

FINAL**RAIL INDUSTRY RECOVERY GROUP (RIRG)****ENABLING FRAMEWORK AGREEMENT****A. PARTIES**

The following are parties to this Enabling Framework Agreement.

ASLEF
RMT
TSSA
UNITE

Network Rail and each of the TOCs are referred to below as Rail Employers:

Network Rail Infrastructure Ltd
Chiltern Railways
Cross Country Trains
Greater Anglia
Gatwick Express
London North-Eastern Railway
East Midlands Railway
Essex Thameside
Great Western Railway
Northern Railway
South Eastern Railway
South Western Railway
Thameslink, Southern and Great Northern Railways
TransPennine Express
Avanti West Coast
West Midlands Railway

B. PURPOSE

To address the efficiency and cost savings required, the companies and trade unions will commit to meaningful discussions which should lead to agreed outcomes based on the matters set out within this document.



C. BACKGROUND CONTEXT

Rail employees as key workers have played an important and vital role in keeping the UK moving by ensuring key workers, essential travel and freight services have been able to continue to operate throughout the coronavirus pandemic.

In 2020/21 the Government has been funding the large gap created by the loss of passenger revenue which has declined by more than 80%. This has required the government support for the railways to increase significantly to circa £800m per month since the start of the pandemic. The financial commitment from the government is not unlimited and is not sustainable.

Whilst passenger revenues have declined to critically low, unprecedented levels, the industry's pre-Coronavirus operating costs (excluding capital investment) have remained broadly unchanged with staffing costs making up circa 30%.

It is clear Coronavirus has had a damaging impact on the finances of the GB rail industry with little optimism of a return to former revenues in the short to medium term and some speculate even in the longer term.

This has created a major gap in the industry's finances currently estimated circa £2bn per annum. This gap has to be addressed urgently to make the industry financially sustainable in the future. Workforce reforms and cost savings need to be identified as part of a rail industry-wide review.

It is planned that train service levels will be curtailed, reduced or flexed in the future to align service levels and capacity to predicted variable passenger demand with the flexibility to expand as passenger growth returns:

The May 2021 base timetable has train service levels of around 85% of the current December 2020 base timetable.

- Where duplication exists, train services may be removed or reduced e.g. services with similar calling patterns on lines of route that currently exist;
- Future capacity enhancements to meet passenger growth will initially be provided by "strengthening" existing services before consideration of introducing increased service frequencies.

Whilst these service changes are expected to have an impact on staffing levels, the actual financial savings will vary depending on whether future train service levels increase or decrease based on actual passenger demand.



Recognising the high support levels being provided to the industry, the Government has advised it is unable to fund any of the outstanding pay reviews for 2020 and similarly for 2021 with the exception of funding an increase of £250 per annum for the lowest paid rail workers who earn less than £24k per annum. The employers and DfT regard such a financial saving as a contribution to reducing the overall staffing costs of the railway.

In summary, the impact of the above will mean that we shall see reduced services and a change in passenger behaviours in the way in which they use the rail network including accessing information and ticketing services. This is expected to see passengers make greater use of technology as and when they return for both work and leisure travel. The objective is to jointly address and lay the foundations for a sustainable future whilst complying with any Government and health guidance, e.g. social distancing.

It is clear that the discussions are going to be challenging and expectations are variable but we do have an opportunity to address these problems industry-wide, rebuild and modernise the industry which will in the long term, provide a sustainable rail network that continues to meet expectations of passengers.

Crucially, these modernisation discussions are an opportunity to create more modern employment practices and policies that meet the needs of passengers and our people.

To specifically address the workforce reforms and staff cost challenges the rail industry is facing, the employers and trade unions have agreed to set up a Rail Industry Recovery Group (RIRG). This group will identify and address areas/issues to reduce the operating costs of the railway and ensure a sustainable rail industry which will improve employment security concerns for the future. The Secretary of State for Transport has indicated his support for these discussions taking place and to consider detailed proposals.

All Parties are expected to commit to supporting these necessary discussions on proposed changes to help create and support a sustainable and viable long-term future for both the industry and the people who work within it.

D. SCOPE

This RIRG Enabling Framework Agreement covers all the Parties listed in Section A

Whilst it is acknowledged that collective bargaining procedures remain a current and important feature of our industry and will remain so, for the purposes of facilitating discussions on this important reform work, the RIRG has agreed this Enabling Framework Agreement between the Parties and will



develop detailed outputs utilising sub-groups for referral as and when appropriate for localised discussions on implementation through the established collective bargaining arrangements. It is also recognised that the challenge faced by the current crisis is shared by Employers and Employees as well as key stakeholders e.g. DfT.

E. PRINCIPLES

This Enabling Framework Agreement comprises a series of 5 principles each with key areas of focus to create a programme of reforms that will drive rail recovery, modernisation, and transition to deliver a safe, secure and sustainable future for the rail industry giving more employment security for those who continue to work within it. It also offers the opportunity to discuss new ways of working across the industry to facilitate cross employer arrangements, taking into account relevant legal requirements and develop approaches to resolve industry-wide problems that deliver a sustainable railway for passengers and employees.

Safety must continue to underpin everything we do and should remain a key fundamental as we look at how we change our industry for the future.

The Enabling Framework Agreement will focus on 5 principles and associated key areas of focus:

1. Employment Security Measures
2. Investing in People
3. Modern and Inclusive Workforce
4. Revising Working Arrangements and Practices
5. Enhanced Ways of Working

1. Employment Security Measures

It is accepted that the impetus for reforms will create uncertainty for employees across the industry. In order to support a sustainable railway for the future, subject to consultation, it is anticipated that the industry will require fewer, and in some cases changes to roles. We will seek to put in place the following employment security measures to provide opportunities for continuing employment and try to mitigate the need for compulsory redundancies whilst we are undertaking this significant restructuring of the industry.

a) *Industry-wide Special Voluntary Severance Scheme*

Where there are proposed job losses as a result of the reforms, we will aim to seek volunteers who are interested in applying to leave the industry in the first instance. We shall initially offer a



voluntary leaver's scheme inviting applications from employees who are directly affected by the changes.

b) Industry-wide Redeployment Scheme

For those affected by the reforms who wish to remain within the industry, we shall offer an industry wide redeployment scheme which will facilitate opportunities for employees to move within the industry both locally and geographically, subject to there being suitable available roles and employees successfully undertaking a recruitment and selection process.

c) Re-skilling and Re-training Programme

It is clear that many jobs within the rail industry will need to change and evolve over the next few years as new technology is developed and passenger expectations and their behaviours change. Many future roles are expected to become multi-functional and therefore employees will need to be equipped with the necessary skills. We shall offer opportunities for existing employees to adapt and re-skill where necessary, subject to suitable roles being identified. Consideration to be given to creating a joint learning programme supported by trade unions and employers.

d) Recruitment Freeze other than essential and critical roles

In order to provide opportunities for directly affected employees to move to alternative suitable roles, we will implement a recruitment freeze for roles other than those which are essential or critical. Applications for these roles will be considered in accordance with points b) and c) above with normal selection processes applied.

e) Benchmarking of cleaning and catering employment costs to assess potential for insourcing currently outsourced activities

We shall carry out a review and benchmarking exercise to include the full employment costs of cleaning and catering contracts to determine whether it is better to bring these contracts in house, recognising that insourcing could require new pay structures and work design. We will share and discuss the results of this analysis, subject to our ability to share sensitive commercial information.

Following this exercise, a further benchmarking exercises to be conducted of other outsourced activities to assess potential for insourcing if this is more cost effective.

f) A commitment to avoid compulsory redundancies



In recognising the scale of change required and to provide a period of time to enable meaningful discussions to take place, employers will commit to no compulsory redundancies before 31st December 2021.

It is agreed that these proposed employment security measures would be offered on the understanding that significant progress can be made on the key areas of focus set out in the remainder of the Principles section detailed below. In order to deliver greater employment security in the rail industry the outcome of the work to deliver these principles has the objective of reducing the overall operating costs. By no later than the end of 2021 if there is not sufficient evidence of progress or if discussions break down, the proposed employee support measures in this agreement will be amended or withdrawn.

2. Investing in People

Investing in training and skills capability development by increasing use of apprenticeships and new skills training and methods, developing career progression and encouraging employment mobility across the industry:

- Offering employee apprenticeships across the range of industry roles;
- Recommending reducing the entry age for new train drivers
- Consideration of Employer Justified Retirement Age, e.g. train drivers;
- Revising current training methods and practices to a competency-based approach, enhancing the quality of training methods through use of modern technology;
- Investment in re-skilling and up-skilling to develop competence and capability meeting changing business needs.

3. Modern and Inclusive Workforce

Creating a modern 21st century workforce model which better reflects the communities and the passengers that the industry serves and is seen as an employer of choice for prospective employees who want to join and progress their career within the railway:

- We will seek to introduce modern, agile working practices and terms and conditions for existing employees and new entrants that efficiently meet operational and passenger needs;
- provide flexible working hours that both employees and employers desire whilst acknowledging the trade unions' aspiration for a reduction in the average working week and the employers' requirement to efficiently meet future operational and passenger needs;
- Ensure industry-wide TOC pension section (defined benefit) arrangements are affordable and sustainable for the medium to long term;



- Promote mobility including consideration of travel arrangements to support staff moving geographically around the industry;
- Increasing opportunities for part-time, job-share, flexible and weekend working aligned to passenger needs and facilitating work life balance for our employees;
- To encourage more applications from females and BAME candidates;
- Promote inclusion, diversity and opportunities for everyone working in the industry through effective career mapping.

4. Revising Working Arrangements and Practices

The railway needs to be able to fully meet the changing needs of its passengers in future. There are many working arrangements which need to be updated to cater for a 21st century railway to ensure that it is sustainable and provides employment and opportunity for the future:

- Recognising the sector's financial constraints, we will review the basis for future annual pay review discussions to take into consideration the longer-term affordability and sustainability of the rail industry;
- Establishing a modern 7-day railway to support growth in leisure travel with robust working arrangements for Sundays;
- Identify changes in maintenance and engineering teams to maximise work undertaken in infrastructure maintenance;
- The advances in digital technology and changing passenger behaviour will accelerate the trend towards passenger service roles becoming more flexible and multi-functional both at stations and on-board to enhance the passenger experience and increased job satisfaction;
- Optimise rolling stock capability utilising modern technology to enhance methods of train operation giving improved performance and reliability;
- Review rostering arrangements to enable greater flexibility in allocating resources to increase effectiveness and efficiency levels;
- Updating policies and procedural agreements to ensure these are fit for purpose and aligned with modern working principles.

5. Enhanced Ways of Working

Development of new ways of working including *changes to roles and duties, flexible working and removal of duplication* across the network. Introducing safe and emerging new technology (without additional payment), including redesign of work processes and tasks/activities to improve train and safety performance and the overall passenger experience:



- Removal of duplication through the creation of a lead operator or Network Rail approach at major stations and control centres;
- Utilising remote monitoring technology in maintenance regimes e.g. asset wear and retailing activities e.g. gate lines that will help employees to provide a better experience for passengers;
- Utilising technology to improve the safety and robustness of train operational performance and infrastructure reliability;
- Promoting a culture of participative and continuous improvement and removal of outdated practices;
- Streamlined and accountable management structures to support more effective decision-making processes.

It is acknowledged that the overall aims of the workforce reforms are to improve safety, modernise the industry, reduce costs and ensure the industry is financially sustainable. Any increases in net costs as a result of measures taken by either/any party will need to be absorbed by securing additional cost savings.

F. SUB-GROUPS

This is an over-arching Enabling Framework Agreement. To facilitate the detailed discussions on elements of these key enabling principles, RIRG will require both Network Rail and TOCs to establish tailored bespoke sub-groups to engage those with practical experience. Joint Working Groups can provide a positive mechanism for resolving problems and finding new solutions. Both parties recognise that in order to progress reform areas with urgency, tests and trials will need to take place after appropriate, but concise discussions, with consideration given to current working agreements being paused during jointly reviewed test/trials and that meaningful consultation/negotiation as appropriate will take place once those tests and trials have satisfactorily concluded.

G. COMMUNICATIONS

This Enabling Framework Agreement will be shared with TOC and Network Rail employers, employees and considered by trade union executive committees to ensure there is transparency and understanding of the principles and key areas of focus. Joint internal or 'public' communications (if necessary) will be agreed from time to time.

H. CONFIDENTIALITY REQUIREMENTS



Reasonable endeavours will be made to provide information requested to enable all parties to engage in effective discussions such that decisions are being made with the knowledge of the impact of measures to be taken.

Information marked confidential will be provided to the RIRG subject to agreement that the information must not be disclosed to any other person outside of the RIRG unless the parties who provide the information consent in writing to that further disclosure.

Members of the RIRG agree to maintain strict confidentiality including confidentiality over dissemination of any relevant information that is shared notwithstanding that it is understood that all parties will need to periodically report on progress to their executive committees/boards and to key stakeholders including DfT and relevant Government departments, TPR and the RPS Trustee.

I. IMPLEMENTATION

Detailed workstream discussions will commence in May 2021 with a view to concluding by no later than 31st October 2021. Recognising the varied levels of complexity of workstreams, phased implementation as elements are agreed will commence as soon as practically possible with the aim to conclude all elements by no later than 31st December 2021. The timeline for pensions may be subject to different timescales.

Members of the RIRG shall use reasonable endeavours to adhere to these timescales and any other subsequent agreed timetable to progress the negotiations in an expeditious manner.

I. MUTUAL RESPECT

Everyone is aware of the serious situation we face over the next few years. It will be a difficult time for all parties involved as there are immediate financial issues to work through, as well as necessary changes to be made. This will bring pressure and in such a situation people can react in different ways. However, we all have a responsibility to respect each other, acknowledge we will have different points of view, support each other and wherever possible, keep channels of communication open. As Leaders of our respective areas, we have an opportunity to demonstrate how we can work together through difficult times.

Further detail on how we can demonstrate this will be outlined in a separate Mutual Respect Code.

