

Brief for Supply day debate on Monday 21st June 1982 on the crisis in British Rail.

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THE CRISIS IN BRITISH RAIL

● It is very important during this debate to direct attention firmly towards the failure of both NUR and ASLEF to honour the productivity agreements made last year - for which they have already been paid.

1. Strike Threat

The National Union of Railwaymen has called for an indefinite strike by its members from midnight on Sunday 27th June. The NUR says the strike will go ahead unless the BR Board increases the pay offer it made to the three rail unions on 28th May.

The offer is to increase pay by 5% from 6th September 1982, provided negotiations on the six items contained in the 1981 productivity agreements are completed by 30th July 1982.

In making the offer, BR has stressed that its serious financial position, made worse by the ASLEF strikes in January and February this year (the strike alone is thought to have cost BR about £100 m in lost revenues. BR expects to make a loss of about £165 m this year) meant that pay could not be increased from 19th April. It also announced that the 5% might be withdrawn if BR was unable to maintain a full and continuous service to its customers.

Sir Peter Parker has written to all employees emphasising that a damaging strike could put jobs and the future at risk (see copy in Appendix 2).

2. The need for better productivity

The need for modern working practices and better productivity is vital to the future of the Railway industry. At a time when technological developments have created a potential for a fast and efficient railway system and the taxpayer is committing substantial sums to the railways for investment and revenue support, it is absurd to expect that working practices should continue to be based on 1919 agreements designed for the technology and the market of the steam age.

For the longterm viability of the railways, it is essential that the railway keeps its customers and wins more. British Rail does not have a monopoly of transport. Sir Peter Parker, in his letter to all employees, pointed out that during the ASLEF strikes, "many of our customers found they could do without our services". So to succeed, BR must become highly efficient, it must put the customers needs first, and it must be competitive against other forms of travel.

3. Progress on Productivity

At a time when workers in many other nationalised industries have improved productivity substantially, British Rail's productivity record has been disappointing. In an article in the Financial Times on 12th February 1982, Mr. John Elliott, the Paper's industrial editor pointed out that between 1974 and 1980, improvements in output per man had averaged less than one per cent per year, even though there had recently been important modernisations of marshalling yards, the parcels business and freight trains. In 1981, the latest year for which there are figures, passenger miles and net tonne miles per member of staff employed had improved by only 2.3% over 1980; as a

contrast, between March 1980 and March 1981, productivity in British Steel improved by 24% and in 1981, productivity in the car production side of British Leyland increased by 30%.

BR Productivity Indicators (from BR Annual Report 1981)

	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
Passenger Miles/Net Tonne miles per member of staff employed	141.0	138.3	137.2	140.9	144.7	147.8	142.9	146.2
Loaded train miles per train crew member	6230	6419	6514	6602	6647	6536	6700	6914
Train Kms. (loaded and empty) per member of staff employed			2395	2472	2525	2556	2503	

4. The 1981 Productivity Understanding

With the need for improvements in productivity becoming more urgent, in the summer of 1981, British Rail obtained from all the rail unions an 'Understanding on Productivity' in return for an agreement to pay an extra 3% from January 1982 (on top of an award of 8%) as recommended by the Railway Staffs' National Tribunal under Lord McCarthy.

The understanding on Productivity contained six points. Despite firm dates set for agreement, so far very little has been achieved. (See Annex 1 for details).

The most contentious issues have been:

a. Flexible rostering

Flexible rostering led ASLEF to take industrial action earlier this year over British Rail's refusal at the time to pay 3% to them because of non-delivery. Lord McCarthy on 7th May produced a report which found in favour of British Rail's proposals, subject to a number of criteria and safeguards designed to meet ASLEF's main objections to the system. The firm recommendation was that ASLEF should accept for their drivers a system of rostering similar to that already agreed by the NUR guards, which allowed rosters to vary in length between 7 and 9 hours. ASLEF has totally rejected these recommendations despite a previous commitment to abide by the findings of the tribunal. As Lord McCarthy himself said in relation to flexible rostering "Unless progress is made on this question, the future outlook for the railway system and railwaymen is bleak and unpromising".

(N.B. It should be noted that the arrangements proposed by BR for ASLEF are operated successfully and are normal practice on most European national railway systems. Indeed in a number of countries, the variations in hours per shift are greater than those proposed by British Rail).

b. Single Manning

No agreement has been reached with the NUR on the introduction of the new driver only commuter trains on the recently electrified

Bedford to St. Pancras line on which £150 m has been invested. As a result the rolling stock lies unused. This service should have been started this month but has now been deferred until October. Obviously this particular dispute has implications wider than St. Pancras to Bedford if more of the network is to be electrified.

The Government's Position: The Government's position on all these issues is that it supports the Board in its efforts to achieve better productivity and to achieve delivery on the productivity understandings for which the 3% has already been paid. The Railways Board has made it clear that improvements are crucial to its plans for the future of the railways.

5. Government Commitment to the Railways

The Government and the taxpayer have made a substantial commitment to the future of the railways by

- Providing record levels of financial support. In 1982-3 Central Government will be providing British Rail with £804 m in grants - well over £2 m a day. (This is some £100 m more in real terms than the level of grant paid in 1980-81. It is about £10 m less in real terms than in 1981-2, but in that year an exceptional increase in grant of over £110m was made to cover a serious loss in revenue caused by the recession).

The External Finance Limit this year is £950 m. The public has every right to expect that their railway system should be run as cost effectively as possible. The Government has made it clear that they will not allow the cost of the ASLEF strikes to be passed back to the taxpayer.

<u>Government support to the railways.</u>		Current Prices £ m
	<u>EFL</u>	<u>Grant</u>
1979-80	715	530
1980-81	790	633
1981-82	920	755
1982-83	950	804

- Ruling out substantial cuts in the passenger network-
- Endorsing the principle of a programme of main line electrification based on better business performance and improved productivity - (On 22nd December 1981, the Secretary of State for transport approved plans for electrifying services into Ipswich, Norwich and Harwich).
- Avoiding any reduction on the ceiling on investment in BR, which now stands at around £400 m at 1981 prices. (Over the last few years the investment ceiling has been underspent (In 1981 by £90 m) because within the External Finance Limit, British Rail have been spending on current costs what should have been spent on investment. A reduction in current costs through greater efficiency will lead to more resources for investment and renewal).
- Setting up an independent committee to look at BR's finances and its finance and investment needs in the future.

6. Attitude of other parties

The Labour Party has continued to be totally unhelpful in the course of

disputes over productivity. The issue of productivity is seldom if ever admitted to be a problem by Labour spokesmen. During the January/February ASLEF strikes, all Mr. Albert Booth could find to say was that ASLEF was "properly contending that a major nationalised industry had failed to carry out its obligations" (Hansard 10th February 1982 col 965). The Labour NEC passed a resolution supporting Aslef and blaming the whole dispute on the BR Board. It called for the Board to honour its agreement on pay which, they claimed had been "specific and unconditional". Mr. Bob Hughes, during transport questions on the 16th June 1982 claimed that "The railway unions have delivered massively on manning levels and productivity, ignoring the fact that the unions have delivered on very few of the 1981 productivity understandings.

The Social Democrats have been quiet on the issue recently, although, during the ASLEF strikes in January and February, Mr William Rodgers argued that "no sane government will invest in electrification and renewal if a handful of men and a bloody minded union break agreements and exploit their bargaining power (F.T.1/2/82)

Productivity Items

The normal negotiating machinery within British Rail contains three stages, starting with the Railway Staff Joint Council (RSJC) which meets in four separate groups dealing with salaried staff, locomotive staff, other conciliation grades, and general miscellaneous matters. Issues which cannot be agreed within RSJC go to the Railway Staff National Council (RSNC) which is the top negotiating body. Failure to agree at this stage can lead to reference to the Railway Staff National Tribunal (RSNT), chaired by Lord McCarthy. Reference to this body can be made by either party unilaterally, in which case the findings are non-binding, or jointly when the findings can be binding on both parties.

As a result of the 1981 pay settlement and subsequent ACAS Inquiry, the rail unions agreed to six items of productivity for which BR paid an additional 3% on pay.

The actions expected of the unions, and the progress made on the six productivity measures are *set out* below:

ITEM	PRECISE TERMS OF AGREEMENT	PROGRESS MADE
<p><u>Open station concept</u> - on-train ticket examination and sales. Reduced number of staff on ticket barriers but slight increase of staffing on trains.</p>	<p>The parties accept the application in principle of this concept and agree that it will be possible to negotiate a specific agreement to introduce it. Negotiations shall be concluded on a basis for agreement by 31 October 1981.</p>	<p>Pilot schemes in Scotland and South West agreed in Railway Staff Joint Council (RSJC) in October and November 1981, schemes started on November 1981 and January 1982 to run for 6 and 9 months.</p>

Manning of passenger trains - single-manning (ie drivers only) operation of new rolling-stock on intensive commuter services (eg Bedford/St Pancras).

It is accepted that the introduction of the Bedford/St Pancras electrification service in May 1982 presents the industry with the opportunity of a fundamental re-think of the whole concept of manning trains where modern stock is introduced into intensive commuter areas. Without any preconceived conditions on either side discussions shall take place on the prototype system for the Bedford/St Pancras service.

Bedford/St Pancras service due to begin on 17 May 1982. Opposition of NUR to single manning delayed introduction. Service now expected to start by October 1982. Negotiations still at RSJC stage.

Flexible rostering - to allow turns between 7-9 hours (instead of 8 hour day) leading to more effective use of paid time by drivers and guards.

Negotiations shall take place to establish variations to the rostering agreements with a view to introducing some flexibility around the 8-hour day, but without producing unreasonable variation in the length of each working day or week. These discussions shall be concluded by 31 October 1981.

NUR and TSSA agreed to new arrangements. 81% of NUR depots have agreed to new rosters and 75% have implemented them. ASLEF have consistently refused to accept flexible rostering and negotiations broke down at RSJC and Railway Staff National Council. ASLEF strikes over

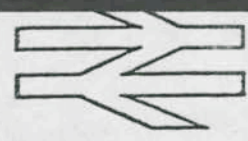
flexible rostering ended with ACAS Committee of Inquiry in February. The issue went to (non-binding) arbitration at RSNT in March. ASLEF rejected the findings on 21 May.

Easement of conditions of single-manning on traction units - to permit increases in single-manned driving times and to reduce to occasions when double-manning is called for.

Negotiations shall take place on the proposals relating to single-manning conditions, on the understanding that provisions will have to be made for appropriate safety measures and that there should be no worsening of staff conditions. These discussions shall be concluded by 31 October 1981.

Negotiations still in RSJC; no progress so far. Delayed by flexible rostering dispute.

<p><u>Manning of freight trains</u> - to permit greater frequency of single-manning.</p>	<p>There shall be an immediate joint examination with a view to establishing to the satisfaction of the parties the circumstances in which some freight trains could be operated without guards. Two or three pilot schemes shall if possible be ready for introduction by 1 January 1982.</p>	<p>Negotiations still in RSJC. Board met NUR on 12 May to discuss a pilot scheme in South Wales. No start date yet; delayed by flexible rostering dispute.</p>
<p><u>Trainman concept</u> - establishment of new "trainman" grade with option to progress to driver, guard or other appropriate grade.</p>	<p>Major obstacles between the unions which have prevented progress in this area in the past are being resolved. The ASLEF and NUR undertake to enter into immediate negotiations with the Board with a view if possible to concluding an agreement which would provide recruitment, training and promotion through the grade of trainman to driver or to other appropriate grades. The negotiations shall be concluded by 1 January 1982.</p>	<p>NUR discussed with ASLEF on 9 November then passed paper to ASLEF for consideration. The Board have no direct role initially; agreement between NUR and ASLEF is a prerequisite. Implementation could be speedy once unions agree. NUR believed willing to accommodate ASLEF views which relate to union membership.</p>



Sir Peter Parker MVO
Chairman

June 1982

Dear Member of Staff,

YOUR JOB AND YOUR FUTURE AT RISK

I am taking the unusual step of writing direct to you and to everyone employed by British Railways Board, because the industry in which we all work is facing the most dangerous crisis in its history.

We are going to lose about £165m in 1982, even after the government and local authorities have paid us over £800m. The latest estimate of the cost of the 17 days of ASLEF strikes is £80m. We can't afford to borrow the money we need to renew and repair the railway, and this is limiting the service we give the customers who are our bread and butter.

We are in deep trouble. You could say we're broke. This time the threat to jobs will affect you all. I want you to think seriously before you are drawn into industrial action and into a fight which nobody can win.

The real fight now is not between ourselves or with government. It's for survival. Last January and February many of our customers found they could do without our services.

This is the background against which the Board, on 28 May, made the following offer: to increase rates of pay by 5% from 6 September, provided that negotiations on all the six items in the 1981 productivity agreement have been completed by 30 July 1982. If agreement on the productivity items is not reached by 30 July 1982, the pay offer will be withdrawn.

No one who has examined our proposals for flexible rostering objectively has been able to fault them. Lord McCarthy and the Railway Staff National Tribunal supported our plans. They also proposed safeguards—safeguards which the Board, as a responsible employer, has already accepted in drawing up flexible rosters for guards. In addition to a 39 hour week, guards on flexible rostering will now receive a flat rate payment of 50p per rostered turn worked.

We cannot delay any longer moving to flexible rosters for drivers, nor can we delay on the other outstanding issues still to be resolved—covering train manning agreements, including the new electric trains for the Bedford/St. Pancras services.

If you have already co-operated in productivity measures affecting your particular job, the delay on your 1982 pay increase must seem unfair. But without the co-operation of everybody, we cannot afford to give the recognition due to you for your efforts.

Perhaps you feel that you have been through a crisis like this before— and it will all be all right in the end. But we can expect no help, whatever government is in power, unless we accept that we must change the way we do things. All around us, in other industries, some with long and honourable traditions of service like ours, people are facing up to the need for change and getting rid of restrictive practices. We will get no sympathy if we continue to resist change until it is forced on us, more painfully.

So what happens if your union calls you out on strike, or orders some form of industrial action which wrecks the railway? The answer, I am afraid, is no pay increase, no job to come back to for many, no prospect of investment in electrification.

What can you do to help yourself in this crisis? You can speak up; let those who represent you and negotiate on your behalf know that you want this industry to survive. If we fight the competition instead of each other, we can still save many of the jobs that are already at risk.

Yours sincerely
Peter Parker

Peter Parker

THE RAILWAY TRIBUNAL VERDICT ON
FLEXIBLE ROSTERING

The decision of the Railway Staff National Tribunal after examining the Board's proposals for the introduction of flexible rosters for footplate staff was a vindication of BR's often-stated position that the understanding on productivity reached in August 1981 is intended to lead to a form of flexible rostering which does not add significantly to unit labour costs, but ultimately reduces them, without unreasonable variation in the length of the working day or week.

In essence, the Tribunal ruled that the Board's proposals meet this test, whilst the ASLEF alternative of achieving flexibility without changing existing agreements does not, since it would increase costs.

The Tribunal recommended that the parties agree a system of flexible rostering for footplate staff subject to a range of safeguards covering such matters as hours of work and overtime earnings, which largely reflect facts and assurances given by the Board. Flexible rosters will be a matter for local negotiation in accordance with existing procedures, and provision is made for a review after six months, as in the agreement made for guards.

The Tribunal also recommended modification of existing national agreements on the guaranteed 8 hour day, and on double-manning of locomotives, to allow single-manning for turns up to 9 hours.

Flexible rostering and the shorter working week are inter-related, and in the absence of agreement on flexible rosters, the shorter working week remains outstanding.

The position now is that ASLEF drivers are putting in 40 hours a week to earn the same basic pay earned by other railwaymen for a 39 hour week (37 hours in the case of clerical staff), whilst flexible rosters offer a 39 hour week and specific rewards to be negotiated for staff whose responsibilities are directly affected under productivity agreements.

The critical importance to the railway of making better use of working hours is stressed by the Tribunal in commenting that: "failure to agree any proposal for more flexible rostering by improving drivers working time will seriously affect the Board's ability to obtain essential capital it urgently requires for investment and modernisation. This is bound to have severe consequences for railway services and jobs".

The Tribunal comments finally: "It is essential for the future of the railways that progress is made on the remaining items to which the parties were committed in the productivity understanding. It is also essential that these extremely important and far-reaching issues are approached in a spirit of realism, and with a willingness to find a basis for agreement rather than confrontation".