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PRODUCER: Rob Cave

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THE ATTACHED TRANSCRIPT WAS TYPED FROM A RECORDING AND NOT COPIED FROM AN ORIGINAL SCRIPT. BECAUSE OF THE RISK OF MISHEARING AND THE DIFFICULTY IN SOME CASES OF IDENTIFYING INDIVIDUAL SPEAKERS, THE BBC CANNOT VOUCH FOR ITS COMPLETE ACCURACY.

“FILE ON 4”

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Producer: Rob Cave

Reporter: Julian O’Halloran

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ACTUALITY OF ANNOUNCEMENT, EUSTON STATION

VOICE OVER LOUDSPEAKER: ... 1053 ... service to Birmingham New Street is boarding at platform 11

O’HALLORAN: London Euston station, and the West Coast Main line where, for eight days after Christmas, train services to the North West and Scotland were severely disrupted. Engineering works at Rugby, which were at first planned to last four days, took twice as long as expected, causing chaos and frustration for tens of thousands of passengers.

WOMAN: We’re going to Manchester Piccadilly. The other trains, they all seem to be cancelled and they don’t really know why, and I already have tickets, pre-reserved tickets, so I’m hoping they will put us on a train and get us back there, because we have nowhere to stay here as well.

WOMAN 2: Our train’s been cancelled to Liverpool and now we’ve got to go round the houses to get home, and now we keep getting told different things. It’s just a nightmare, honest to God, and all’s we want to do is just get home.

O'HALLORAN: Now the rail infrastructure company, Network Rail, is under investigation over the Rugby shutdown and works which over-ran near Glasgow and at Liverpool Street in London. But could mistakes and alleged management failures at Network Rail be spilling over into the most vital task they perform – repairing the tracks and ensuring they are safe? File on 4 has found evidence of serious gaps and shortcomings in the way potentially dangerous defects are identified and repaired. The kind of maintenance work which can make all the difference between a safe journey and a high speed train hitting disaster.

SIGNATURE TUNE

ACTUALITY OF BULLDOZER AND DIGGER AT BYFLEET

O'HALLORAN: I'm on a stretch of railway line in Surrey, where a team of about thirty track workers are renewing a full set of points. In front of me, about two hundred metres of the track and the ballast beneath it have been taken away and they're preparing the ground to bring in the new points this afternoon. To get the work done, lines have been closed, and over two days travellers face either a slow rail detour or a bus journey on this part of the network. Network Rail spends billions of pounds a year of public money renewing and maintaining the track and signals. If they go wrong with their planning, timing or information, it can cause massive disruption and dislocation to passengers.

ACTUALITY OF ANNOUNCEMENT AT EUSTON

VOICE OVER LOUDSPEAKER: A coach service will operate from Northampton ...

MAN: Entirely down to us, and obviously the impact on passengers is dreadful. Everybody wants us to expand and build the railways, but we've got to do it in a way that doesn't do this short term disruption to passengers and rail freight users as we've done in the last couple of days. It's quite unacceptable.

O'HALLORAN: Network Rail were full of apologies as their West Coast Main Line engineering works over-ran well into early January, and as passengers in Scotland and the east of England also saw their travel plans falling apart. There was frustration, anger, surprise. But there are some who say there was evidence long before Christmas that Network Rail had serious problems with its planning and risk assessment of engineering works.

ACTUALITY WITH COUNCILLOR ALEC BENTLEY

BENTLEY: These tracks leading from the other side of the station actually head up north. They lead obviously to London and to the Midlands and to the West Country and to everywhere beyond. But it's a very heavily used rail line, this.

O'HALLORAN: Alec Bentley, deputy leader of Portsmouth City Council, can't forget just how badly these busy rail services out of the city were disrupted, not for days, but for months last winter. Engineering work to put in a new signalling system had been flagged up to last seven weeks, from Christmas 2006. For many people it meant either no trains or heavily reduced services, replacement buses and longer journeys to get into or out of Portsmouth. But as the seven weeks drew to an end, Alec Bentley says the council confidently expected the work to finish on time.

BENTLEY: We expected the trains to start coming back into situ, that is to run along the line, even though there would be a reduced service, in the first week in February, and we wouldn't get total repossession of the line, that is for the trains to run a full schedule, probably until the end of the month.

O'HALLORAN: And what actually happened in practice?

BENTLEY: Well, nothing happened, that's the whole problem. We actually found that things weren't working, things weren't running and there was no communication.

O'HALLORAN: You mean you didn't get a warning of the fact that the trains weren't going to restart after February ...?

BENTLEY: I meant, I meant that actually Network Rail thought not really to inform us as to their position, as to how things were affecting them, until virtually the last moment.

O'HALLORAN: What did you and the passengers learn at the beginning of February?

BENTLEY: Well, I'm afraid to say, if there's no train in your station and it's not running, then you don't have to be told anything, you can see there's no trains in the station. But we weren't given significant answers to the problems of why weren't there trains in the station and what was it that was holding up the full refurbishment of the line.

O'HALLORAN: The works dragged on into March. But even as a reduced train service was restored, it emerged that Network Rail would need another major shutdown at the end of October. The weekend it chose coincided with one of the biggest events in Portsmouth's calendar – the Great South Run – attracting many thousands of contestants and spectators, says Alec Bentley.

BENTLEY: We did point out to them that these races take eighteen months in planning and they knew about it well in advance.

O'HALLORAN: So what happened in the event?

BENTLEY: We had to delay the start, we had to make provisions for people to come in a day or so before, we had to find additional places where people could park. It became a massive logistic problem.

O'HALLORAN: So you appealed to Network Rail not to close the lines or have work going on on that last weekend of October?

BENTLEY: We did, and in fact we had also appealed to them previously to that when we had some major sporting events on with Portsmouth football and one or two others, but they took no heed of that. The staggering thing that surprises

BENTLEY cont: me is that everyone seems to believe that Network Rail is a new, young company. This is a company that's been around for a little while. It's a company that has a big responsibility. It's a company that is in charge of putting the rail infrastructure right throughout the country and running it. I would like to look for examples where it is getting it right, where there haven't been so many problems as there appears to be.

O'HALLORAN: The Office of Rail Regulation had run out of patience over the Portsmouth scheme long before the work was finished. According to a report by the regulator, Network Rail gave itself a 100% certainty of needing no more than a two week over-run only a short time before the works began. The regulator castigated Network Rail's process for assessing the risk of an engineering over-run and it fined the company £2.4 million. Office of Rail Regulation chairman, Chris Bolt, suggests this should have put Network Rail on notice that it must do much better in future.

BOLT: We thought ourselves there were questions there about Network Rail's approach to projects, its management of contractors, its relationship with train operators, and that's why we investigated and decided that we should levy a fine on Network Rail to bring home to them the importance of getting these issues right. Obviously, following the New Year, we will look to see the similarity between the issues that led to the problems at Portsmouth and the problems at Rugby, at Liverpool Street and at Shiels Junction.

O'HALLORAN: Shiels Junction, near Glasgow?

BOLT: That's the one, in Scotland, yes, where there was a significant over-run as well on a new signalling scheme.

O'HALLORAN: But didn't Portsmouth a year ago give you due warning of the fact that Network Rail does need to make some serious changes?

BOLT: Yes, and they told us about some of the changes they making following the action we took in respect of Portsmouth. If we think that fining Network Rail will strengthen the incentive on them to get things right, then we'll do that.

BOLT cont: And one of the reasons we fined them on the Portsmouth scheme was because we didn't think that they were taking these issues sufficiently seriously.

O'HALLORAN: Network Rail is a not-for-profit company, it gets public funds to run the railway infrastructure. It took over the role just over five years ago, following the demise of Railtrack, a shareholder company that was severely criticised over the state of the tracks after the fatal Hatfield derailment in 2000. Its successor has been in penitent mood since the New Year Rugby fiasco and the other engineering over-runs. But what does Network Rail's Chief Executive, Iain Coucher, have to say about what it might have learned from the failures at Portsmouth? Now you have a process, don't you, for assessing the risk of over-runs on such big engineering jobs?

COUCHER: Yes.

O'HALLORAN: Well there were serious flaws in your risk assessment process at Portsmouth last Christmas, when a job you planned to take seven weeks overran to ten months.

COUCHER: Well, the ten months is when we did the final commission, it didn't run over for ten months, but that was the next point where we got in.

O'HALLORAN: It certainly wasn't finished till the end of October, having started at Christmas time. So, you know, it felt to them like the work had dragged on for ten months.

COUCHER: I accept that, but we needed to go back and take the railway away from the passengers to finish it finally off. We could have done it much earlier, but we thought that would be wrong for the people of Portsmouth because of the holiday season, so we decided - in consultation with the local authorities and the train operator - to do it in October.

O'HALLORAN: But sadly the weekend you chose was the weekend of the Great South Run, one of the biggest events of the year in Portsmouth.

COUCHER: We have a duty to notify everybody twenty-six weeks in advance of that. Unfortunately, when we notified everybody of that, nobody raised with us that that was on, and had we cancelled it, then we would have had to drag on even further.

O'HALLORAN: Would you accept what the regulator said about Portsmouth, which was that the risk assessment there was totally inadequate?

COUCHER: We have changed our processes on the back of those recommendations.

O'HALLORAN: So it was inadequate?

COUCHER: We did risk assessment, but we missed one or two things. We've changed our processes now, and I'm satisfied the lessons learnt at Portsmouth have been introduced in all of our other projects elsewhere in the country.

O'HALLORAN: So, if the lessons of Portsmouth were learned by Network Rail, how come at New Year three major shutdowns, including Rugby, over-ran, all causing severe inconvenience to passengers? Network Rail told us it found out too late that it had commissioned more overhead electric line work across the network than there were skilled engineers to carry it out. Hence possessions of the tracks by the engineers took far longer at some sites than expected. But Chief Executive, Iain Coucher, denies that that could have been foreseen in advance.

COUCHER: I don't accept the risk assessment was flawed. When something goes wrong and you need to go and get additional people to help you out like that, we were unable to get additional people at short notice and that meant it was impossible to finish the work on time.

O'HALLORAN: Because you hadn't done the mathematics on the national scale to see if the resources, namely the people, would be available for all the different jobs you were doing over the holidays nationwide?

COUCHER: One lesson we've learnt now is actually there is a finite number of overhead line engineers. We have never ever come across this problem before, we will now continue this on a national basis. But we were doing a huge amount of overhead work for the benefit of passengers, and when we needed additional people, we were unable to bring them in at very short notice.

O'HALLORAN: It wasn't just Rugby that went wrong, was it, at New Year? It was two other jobs. So three of your closures went wrong.

COUCHER: Well, to try and put it into perspective, and these were very disruptive overruns, we know that and we apologise for passengers affected, but over the Christmas period we had thirty-five pieces of work, thirty-two went absolutely perfectly and passengers didn't even know that we'd been there. So we've got a good track record of delivery, but clearly when things go wrong they can be very disruptive on the passengers.

O'HALLORAN: But to overrun on three out of thirty-five over the holidays, that is not very good, is it? It's nearly 10% of the jobs you did overran.

COUCHER: At Rugby, for example, we were doing the equivalent of building three housing estates from scratch in six days. We have people working around the clock twenty-four hours a day, a large number of people doing a huge amount of work with huge great machines, cranes and equipment. It is a very very intense worksite.

O'HALLORAN: So didn't you try to do too much in too short a time?

COUCHER: With hindsight, it now looks like, as we ran into one or two problems at the beginning of the possession, that we haven't left sufficient time to recover that in the program.

O'HALLORAN: If Network Rail has made serious errors causing inconvenience, how sure can we be that management failings do not go wider? Renewing the track and signals is only part of its job. A central part of its task is the upkeep of thousands of miles of track and signals, to maintain it in a safe condition. That job must be done week in and week out. It is routine, relentless, but absolutely critical.

ACTUALITY OF TRANSPORT POLICE STATEMENT

WOMAN: The train seems to have kind of fallen down the embankment and rolled. There's some tracks, carriages are stuck up in the air and some are lying on their side. We all had to climb out of the top of one of ours.

MAN: All I'm prepared to say at this moment in time is that our enquiries have led us to believe that a set of points could be significant in this inquiry, but we have a lot more work to be done and we won't be releasing any more details than that until much later into the inquiry.

O'HALLORAN: When a train came off the rails at over ninety miles an hour near at Lamrigg near the village of Grayrigg in Cumbria last February, a woman was killed and twenty-nine people were taken to hospital. Scores more suffered cuts and bruises or shock. Some felt it was a miracle that many were not killed. The train company said that was to the credit of modern train design. But an industry investigation led by Network Rail concluded that the causes were purely local. Track inspection teams had missed serious defects on a set of points. However, the editor of Rail magazine, Nigel Harris, says there were further underlying defects in the way maintenance was carried out in Cumbria.

HARRIS: The questions it threw up were all about process and execution of jobs. Was the process by which the track is patrolled and examined for fault-finding thorough, accurate and fit for purpose? And then were the men in boots and overalls who came along after to do whatever jobs had been identified doing their jobs properly? And was that process managed adequately to make sure that all those faults were found and properly attended to?

O'HALLORAN: And why wasn't the fault spotted? We do know a bit about that, don't we, from the reports?

HARRIS: There was a failure of track maintenance over a few months leading up to the incident in February. There was a failure of patrolling, there was a failure of management, there was a failure of what was actually done. There were some faults found that weren't properly followed up, there were some faults went entirely undetected. There was a failure to manage the whole process and the whole thing was frankly a mess. What Network Rail asked us to believe at the time was that this was essentially a local incident where poor quality patrolling had collided with poor quality management and all the issues we've just talked about fell through the gaps to cause the accident.

O'HALLORAN: You were asked to believe that. Did you believe it?

HARRIS: In the absence of any evidence to the contrary, of course you believe it.

O'HALLORAN: Do you still believe it today?

HARRIS: There's a question in my mind now caused by incidents since which have got a deeply worrying resonance with Lambrigg.

O'HALLORAN: His doubts were reinforced by an inquiry conducted by Her Majesty's Railway Inspectorate. They weren't content just to assume the failings behind the Cumbria accident were purely local. The Inspectorate, now part of the Office of Rail Regulation, sent staff to visit twenty-eight areas and maintenance depots from Scotland to the South of England, to investigate the methods used to patrol the tracks. Their report was completed in November. It's been circulated to staff groups in the industry, but it hasn't been published. However File on 4 has obtained a copy. On its first page is a statement which looks encouraging for Network Rail.

READER IN STUDIO: Track patrolling is carried out by competent and experienced staff and is given a high priority by all involved in the process.

O'HALLORAN: However, that is just about the last reassuring statement in the railway inspectors' report.

READER 2 IN STUDIO: HMRI identified numerous concerns with the track inspection process. Taken as a whole they do present a risk of defects going undetected.

READER IN STUDIO: It was universally reported that the resource of the tracks gangs is continually being stretched further and further.

READER 2 IN STUDIO: This resulted in unfamiliar staff carrying out patrolling, or in missed patrols.

READER IN STUDIO: There was very little evidence that patrollers' performance is being actively monitored by their supervisors or managers.

O'HALLORAN: And, said the investigators, there was often too little time to complete inspections before the track had to be handed back to allow train services to start again. Overall they judged the track patrolling process was "not robust" and they issued a formal notice, ordering Network Rail to improve its track inspection regime by the end of March. Regulator Chris Bolt – the man who must make sure that Network Rail complies - says the importance of track patrolling can't be overestimated.

BOLT: The system of patrolling is the, in a sense, the first line of defence to identify any issues which need maintenance to be carried out to maintain safety. If the patrolling isn't being carried out properly, then Network Rail can't be sure that the track is as safe as they would want it to be.

O'HALLORAN: And the report on patrolling, which your inspectors drew up, talked about track gangs, the resource of track gangs continually being stretched further and further, how concerning is that?

BOLT: Well clearly that's a concern if it is leading or could lead to safety problems. We saw questions which in our minds Network Rail needs to look at at a national basis to provide the assurance that the patrolling framework it is operating is achieving the results that it expects.

O'HALLORAN: It used to be assumed if one patrol missed a dangerous defect the next patrol would spot it. But they're saying, the inspectors now, you can't rely on that?

BOLT: We, as I say, need to make sure that the patrolling allow Network Rail to identify defects before they become a safety risk and to deal with them. We have not been satisfied as yet that their procedures are achieving that objective. We need to make sure it does.

O'HALLORAN: Network Rail Chief Executive, Iain Coucher, concedes there were shortcomings in the way track patrolling was carried out in Cumbria, leading to the Pendolino train cascading down the embankment at Lamrigg. But he resists the idea that there could be a wider malaise.

COUCHER: We are proud of the fact that the rail industry is the safest form of transport in the UK, but mistakes were made at Lamrigg. There were mistakes that, when we investigated, were definitely localised. We went round and checked every other set of points in the country and we found no other sets of points in a similar condition.

O'HALLORAN: The defects in the hardware may have been localised, but the defects in the patrolling system were quite possible national, weren't they?

COUCHER: No, that's not true.

O'HALLORAN: Well that is the tendency of the railway inspectors' track patrolling report. They found quite a lot of problems with track patrolling in Britain.

COUCHER: No, I would disagree with that. I think you need to read it in more detail. There is a mechanism of inspections and there are backup systems and assurances and it is possible that you can find one or two things wrong, but they are picked up by other subsequent inspections.

O'HALLORAN: Well listen to these headlines. The system is not robust, there's a risk of defects going undetected, the resource of track gangs in continually being stretched further and further, and there are concerns indicative of systematic failings and not just local failings. That's a national survey.

COUCHER: That was a report which we are investigating, but we don't agree with that.

O'HALLORAN: You don't agree with it?

COUCHER: No.

O'HALLORAN: But these are Her Majesty's Railways Inspectorate. They're very experienced people, aren't they?

COUCHER: Of course they're very experienced people, they've identified failings which we put in place mitigations, but they're inspection regimes and assurance regimes that we apply and there are improvements to be made. We will do that.

O'HALLORAN: Wouldn't it be more prudent to accept that there may be some force in their findings ...

COUCHER: Of course, of course.

O'HALLORAN: ... and agree to put the defects right?

COUCHER: But that's what we're saying. We've identified the issues, we've put in place mitigations, but we do not accept there is a systemic failure in our inspection regimes.

O'HALLORAN: Well, I quote broadly from the report. Concerns across all areas inspected, indicative of systemic failings. Their words, not mine.

COUCHER: Their words. It's an interim report and it's indicative but not an absolute certainty that it is a systemic failure. We have been back and we're working with Her Majesty's Railway Inspectorate to identify the areas for improvement, because if there were systemic failings, they would shut the railway down.

O'HALLORAN: However, the track patrolling inquiry isn't the only recent safety report to raise questions about Network Rail's track maintenance methods. Another key safety body, the Department for Transport's Rail Accident Investigation Branch, has published two inquiries in the last six months which add to the concerns raised by the railway inspectors. One investigation was into two derailments in late 2006 on lines coming into Waterloo station. They gained little attention outside the industry because they were at low speeds and there were no injuries. Nevertheless, the RAIB report on them reaches some troubling conclusions. Among two dozen causal and contributory factors, it identifies:

READER IN STUDIO: A visual inspection practice which failed to properly identify defects.

READER 2 IN STUDIO: The provision of inadequate special inspection resources.

READER IN STUDIO: Inadequate track access.

READER 2 IN STUDIO: Asset Inspectors having a significant and unremitting workload which may have led fatigue and affected the quality of inspections.

O'HALLORAN: And further failures were listed by another RAIB report, this time into a derailment at Epsom in Surrey in late 2006. It also went almost unnoticed by those not involved. There were no injuries and passengers were quickly able to leave the train. But the Rail Accident Investigation Branch found another catalogue of causal and underlying factors.

READER IN STUDIO: Lack of proper maintenance to the track.

READER 2 IN STUDIO: The non-renewal of a half set of switches in the points which had been planned for several years.

READER IN STUDIO: The failure of staff to understand the consequences of the removal of lubricator on the curve approaching the points.

READER 2 IN STUDIO: Defects were apparent from a visual inspection, which required action to be taken.

O'HALLORAN: It was revealed that one crucial piece of repair work had been postponed or "re-prioritised" over and over again during a period of four and a half years. The three derailments in the South East, when added to the HMRI track patrolling report, should be a warning, according to a former operations chief on the old London Midland Region of British Rail. Peter Rayner has in recent years often served as an advisor to the Commons Transport Committee.

RAYNER: The Epsom derailment report, now that I have read the Cumbrian HMRI statement, merely proves that what we thought was peculiar to Cumbria is endemic within the southern region, or was within the southern region in and around Waterloo and down to Epsom. There have been failures to inspect, failures to renew sets of switches, failures to lubricate properly.

O'HALLORAN: Now the inspectors found, when they looked more widely at the country, they thought the patrolling process – that is, looking for defects – was not robust. Would you agree with that, from what you see in their report?

RAYNER: Yes, and there are points in their report, if I might quote for you, 'there is a variation in policy over the country as a result of differences in track access, geography type, resources etc'. There shouldn't be a variation unless you've sufficient staff and they're properly trained, properly supervised and properly audited it doesn't matter how you do it, that's the key. Put those four things in place and they're

CHRISTIAN cont: one is where maintenance staff come along and do a quick fix, such as screwing nuts and bolts back in and don't even report the defect, another is that even where they do report the defect, the resources aren't there to do something about it.

O'HALLORAN: Network Rail insists that the deficiencies at Epsom and at Waterloo were localised. Its Chief Executive, Iain Coucher, says his managers have effective systems to ensure that repair work is carried out as and when it's needed.

COUCHER: One of the things that we've introduced is a works management system. It's a very very sophisticated system. It's used by some of the best railway companies in the world and it's our method of assuring that all the work is being properly tracked and monitored and we have sufficient resources to do all of the work.

O'HALLORAN: But it must have failed at Epsom, because there was serious overstretch there and the work wasn't done.

COUCHER: The situation there was a lubricator, wasn't lubricated...

O'HALLORAN: Well that wasn't the only fault there. There was a whole string of things at Epsom. Repairs being basically postponed, in some cases month after month, sometimes year after year.

COUCHER: There is a perfectly proper process for deferring work, it can be deferred.

O'HALLORAN: The proof was in the pudding at Epsom in the end, wasn't it? It was deferred beyond the point where it was safe to do so.

COUCHER: No, I don't accept that. It is quite, perfectly legitimate to defer a piece of work under engineering judgement to assess where this is okay and what additional work would be required to make sure that it was safe.

O'HALLORAN: Again at Waterloo, the safety investigation highlights lack of manpower and unremitting workload and fatigue. That's very similar to Epsom, isn't it?

COUCHER: These people are under a lot of pressure to get the railway back and operating. Waterloo Station and the Epsom area is probably the most intensely used piece of railway in Western Europe. We get very little time to maintain the railway, it's heavily used and ...

O'HALLORAN: But don't you need to shout for more time when you need it, even if that makes the train companies very unhappy?

COUCHER: Agreed. Agreed. And at Waterloo we should have asked for additional time. The workers decided to do a piece of work on the night because they had some spare time to do it, they shouldn't have done that and as a result a mistake was made.

O'HALLORAN: When Network Rail took over the rail infrastructure in 2002, it enjoyed a climate in which public money was poured in to make up for what was seen as a backlog of overdue work. But within the last few years the pendulum has swung the other way. Some critics said Network Rail's budget had gone too high and there was pressure to curb spending on the track and signals sharply. The MP for Epsom, Chris Grayling, a former Conservative transport spokesman, says the rail industry needs to sit up and take notice of recent events.

GRAYLING: I think that the Epsom derailment, albeit a minor incident in overall terms, the report into it raises questions, I think, that should be asked right across the network. If it's actually the case that teams of people under intense pressure, the sort of sheer volume and challenge that the network faces, in an environment where Government is putting huge financial pressures on the rail industry, is looking to save £2 billion from the rail industry over the next few years. Now, at a time when all of that's happening, the one bit that the industry can't get wrong is the basic day to day maintenance. We can't see corners cut. It has to be done right. It has to be done right for safety reasons, even though we have a very safe railway, we should always always remind

GRAYLING cont: people of that. It's not just the risk for safety though, it's also the risk to the integrity of the network to delivering services, to getting people to school and work on time. If they get it wrong, you get chaos.

O'HALLORAN: Network Rail Chief Executive Iain Coucher says safety remains the top priority, but he points out that maintenance spending has been heavily and repeatedly scaled back at the direction of the regulator and Government. Your maintenance budget is going down by a percentage every year. Quite a lot of money. Tens of millions.

COUCHER: It has gone down by 8% per year for the last three or four years. We have proposed to the regulator that in the coming years we can take out 5%, 5% then 4% and then 3% and then 2%. The regulator believes we can take more out than that and that's the discussions we'll be having in the coming months. The disagreement we have at this point in time is the extent to which we can drive out more efficiencies than we believe is possible.

O'HALLORAN: The suggestion of the regulator is that it's really up to you at Network Rail, you're given so many resources, you have a big part to play in deciding how you allocate them.

COUCHER: Of course, yeah. Over the last five years we've dramatically reduced the cost of running a railway, it's the best maintained railway that it has ever been, and all the statistics will back that up. And we've managed to do that with less and less money, so we're very proud of the rate at which we've driven efficiency out of there. But there is a finite point at which we can no longer take much more out, particularly overseeing more and more and more trains using the network.

O'HALLORAN: So Network Rail is resigned to more cuts, but says there has to be a limit. However, Peter Rayner, who has acted as an adviser to the Commons Transport Committee, believes that cutbacks to Network Rail's maintenance budget have already gone too far.

RAYNER: The Chief Executive of Network Rail has a responsibility to go to Government and say, 'I need more money, I need more staff. I cannot maintain a safe railway without that'.

O'HALLORAN: And do you yourself think that is required at the moment? That these reports do indicate shortages of people and resources?

RAYNER: Yes. These reports indicate shortages; these reports indicate the fact that there are lacks of skills within the industry, lack of supervision within the industry, lack of understanding of the detail of the various engineering disciplines. It requires more money being put in and it requires more people, but I am not surprised that they're not asking it, because today's society is such that it is being controlled very rigidly in a straight line, in my view, from the Treasury to the Department to Network Rail. And it is not in the interests of the Directors of Network Rail to be asking for more, it's a bit like Oliver Twist. If they ask for more, they're not going to get more and they're going to get punished and they're not going to get the bonus.

O'HALLORAN: Negotiations are now going on between Network Rail, the regulator and the Government, over funding for the rail infrastructure into the middle of the next decade. But Office of Rail Regulation Chairman, Chris Bolt, shows little sign of conceding that Network Rail needs more funding for maintenance any time soon.

Do you here at the regulators, responsible for safety as well as financial control, are you beginning to have doubts about whether the level of cuts in maintenance spending at Network Rail continue to make real sense?

BOLT: We need to make sure Network Rail operates safely. That is often, as I say, about resources in terms of skills rather than simply the expenditure on maintenance. And that is where there may well be lessons for Network Rail about how it organises this activity going forward. The big change over the last couple of years was taking maintenance back in-house. Now Network Rail needs to make the next step improvement in how it maintains the network. That isn't necessarily about spending more money, but it is about being more effective.

O'HALLORAN: So in view of the shortcomings revealed in these reports we've discussed, does it really make sense for the maintenance budget of Network Rail to be cut by 5% or 6% a year as is happening at the moment and as is projected into the future?

BOLT: Network Rail's funding for the five years to 2009 was set in 2003. We're now in the process of setting the funding for the five years beyond that, and all these issues are clearly ones that we will take into account before we take a decision, and we haven't taken those decisions yet.

O'HALLORAN: But should we expect spending to be continued to be cut for Network Rail's maintenance this year and next year based on that decision taken back in 2003?

BOLT: The precise balance of Network Rail's budget is a decision for them. What we expect them to do is to maintain and operate the network in a way which delivers safety for passengers and other users. That's their legal obligation and they can't get away from that.

O'HALLORAN: As passenger numbers soar, and the railways have to carry faster and more frequent trains, keeping them safely on the tracks will become ever more critical. From the incidents and safety reports we've examined, some common themes emerge – of overstretch, staff shortage, skills shortage and fatigue. It's far from obvious how Network Rail can put all those things right and continue to keep on cutting maintenance budgets down the line.

SIGNATURE TUNE