a platform at London Bridge, and I saw that every single one of the people getting off the train were heading to Guy's Hospital next door. And that's why we were doing what we were doing.

I've spoken very passionately about the fact that in the first few months of the pandemic, Network Rail construction activity was 25% of all construction activity in the whole of the UK economy. Because we and in particular our supply chain galvanised ourselves and got our act together. We behaved responsibly and we got things done, and we got them done better than many other sectors of the economy because we're used to dealing with these challenges.

In an industry all too often know for the things we don't get right – and, boy, are there too many of them – we should take a moment to reflect that actually, we've done the country proud, we've done each other proud. And I believe that we've created some real insights for the way we should go forward.

I absolutely want to pay tribute to all those people who had no choice to work from home. Those people who've never had to say "you're on mute" or "is that a legacy hand?" Because actually for them, they had to turn up day after day. Now you may say they don't know what they're missing, but the truth is they did what we needed them to do and I really want to pay tribute to those women and men who keep the railway running every single day, first and foremost.

The other thing I want to say before I really get going is what a brilliant opportunity this event is. I got here early this morning, some people might say unnecessarily early, but I've already had more than half a dozen conversations with people I simply would not have ever met otherwise. And I mean real, useful conversations about how we move the industry

forward, about how we use technology, how we as Network Rail become easier to business with for SMEs – a long recurring theme.

So, I would really encourage you to get around and talk to as many people as you can, because in that hour and a quarter I genuinely have spoken to people I would never have seen before. That's one of the joys of this dynamic, and it's why I'm a real passionate supporter of Rail Live. I really pay tribute to Nigel and team for bringing us together at this particular time.

As well as being the first time I've spoken to a real audience for quite some time, it's also the first time I've spoken to people since I was formally asked by the government to play a role in transitioning the railways into its new end state. I thought it would be worth spending a few moments talking about the key themes I think need to drive us through that period of change.

As the Minister said, it's not going to be a marathon but nor is it going to be a sprint. When legislation is involved these days, realistically by the time you get to the end of legislation, we're talking about something like three years.

So we're in a period of transition, and the first thing I wanted to say is we all know that when the railway is in a period of transition, we bring in vulnerability. My colleague, Nick Millington, is coming to talk a bit later on today about this. Our primary responsibility as a railway always is to get people home safe every day. And so the first thing we've all got to do is make sure nothing distracts us from that.

We saw in the tragedy at Carmont last year how the reality of climate change in Scotland is creating new risks. None of us can think that just because we've had a fantastic safety record that we can somehow park that agenda while the next three years take their toll on us. We saw what happened with privatisation and the immediate aftermath of that, and whether or not there's a causal link or not, the data is pretty compelling. That period between 1994 and 2002 saw a phenomenal number of incidents. I think if we were to tell any of those people that are here today that we are going to repeat some of those mistakes, I hope we'd all pack our bags now. We must absolutely now, first and foremost, commit to safety coming first.

The three other S's I want to leave you with as a vision for rail reform are these – a railway that's sustainable, a railway that's simple – and I'll keep the last one until later.

Sustainable. What do I mean by that? Of course, we think of sustainability in terms of the green agenda, and there are some really exciting products I have already seen here today that allow us to build on the railway's credentials as by far the greenest form of mass transit. I very passionately believe that's one we can grow on. We have a case to make for the Treasury about the scale of electrification which does still look like the backbone of any decarbonised network.

I look forward to seeing the hydrogen train in an hour or so's time, but the reality is for long distance, heavy freight and high speed trains, hydrogen is not the technology of my generation or the next, and probably not the next. If we are committed to those legal obligations, then actually we are talking about electrification. A sustainable, long-term, steady programme of electrification is the cheapest, most cost-effective way of doing that. That's the case we want to make.

Sustainability in the current context, of course, does mean more than that, it means affordability as well. We've all seen what's happened to rail passenger numbers, we've all seen what it's like to work from home more. I think I'd worked from home one half day in my first eighteen months as Chief Executive of Network Rail. Going back I'll never do that again as I've realised it's less efficient. So we know there will be an impact on journeys.

Sustainability for the railway means being more affordable, but it also means being a product that people want to use. A product that's more flexible, a product that's more userfriendly, a product that embraces technology much more readily, and a product that is much more adaptable.

That brings me on to my second 'S'. We need a railway that is simpler. As I came in through the entrance gates here today I bumped into Stephen Barber, the Chief Executive of the Permanent Way Institution. He and I worked together on rail privatisation, we were juniors in the machinery. And it was the last time we worked together and it was somewhat ironic that we should bump into each other as we walked through the entrance. We were talking about the fact that a huge amount has been achieved over that period, but when we were designing rail privatisation then, in the context of a clear instruction from Treasury, it was never intended to deal with growth.

Even in this current post-Covid environment, the government is clearly committed to growth. We will only deliver growth efficiently if we are a simpler railway. Simplicity means removing some of the contractual maelstrom that holds people back. It means removing some of the incentives that drive people's behaviours. It means being agile and being able to respond adaptively to what is an increasing set of demands from users. A railway that says 'this is what we are, this is all you are ever going to get' will be a declining railway in the post-Covid environment. That means we are going to have to be a simpler railway if we are really going to be a service-centred railway.

Now the last 'S' I mentioned is slightly more contentious, but I do think it's an important theme and I'm really glad to have been able to quote directly from a previous speaker here, Bernadette Kelly. And that's about being separate. The White Paper is honest that part of the problem of the current model is that Ministers have become too closely embroiled in operational decision making. That doesn't make for good policy, it doesn't make for good politics, and it hasn't always made for good railways either.

The hard message is that we need to earn that separation as an industry. We need to demonstrate we can be trusted with taxpayers' money, that we're prepared to step up to the plate, that we're not just going to lob difficult problems back onto Ministers, that we will not be reckless in how we use separation. Fundamentally it does mean that a future system has to create that degree of difference, which is key to allowing us to be simple, in turn allowing us to be a sustainable railway.

I've been asked to pull together what we are calling the Great British Railways transition team, so that we can work as widely and as expansively as we can over the next few years, so that we can bring together all of the expertise that is in the rail sector. This is to make sure that once we have gone through this transition process, it is not a policy that has simply been dreamt up in the corners of Whitehall or the back rooms of Parliament, but is a system that really taps into the enthusiasm so many people have already expressed for reform. That makes a reality of some of the very generous promises that have been placed there.

The fact that I've been asked to do that does not mean that Great British Railway is Network Rail 2.0. And it cannot mean that, I absolutely don't want it to be that. I've been very clear when people have asked if I'm going to be the new Chief Executive of Great British Railways – I'm more interested in being the last Chief Executive of Network Rail than anything else. Not because I'm not proud of everything Network Rail does – we have done a brilliant job in many, many ways. But we are a creature of a structure that no longer works for either the taxpayers or the users of the railway. So a future that looks like Network Rail with a new shiny front cover would be a disaster, and not what any of us are committed to.

We need to harness the best of what Network Rail offers, the lessons we've learned as a result of privatisation, but we've absolutely got to bring alongside that the dynamism of the private sector both in terms of commercial operations and the supply chain as well. I was really pleased to see that the White Paper builds on the regional structure that we have put in place at Network Rail over the last couple of years, because I've always believed that a national approach to running Britain's railways is going to be too cumbersome and will not lead to the sustainability or simplicity I've spoken about.

Building on that structure does not mean we are looking at just a few tweaks to Network Rail, we want to be an integrated part of that system but we want to be an equal partner with lots of other players. That is my fundamental commitment, and I ask you to hold us to account for that, because that's not a prize worth fighting for, and not worth waiting thirty years for new legislation, just to try and reinvent some of the things we've already got today. We've got to be radical in how we approach the incentive regimes we put in place, how we do timetabling, how we do marketing, how we do ticketing and retailing, how we do possession and access management, how we harness technology. This is a time for a radical agenda and not reinventing what we've currently got.

Thank you very much for listening and I hope you have a great two days. Thank you.

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