

BRITISH RAILWAYS BOARD

The Reshaping
of British Railways

PART 1: REPORT

LONDON

HER MAJESTY'S STATIONERY OFFICE

FOREWORD

The formulation of plans for the reshaping of British Railways has been foreshadowed by numerous references in Parliament, and in other places, ever since the Prime Minister, speaking in the House on 10th March, 1960, said: —

'First the industry must be of a size and pattern suited to modern conditions and prospects. In particular, the railway system must be remodelled to meet current needs, and the modernisation plan must be adapted to this new shape;'

It may appear that the lapse of three years between the date when the original reference was made to the necessity for reshaping the railways and the emergence of a plan is excessive, but there are two reasons why it took so long.

In the first place, attention was devoted to the reorganisation of the British Transport Commission structure. As a result, it was not until the latter part of 1961, after the first steps had been taken to give effect to the structural reorganisation described in the White Paper on Reorganisation of the Nationalised Transport Undertaking (Cmnd. 1248), that positive steps were taken towards planning the future shape of the railways.

Secondly, there had never before been any systematic assembly of a basis of information upon which planning could be founded, and without which the proper role of the railways in the transport system as a whole could not be determined. The collection of this information was itself a massive task and it is, perhaps, more surprising that it was brought to a useful stage in just over a year than that it should have taken so long.

Throughout these investigations and the preparation of this report the British Railways Board has had it in mind that its duty is to employ the assets vested in it, and develop or modify them, to the best advantage of the nation. Also, because the ultimate choice of what is considered most advantageous must be made by the nation, it is a basic responsibility of the Board to provide, as objectively and comprehensively as possible, information which makes clear the range and nature of the choice.

In general, people will wish to base a choice between alternative modes of transport upon consideration of quality of service and the cost of obtaining it. It must be recognised, however, that, in the transport field more than in many others, the judgment of some quality factors is largely subjective, that individual convenience and total social benefit are not necessarily compatible, and that competing forms of transport cannot be costed on strictly comparable bases. For these reasons, none of the major proposals for reshaping the railway system which are made in this report is based upon attempted close judgments between ratios of quality to cost for competing systems of transport. Proposals have, on the other hand, been influenced by major differences in the more measurable aspects of service quality, such as speed and reliability. They have also been influenced by major disparities in cost arising from the inherent characteristics of the various forms of transport, and by major disparities between the value of the service provided, measured in terms of what people are prepared to pay for it, and the cost of providing it.

It is, of course, the responsibility of the British Railways Board so to shape and operate the railways as to make them pay, but, if it is not already apparent from the preceding paragraphs, it must be clearly stated that the proposals now made are not directed towards

achieving that result by the simple and unsatisfactory method of rejecting all those parts of the system which do not pay already or which cannot be made to pay easily. On the contrary, the changes proposed are intended to shape the railways to meet present day requirements by enabling them to provide as much of the total transport of the country as they can provide well. To this end, proposals are directed towards developing to the full those parts of the system and those services which can be made to meet traffic requirements more efficiently and satisfactorily than any available alternative form of transport, and towards eliminating only those services which, by their very nature, railways are ill-suited to provide.

The point at issue here is so important that it is worthwhile to emphasise it by expressing the underlying thought in a different way.

The profitability or otherwise of a railway system is dependent on a number of external influences which may change markedly from time to time, important among them being decisions affecting the freedom of use, cost of use, and availability of roads. For this and other reasons, it is impossible to plan the maximum use of railways consistent with profitability, for years ahead, without some risk that it will prove, in the event, that services have been over-provided and that overall profitability is not achieved. On the other hand, to retain only those parts of the existing system which are virtually certain to be self-supporting under any reasonably probable future conditions would lead to grave risk *of* destroying assets which, in the event, might have proved to be valuable.

Confronted with this dilemma, arising from the impossibility of assessing future conditions and future profitability very reliably, the Railways Board have put forward proposals for reshaping *the* system which are conservative with regard to closures and restrainedly speculative with regard to new developments, but which are all directed towards shaping the system to provide rail transport for only that part of the total national traffic pattern which costing and commonsense consideration show to have characteristics favourable to rail transport.

The plan is not carried to the stage where it purports to answer the question, 'How much of the railway can ultimately be made to pay?'. This answer will emerge only after experience has shown how much benefit springs from elimination of those parts of the system which are obviously unsound, and the extent to which the good parts of the railways' system and traffic can be improved by:

cost savings, better quality of service, better operating methods, and attraction of favourable traffic. Nevertheless, the firm proposals included in the plan are expected to lead to substantial improvements in the financial position. Perhaps even more important, they set a clear course for the railways, in a general direction which must be right and which can be followed with vigour without any danger of eliminating too much or of incurring grossly wasteful expenditure before the position can be reviewed.

The changes proposed, and their phasing, are certainly not too drastic if regarded as a means of correcting the present departure of the railways from their proper role in the transport system as a whole. It is recognised, however, that changes of the magnitude of those proposed will inevitably give rise to many difficulties affecting railway staff, the travelling public, and industry. The Railways Board will do all that it can to ameliorate these difficulties, consistent with its responsibility for making railways an efficient and economic component in the transport system, but the Board knows that it will not be able to solve all problems unaided.