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Revamp for rail network bosses

Karl West Published: 26 February 2012

Network Rail is in talks with Justine Greening, the transport secretary, about a radical overhaul of its governance structure that could lead to it slashing the number of its “members” — the equivalent of shareholders.

It is thought the revamp could lead to the infrastructure group cutting its membership from 80 to fewer than 50. One source suggested the number could be cut to 30.

Details of the potential change could be announced in the Department for Transport’s command paper on rail reform, which is due in the next few weeks.

Network Rail, a not-for-profit group, was set up after the collapse of Railtrack in 2001. It owns and maintains thousands of miles of track and more than 40,000 bridges, viaducts and tunnels.

The group’s top brass, led by Sir David Higgins, chief executive, this month bowed to pressure from government and the public to forgo their bonuses.

Network Rail’s membership is currently split between industry members, such as train operating companies and contractors, and public members.

Sources said the overhaul could mean scrapping industry members, leaving oversight of Network Rail in the hands of a smaller number of taxpaying members of the public.

The move follows Sir Roy McNulty’s damning report last year, which concluded that Britain’s railways cost too much. He urged closer co- operation between all parties.

Since then, Network Rail has set up deeper partnerships with its contractors and train operating companies. As a result, the need for these industry partners to also have oversight of the infrastructure group’s governance has become outdated.