

Get a grip on nationalised industry costs

When we had many nationalised industries they dominated public accounts and caused some of the overspending and over borrowing that damaged the Labour government of 1974-9. Nationalised industries sacked a lot of employees, over charged customers and often lost taxpayers huge sums. Rail, coal, steel were in painful decline. Telecoms fell well behind technically with shortages of investment.

Today the public accounts are being damaged again by two nationalised industries, rail and the Post Office, and by the colossal losses of the Bank of England. Since 2022 the Bank has demanded £50 bn from taxpayers to pay its bills. Network Rail has just got approval for £30 bn of taxpayer cash for the next five years. The Post Office has lost £1400 m in recent years and now expects taxpayers to pay up for all the repayments and compensation they owe the sub postmasters.

I have often reported on the needless damage to the accounts being perpetrated by the Bank. The Fed does not send its losses to the US Treasury for reimbursement. The ECB does not sell its bonds at huge losses in the markets. Only The Bank of England does this.

Network Rail plans to rely on taxpayer grant for almost two thirds of its cash needs. Only 4% will come from revenues of its commercial, property and freight interests. It has fabulous land and buildings, with key sites in the centres of our cities and many towns . It fails to develop those and to harness private capital to make more stations good locations to visit with retail and services. It fails to develop land adjacent to stations and rail yards for commercial purposes.

Nationalised HS 2 was a spectacular failure at building the original northern rail scheme to something like budget and timetable . It is ending up building us a ridiculously costly additional London to Birmingham line when improved signalling and by pass track would have been a much cheaper answer to any capacity issues.