RAIL INFRASTRUCTURE
THE WAY FORWARD

RMT’s challenge to the industry
RMT proposes this document to the Rail Industry Association and its affiliates, the employers, and the major infrastructure bodies including Network Rail, Transport for London, HS2 and others.

RMT would welcome the opportunity to discuss our proposals in any appropriate forum.
THE FUTURE OF RAIL INFRASTRUCTURE

RMT has produced this booklet to begin a dialogue on the future of the rail infrastructure sector, and challenges industry stakeholders to agree a structure for a new way forward.

We believe this dialogue will provide us all with the opportunity to eliminate casual forms of employment from the industry, and in doing so assist the industry in recruitment, retention and selection, workforce planning, providing appropriate flexibility (and determining acceptable levels of it), employee engagement and ultimately greater alignment of the objectives of both employers and the workforce.

It could contribute to building on initiatives such as the Scottish Fair Work Convention and, through positive engagement, could place the industry on a more sustainable footing.

Yours Sincerely,

Mick Cau

General Secretary, February 2019
CURRENT STATE OF THE INDUSTRY

There are considerable challenges facing the rail renewals industry including:

- **Forecast labour shortages**
  According to the National Infrastructure Plan for Skills (2015) when conventional rail projects and high speed rail are considered together a skills gap of some 32% exists. The emphasis on completing renewals work in CP6 will place further pressure on the supply of skilled labour.

  Furthermore, continued uncertainty around the availability of skills post-Brexit highlights the necessity for this issue to be dealt with domestically and as a matter of urgency in order to ensure stability of both employment and the industry, and reduce the attractiveness of the industry to rogue operators. In the longer term, the rapid aging of the workforce is of concern to the industry as a whole and its long term sustainability.

- **Limited possession times**
  The Train & Freight Operating Companies, Network Rail and the public are demanding that the rail infrastructure is open for traffic for longer periods. This is causing possession times to be compressed, which in turn means that there are periods of greater intensity in terms of manpower deployment, and in contrast, other periods where there may be very little demand for manpower. Such pressures are not conducive to stable employment or an adequate amount of work to make rail infrastructure an attractive career choice.

- **Cost-cutting**
  The government, regulators and Network Rail are all demanding and are imposing radical cost cutting programmes. This attacks the cost base of renewals companies and in turn attacks the terms & conditions of renewals workers and reduces engagement, retention and productivity in addition to disincentivising new entrants to the industry.
Quality, Health & Safety

Quality, safety, good practice and standards may degenerate as the industry workforce becomes increasingly deregulated. As standards fall, bogus firms begin to appear with little knowledge or experience. This has been the trend in construction (where considerable corrective measures have had to be put in place in the last few years) and it will have devastating consequences for rail passengers, the workers and the sector if it takes hold. It may contribute to an increasingly rapid race to the bottom for the industry as a whole.

When questioned by RMT, the ORR acknowledged that zero-hour contracts “appear to be a common form of securing staff for the engineering contract business” and stated that they are “mindful of the considerable risks that can arise from safety critical staff working for more than one employer”.

“The widespread use of notionally ‘self-employed’ staff on zero hours contracts has some immediate and short term benefits with regard to staff flexibility and costs, it has a generally negative effect on the attitudes and behaviour of those involved, which is not conducive to the development of a safe railway.”

Ian Prosser, the Director of Rail Safety in the ORR

POTENTIAL SOLUTIONS

The development of a forum to negotiate a joint national industrial body through which the regulation of the rail renewals sector can be conducted between this union and the companies, as counterparts.

Such a body could set the standards for employment, health, safety and
welfare, grading and apprentice training in the rail contracting industry with the stated purpose of improving the industry, its status and productivity in addition to employment, innovation and skills.

A long term approach to workforce planning would be highly beneficial to every actor in the industry, and greatly facilitate the delivery of projects with significant timescales (HS2, Crossrail, HLOS specifications, Control Period demands etc...).

It could maintain stability in the workplace and offer employment conditions that attract, train and motivate quality staff and could cover elements such as the following:

a. Provide clear and consistent technical standards through agreed grading, training, competency, qualification and registration of workers which not only provides employers with accurate data as to the labour required and its availability but also mutually incentivises the upskilling of the workforce.

b. Access to skills will in turn be improved through enhanced utilisation, deployment, re-deployment and flow of labour which would be founded on a beneficial relationship between regulation and flexibility and incentivise the mobility of labour.

An agreement for a structure of recognised and accredited grading for workers would enable the development of a scheme, and potentially a centralised labour pool, through which both labour and employment could be sought and would enhance the responsiveness of the industry and the flexibility of the workforce without detriment to health and safety, work-life balance, quality or standards. This might reduce the costs associated with termination of employment.

A Joint National Industrial Body could ensure both regulation and flexibility in an industry where there is currently little balance between the two.
It could potentially end the use of agency labour and bogus self-employment ensuring that both the workforce and their employers are no longer subject to undercutting by unscrupulous organisations and could incentivise training and investment in the workforce and the preservation and development of professional standards.

c. **Promote the adaptability of working practices and arrangements** by establishing a framework within which working practices and arrangements are fully understood and protected, contributing to the elimination of unsafe working practices and undercutting.

d. **Ensure effective and efficient industrial relations** by providing a forum within which genuine collective bargaining takes account of the challenges facing both the workforce and the industry and where effective communication can contribute to a problem solving approach to any matters which arise.

It must be recognised that while collective bargaining and negotiations would be conducted centrally, it is essential that the Union retains the right to appoint staff Representatives and Health & Safety Representatives in the localities both to contribute directly to the day-to-day well-being of the workforce and to ensure that agreements are proactively policed across the industry.

e. **Improve employment in the sector** through guaranteeing sustainable employment with continuity of service including:

i. an agreed reference point for dates of continuity of service being included in the employee’s statement of employment particulars,

ii. creating awareness of the rights accrued through different periods of continuity of service,

iii. providing for preserving continuity of service during periods of inactivity,

iv. and ensuring that continuity of employment is transferred with the employee between employers (as would be the case were TUPE to
This approach would contribute significantly to the attractiveness of the industry as a career, and retention and upskilling within the industry.

High turnover of staff within an organisation is a characteristic of the industry at present. However, retention of skills within the industry as a whole must be an immediate priority for all employers due to the alarming rate at which skills are leaving the industry in search of greater stability of employment elsewhere.

f. **Contract and work bank allocation** could be better aligned with the availability of labour which would result in greater clarity for the industry as a whole, and potentially prompt and effectual delivery.

g. **Standardise pay, terms & conditions of employment** through ensuring a base standardised level of financial rewards whilst leaving some incentivisation and non-financial rewards at the discretion of the employer to ensure competitiveness still exists in the total reward package.

Nationally negotiated pay rates, terms & conditions, pensions etc... with their application policed by the Union would benefit the industry through the introduction of a base labour unit cost. Such a development would ensure that parties bid for work on a basis which does not undermine the quality of labour, and which would, over time, improve the availability of labour.

For client organisations, such an approach would ensure that bids are considered on a basis whereby they can be considered on their value adding merit. This would ensure that the workforce no longer bear the brunt of cost cutting programmes on the rail network.

Through establishing base rates for labour, and hours worked, both the workforce and the employers can respond to fluctuations in demand for labour. It can also reduce the impact of peaks and troughs in workload, adding to the appeal of the industry as a permanent career choice and
supporting the retention of the workforce by each employer as opposed to
the current culture of employees chasing slightly better rates (often
temporarily) “up the road” which only contributes to a negative mobility
based on fragmentation within the industry.

Such an approach can also contribute to stability of labour value and
hours during periods of high labour demand.

h. Employment benefits and welfare. Agreed levels of termination
payment would form a core aspect of such a scheme, as would collective
and transferable benefits. Such arrangements would facilitate mobility and
flexibility within the workforce, and enhance the attractiveness of the
industry, as individuals could accumulate benefits throughout their career
such as holiday entitlement, sick pay, severance pay etc... The
centralisation of such arrangements would deter rogue operations and also
facilitate the delivery of large scale projects where a number of employers
are involved.

i. Health & Safety standards, regulation and improvements. It is in
the interests of the entire industry (the workforce, contractors, client
organisations and the travelling public) that Health & Safety standards are
maintained and improved.

The current structure of the industry has allowed for slack to develop in
the application of, and in some cases the avoidance of, industry standards.

The most efficient and proactive approach to maintaining standards is
through a well-motivated, highly engaged and professional workforce
which (in addition to the regulatory bodies) understands the shared
interest in policing industry standards.

Only a collective agreement encompassing terms and conditions, training,
competence etc... can deliver this.

j. Any other appropriate matters. In summary such an industrial
body could provide the opportunity to eliminate casual forms of
employment from the industry, and in doing so assist the industry in recruitment, retention and selection, workforce planning, providing appropriate flexibility (and determining acceptable levels of it), employee engagement and ultimately greater alignment of the objectives of both employers and the workforce.