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Thousands of rail workers to lose jobs under Labour's nationalisation plans

Network Rail prepares to make cuts to its workforce amid 'increased demands' and looming GBR merger



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Network Rail to cut workforce in preparation of its merger with Great British Railways Credit: Monty Rakusen/Digital Vision

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Thousands of rail workers are to be made redundant as part of Labour's plan to nationalise the railways.

[Network Rail](#) is making cuts to its workforce as it faces a budget shortfall potentially as high as £1.8bn, insiders said.

An estimated 2,000 employees out of the organisation's total headcount of 41,000 could be laid off in the coming months.

Network Rail bosses told staff the proposed job cuts were needed as part of preparations for the track maintenance company to be absorbed into Great British Railways (GBR).

Earlier, Rachel Reeves revealed Labour could spend up to £45bn of taxpayers' money on the Northern Powerhouse Rail project, including a possible extension of the controversial HS2 railway line to Manchester.



Rachel Reeves announced plans to improve links for cities as Labour races to begin £45bn Northern rail upgrade Credit: Kirsty O'Connor / Treasury

An all-staff message issued by Clive Berrington, Network Rail's group director of route services, suggested the cuts were necessary to cope with "increased demands" and in preparation for the company's merger with GBR.

He said: "We are facing increased demands that require additional resources, particularly in areas such as cyber security, new telecoms services, and lifts and escalators.

"We are also evaluating what needs to be done to get Route Services ready for GBR."

Dave Hooper, Network Rail's managing director for its southern region, said in a separate bulletin that there was a £350m gap in funding for his area alone

between now and the year 2029.

The bulletin, seen by The Telegraph, said: "We've explained the demands on our funding and that there's no additional money available.

"In fact, our [funding] settlement assumes we deliver significant efficiencies, which increase every year of the Control Period."

Cuts to affect junior managerial grades

GBR is at the heart of Labour's flagship plan to take passenger trains into full state ownership and control, ending rail privatisation reforms introduced by John Major in the mid-1990s.

The redundancies will affect staff in Bands 1 to 4, which are understood to be junior managerial grades. Affected staff will be formally placed at risk of redundancy from next Tuesday, The Telegraph understands.

Network Rail's taxpayer funding is allocated in five-year control periods. The current period, known as CP7, ends in 2029, which is the latest year in which a general election could be held.

Speaking to the BBC on Tuesday morning, Ms Reeves claimed Labour's promised increase in public spending on the railways in the 2030s is "actually going to happen".

She said: "We're doing this properly, doing this right. Because I want to give confidence to people that this is actually going to happen.

"It's going to improve your train links, whether you live in Pudsey or Rotherham, or Newcastle or Darlington, or in the centres of Manchester and Liverpool, and Bradford and Sheffield.

"You're going to see benefits from this."

Do you support Labour's new nationalised rail service?

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No

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Although Labour has said the total budget for Northern Powerhouse Rail is capped at £45bn, just £1.1bn of taxpayers' money has been allocated to design and feasibility studies so far.

Michael Dnes, a transport consultant, suggested this week that Labour's announcement about using the former HS2 route between Manchester and Birmingham for a new, standard-speed railway line had only come about because legal powers authorising land purchase and track construction are due to expire soon.

"In case you're unclear, yes, this is HS2 coming back – at least in the sense that it's the HS2 rail line," he said, adding that the line is "not being built at any measurable point in the future".

A rail industry source who requested to be anonymous said: "It's all linked to the creation of GBR and resizing the organisation for that."

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Regarding the redundancies at Network Rail, a spokesperson said: "We're committed to delivering a safe, reliable railway while reducing costs for taxpayers and meeting our £3.9bn efficiency target for this control period.

"To achieve this, we've reviewed how we operate across the business, including management structures, to ensure we're as efficient as possible.

"Our review is now concluding, and we'll be sharing proposals with colleagues and trade unions for discussion over the coming weeks before any final decisions are made."

The RMT trade union confirmed it was aware of the redundancy plan but said it would not affect the trade union's members, who are frontline workers rather than managerial staff.

The Transport Salaried Staffs' Association, which represents affected managers, did not respond to a request for comment.

The DfT declined to comment.

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