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Profits speed ahead while trains run behind target

“We are not running as reliably as we would like,” Patrick Butcher, Network Rail’s finance director, said Chris Radburn/PA

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Network Rail has admitted that the railways are not as reliable as they should be, despite record revenues paid for by inflation-busting train fare rises and a decade-long investment splurge that has left the state-backed company £28 billion in debt.

The operator of the nation’s rail tracks and stations yesterday reported a more than quadrupling in after-tax profits to £573 million in the half year to the end of September.

The earnings, which are ploughed back into Network Rail’s capital expenditure — running at £2 billion in the six months by its continuing investments in the trans-capital works on Thameslink and Crossrail — were helped by a £170 million surge in revenues.

Network Rail obtains its money, £3.1 billion in the period, either directly from the Treasury or by access charges paid by the train companies, many of which are also subsidised by the taxpayer. The increase is roughly in line with inflation, leaving the train companies to reap the profits from their guaranteed above-inflation annual increases in fares.

However, all this additional revenue has not translated into performance. Figures where the blame is attributable to Network Rail show that too many trains on the London commuter and long-distance intercity routes are running late and behind the targets of the Office of Rail Regulation, which stipulate that 12 in every 13 services will arrive roughly to timetable.

“We are not running as reliably as we would like,” Patrick Butcher, Network Rail’s finance director, said. He also admitted that Network Rail has failed to manage the West Coast Main Line as well as it should.