

Transport Committee

Oral evidence: [Travel Disruption](#), HC 661

Wednesday 12 October 2022

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Members present: Huw Merriman (Chair); Mr Ben Bradshaw; Ruth Cadbury; Robert Langan; Karl McCartney; Grahame Morris; Gavin Newlands; Greg Smith; Christian Wakeford.

Questions 80–137

Witnesses

[IV](#): Miles Hubbard, Regional Officer, Unite the Union; and Mick Lynch, General Secretary, Rail, Maritime and Transport Workers Union.

Examination of witnesses

Witnesses: Miles Hubbard and Mick Lynch.

Q80 **Chair:** Good morning to you both. We will start by asking you to give us your name and rank for the record, please.

Mick Lynch: I am Mick Lynch, general secretary of the RMT trade union.

Miles Hubbard: I am Miles Hubbard, regional officer with Unite, with responsibility for Felixstowe.

Chair: Mr Lynch and Mr Hubbard, welcome to you both. You have heard the panels that we have had on rail with regard to the strike action, and also with regard to the ports and strike action. We are very much looking forward to hearing your perspective, reflecting on what you have heard so far as well. We are going to start with Greg Smith and then go over to Grahame Morris.

Q81 **Greg Smith:** Thank you, Chair, and good morning, gentlemen. Could I start with you please, Mr Lynch? Coming from the perspective, as I fully accept and respect, that your job is to stand up for your members and to get what you believe to be a better deal for them, of the multiple days of strike action that have taken place so far this year—there is clearly potential for many more to come—what is your assessment of how much money your members have lost through strike days?

Mick Lynch: It depends on what they earn. It depends on whether they are on strike every day. We do not have a ready-made figure, but they lose their wages for every day that they are out on strike. It depends on what shift they are on, how long that shift was and what rate they are on.

What I do know is that the Government are subsidising these strikes, we think by £30 million. Every time there is a strike, the taxpayer has to pay the companies £30 million, so there is no incentive for the companies. They have no capital at risk and they suffer no loss. Instead, the DFT and the Treasury pay them to conduct this campaign of aggressive action against our members, to cut their jobs, freeze their pay and rip up their terms and conditions. The greater scandal is how much money the Government are transferring to the private companies in lieu of the revenue that is being lost. That is why we believe they are taking so long to come up with proposals.

Q82 **Greg Smith:** I appreciate that answer, but I would really like to focus on the human beings who work on the railways, as individuals. I have a quote from you last June that the British worker needs a pay rise and job security. In these times, I agree that pay rises and job security are fundamentally good things, but to go through a process by which there are now so many days of strike, I would like to try to understand a little bit deeper—putting aside the points you made about subsidy to train operators—how much money those individual human beings are now



down this year, on average, or maybe segment them to different job types, as a result of strike action.

Mick Lynch: I do not have a figure because it depends on what you do. It depends what job you have, how many days you work and whether the strikes are on the day that you are rostered. I do not have a number for you. If you expected me to turn up with one, perhaps we could have calculated it in advance, but it will be a lot of money if you have been hit by the dates that strikes were on.

What we do know is that our members are fully committed to the action because they do not want the conditions that we have negotiated with these companies and their predecessors ripped up. Of course, you can only get a pay rise if you have a job. Network Rail and the train operating companies are proposing thousands of redundancies. At the same time, as you have just heard, they cannot run the railway without vast amounts of overtime.

The previous Secretary of State said that he was going to ban overtime on the railway, which is an illustration of the incompetence and lack of knowledge that is at the heart of what the DFT does. As soon as people do not want to do overtime, the railway collapses. What we need is a proper agreement. We need the right number of staff, and we need the right number of people in training so that there is a supply train of qualified staff coming through. We do not have that because these companies are only in it for the money they can get and not for the service that they can provide for our people.

Q83 **Greg Smith:** Thank you for that answer. Can I delve into this point about job security? That is very important to me. Many constituents of mine work on the railways and in many other sectors. Job security is vitally important.

We have seen, through the pandemic, massive change in rail use. Clearly, people were not travelling in the pandemic. As we have come out of it, patterns have changed significantly. I have seen analysis that suggests that, while the overall numbers are broadly back up, people are travelling at very different times and for different purposes. Some analysis suggests that that is leaving roughly a £2 billion hole in the finances.

Mick Lynch: A £2 billion reduction in Government funding. That is what has happened.

Q84 **Greg Smith:** We can look at it whichever way you want, but people are not buying the peak-time tickets as much. They are travelling on the cheaper off-peak tickets and weekend tickets. That has an impact on the bottom line. I have seen some analysis that suggests that is around £2 billion.



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Mick Lynch: It has not affected the bottom line because they have continued to make profit due to subsidy. It has not affected the bottom line of the companies at all.

Q85 **Greg Smith:** I am very happy to come on to the profit point later, but I just want to look at this point. If the railways are, bluntly, to survive, they need people buying tickets to travel on them. The way people are choosing to buy those tickets and to travel appears to be changing, either through homeworking or more weekend travel and leisure travel rather than work travel.

Does the RMT accept that in order to secure everybody's jobs within the railways, something needs to fundamentally change in terms of making the railways attractive to people to buy tickets again, and that having uncertainty over whether the train will be running in the first place is equally driving people away from the railways and back into their cars, coaches or whatever it may be?

Mick Lynch: I think you are absolutely right. The railway needs fundamental change, but not the one that the railway companies are seeking. We need a railway that runs in the interest of the people and the interest of the economy and the environment, not in the interests of FirstGroup and others which are subject to private equity takeovers because they are so attractive.

The changes they wish to make, to strip out wages and conditions, are so that they can make increased profits going forward. They are doing that at the behest of the Secretary of State, and the previous incumbent in that job, on an ideological basis. What we need are lower fares. We need incentivisation for people to get out of their cars and on to the railway. They will not do that with the current fare structure and the current industry structure. They will not do that with the industry structure that is proposed in the Shapps White Paper for Great British Rail, because you will keep the corrupt system of railway privatisation, where there is no risk.

These people have a one-way ticket to profit, as you have just heard. Even if they score zero on customer satisfaction and are unable to run the trains at all when there is no industrial action, because they have declared war on the staff and on the passenger, they will make profit no matter what happens because that is the structure that has been put in place. We need fundamental change, yes, but you do not need to attack the staff.

Q86 **Greg Smith:** What do you believe was the average profit margin for a railway operator pre-pandemic?

Mick Lynch: It was quite low, but there is no risk. There is no risk to them at the moment.

Q87 **Greg Smith:** Do you accept the 2% figure?



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Mick Lynch: It is probably 2%, but if there are billions of pounds in circulation that is quite a comfortable living. If I was getting 2% of all railway income, I would be doing quite well. Normally, businesses have to put capital at risk, don't they?

Greg Smith: Yes.

Mick Lynch: That is why they justify their profit. This is a cartel of people who are working with the Government to produce surpluses at no risk to themselves. No matter what their reputation is in this industry, the Government will keep paying them. That is a ridiculous and, if I might put it, corrupt system because there is no incentive for them to make any change. The TOCs have taken £3.5 billion-worth of profit out of the railway since privatisation. They have not done anything for us because they have no risk. When they have had risk, they have handed back the keys.

Q88 **Greg Smith:** Mr Lynch, I would like to get into this profit point because I think these figures are disputed. I have seen things from your union that talk about £500 million or £600 million profits, and yet there is equally data out there that suggests that since privatisation—as you have raised it—passenger numbers doubled on the railways and have reduced roughly a £2 billion annual operating loss. Some of your figures do not seem to take into account the rolling stock costs and the supply chain.

Mick Lynch: They do. The rolling stock companies are making vast profits. Last year, when there were virtually no passengers, they made £150 million-worth of profit.

Q89 **Greg Smith:** We will disagree on whether profit is a good or a bad thing, I am sure.

Mick Lynch: Profit is okay, but with return of risk though.

Q90 **Greg Smith:** I am trying to understand, for the evidence base of this Select Committee, where the real profit is. There is a lot of analysis out there that suggests the real operating profits of the railways are likely to be, post-pandemic, somewhere between £100 million and £150 million.

Mick Lynch: With no risk.

Q91 **Greg Smith:** I am sure we will agree that that is a lot of money, but that translates to about a 2% pay rise for one year and not the sort of numbers that we are talking about.

Mick Lynch: How does it translate to a pay rise? They could make the pay rises without getting rid of their profits. You have to ask the question: why are they in this business at all to make profit? We do not need private rail operating companies. We have LNER and several other operators who could not cope. We do not need the incentive of private companies.

Q92 **Greg Smith:** You just said that they could make pay rises without



impacting their profits—

Mick Lynch: No, I did not.

Q93 **Greg Smith:** Where else is the money going to come from?

Mick Lynch: It does not necessarily wipe out all of their profit. I would be very happy if we had no private sector rail operators and we could pay the staff a proper wage.

Q94 **Greg Smith:** My last question is this, and I would be grateful for a brief answer to give others a chance to answer it. What will you accept in terms of change on the railway, either through greater automation or technology coming in, to ensure that costs can be reduced on other things, other than what we pay the human beings who work on the railways in order to secure job security?

Mick Lynch: We have accepted change constantly in my lifetime on the railway. We have had new technology constantly, whether that is the retail of tickets, the technology on rolling stock or the technology on repairing the track. We are constantly in dialogue with Network Rail about that.

What we will not accept is a decline in safety standards, where they are going to cut 50% of the maintenance standard tasks; where they want to make our people work permanent nights, which we think endangers them; and where they want to make our people have a work-life balance that is entirely unacceptable. What we will accept is a negotiated change and an evolution of the railway. We will not accept a massive imposition where they require us to work overtime constantly because there are not enough people there any more.

For instance, they have just signed a new deal with the private sector infrastructure companies for £13 billion while they are looking to make their own people redundant. What we will accept is a negotiated change to our agreements, not an imposition.

Greg Smith: Thank you. I have tipped over my 10 minutes, but thank you for your candour.

Q95 **Grahame Morris:** I would like to ask Mick a couple of points of clarification, and then I want to ask about Felixstowe, so I will come to Miles in a moment.

I think you were here for the earlier session with Tim Shoveller. I am paraphrasing, but he said he was optimistic that it might be possible to get a settlement. He said that he sensed some kind of change in the atmosphere. What is your perception from the RMT's point of view? Can you elaborate on the role of the Secretary of State—the previous one and the current one—and is their sign-off vital to securing any agreement?

Mick Lynch: I am not sensing a massive change. You have to be optimistic in this game on both sides of the table, otherwise you will never get a deal. We are working with them. Both sides fully understand



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what is needed. At the moment their recipe for change is not acceptable to my union.

We do not get on to money. Everybody is asking about money and what we would accept. In most of these negotiations, we do not discuss money at all because the menu they are putting in front of us is not acceptable to our members. People ask, "Why didn't you put this or that to a referendum?" If we had put the last offer from Network Rail to a referendum, I suspect it would have gone down by eight to 10 to one. Our members are clearly not ready to accept what they are proposing. The changes in their lives that they are proposing are so dramatic that they will sink without trace if we put them to a referendum.

That is where we are. We will keep working on the problem with them, but they will frankly have to back down on some of the demands they are making to us.

In terms of the Secretary of State, the previous one just kept abusing me and everybody else, calling me a baron, a militant and all this business. I do not think the people who support us—the people who are out on our picket lines—are a bunch of militants. I think they are men and women who want a square deal from their employer.

What it needs is a new atmosphere. They have cut the funding. They have cut it on London Transport as well, which is why we have difficulties there. It is £4 billion in total. We can settle this with a bit more funding. People do not want to hear that, but if you are cutting money, you have to put up with the consequences. We are hearing that all over the economy.

Creating a different atmosphere is helpful. I know that leading people like Sir Peter Hendy, the chief execs and various others have been to see the Secretary of State, which is good. I hope they get a new mandate. I think it is strange that Steve Montgomery is not here today answering questions as to what his role is as the chair of the RDG, and the person who is running Avanti directly. Why they have sent somebody who claims to know nothing about the disputes is beyond me, because they could have got direct knowledge on that.

Q96 **Chair:** To be fair, that would be my fault because I did not actually invite him. We wanted to hear about Avanti's operations and Network Rail's negotiations.

Mick Lynch: He is running the operations of Avanti at the moment. It is helpful that there is a different mindset and a different approach. It is helpful that she has met us, but we have to see something at the negotiating table that changes the formula, the paradigm or whatever the posh word is, that we are going to take forward. At the moment, we have not seen it.

Q97 **Grahame Morris:** Miles, we have heard that the basis of the dispute is



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not primarily about pay as far as Network Rail goes but is about terms and conditions. What can you tell us about the dispute at Felixstowe? What is it about? Is it pay or also terms and conditions?

Miles Hubbard: In a sense, I for once find myself agreeing with Paul Davey, in so far as it is principally a dispute about pay. However, the strength of feeling it has revealed goes to years of industrial relations going back a long way. It is notable that this is the first dispute at Felixstowe for 30 years. It is principally economic in its origin, and it is a local dispute.

To reiterate the point that Mick has just made, these are about as far from militant people as you could possibly ask for. They live in the constituency of Thérèse Coffey and some of them vote for her. They are hardly rampant militants. They simply feel that they have been given a deal they cannot live with, and they need to do something to improve their pay.

Q98 **Grahame Morris:** Can you elaborate on the current position in negotiations with the employer? I was rather confused when I heard the response from Mr Davey.

Miles Hubbard: The response from the employer is that they have withdrawn completely from negotiations and will not talk to us. The only way they will talk to us about 2023 is if we completely cease all campaigning and being a trade union in every respect, and then they might talk to us. That has been their position all the way through. Their way of framing it would be, "We can't negotiate with a gun to our heads," but when we take the gun away, they do not change.

We have made it clear throughout that we are ready to talk to them at every juncture. This is a company that is awash with money. We can talk about exactly how much profit they made through the covid period, but it is in the hundreds of millions.

Q99 **Grahame Morris:** It would be useful if you could. I asked Mr Davey about the profitability of the company. I do not think he disagreed with the figure of £200 million, but in terms of justifying the claim on behalf of your members, what is the position of the company? It is profitable. What were the shareholder dividends over the last few years?

Miles Hubbard: I do not know the exact levels of shareholder dividends, but they are very high. In terms of the hundreds of millions figure, to settle this dispute would cost a tiny fraction of that. We have been clear throughout that we want to settle it.

Recent events, particularly the company's withdrawal from negotiations, mean it is difficult to conclude otherwise than that the company seems to want to keep the dispute going, with all the attendant disruption to the economy.

Q100 **Grahame Morris:** I am wondering about the role of Government in



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settling the dispute. Clearly, Felixstowe is a local dispute and a company that has had very good industrial relations over a long period of time, whereas the rail dispute is a national dispute involving employees from Network Rail and the train operating companies. Is there a role for Government in settling the dispute at Felixstowe?

Miles Hubbard: You would have thought so, wouldn't you? There is a deal to be done, without a doubt. Nobody could seriously suggest that they cannot afford to do that deal. If you look at the cost of settlement versus the cost of keeping it going, it does not stack up. You have to ask the question, "Why are they doing this? Who benefits from this?"

As I have said all the way through, we are ready to meet with them to settle this dispute. It could be solved very simply. In fact, we signalled to them that we were prepared to reach a compromise, if you want to call it that. That was turned round on us and used in the most appalling manner, in my view. I will not go into the details because I do not talk about individuals, but it should not have been done.

I would like to make one other point. If anybody suggests that this dispute has somehow been timed to coincide with Liverpool or anything, that is absolute nonsense. It has arrived here because of the company's reluctance to settle, and it started because of a survey of our members on what they considered a fair pay rise. Every decision is made by our members. No doubt you are going to ask me about balloting.

Q101 **Grahame Morris:** What were the figures in the ballot?

Miles Hubbard: The original one was 92% of those voting. I think it was—I cannot remember exactly—80% or something turnout. By any standards, that is a pretty respectable mandate.

Q102 **Chair:** Hasn't one of the branches of Unite at the port accepted the deal?

Miles Hubbard: Yes.

Q103 **Chair:** The members have accepted.

Miles Hubbard: Yes, that is the managerial branch. I hope that indicates to you—because it should—that nobody is twisting their arm to do something they do not wish to do. The members make all the decisions. The fact that that branch made a different decision on the facts they had available to them indicates that they are free to do so. That has been the case all the way through, despite the company suggesting otherwise at every opportunity.

Q104 **Grahame Morris:** I will conclude by asking, first Mick and then Miles, what do you think about the Government's plans to legislate to compel trade unions to put an employer's offer to the membership at the expense of the union?

Mick Lynch: I think it is ridiculous. I do not think it will work. It will incentivise an employer to make a daft offer. Inflation is currently 12.3%



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on RPI and a bit below that on CPI, whichever you want to take. An employer could turn round and say, "Here is 1.95%. Can you put it to your members?", knowing that it is going to go down like a lead balloon. You do that, and the next week they could say, "How about 1.975%? Can you go back and do that?"

I do not know how it will work and how any employer would then come to the table in an atmosphere of good will, as we always say. I know these are old trade union clichés, but you know when you are going into a room whether an employer wants to do a deal, and they know when we want to do a deal and it is not masquerading, showboating or whatever. No employer would want to do a deal on that basis. They can just make the union keep going back and back, spending more and more resources. It will be a distraction.

Every party knows when a deal is going to be done or when you have the basis for developing a deal normally. You do not need all that distraction. I think it just indicates people who do not really know what they are on about, in terms of industrial relations and running businesses.

Chair: Coming back to that, Grahame, have we put it to Miles yet?

Q105 **Grahame Morris:** I was interested because of the imposition of the 2022 award.

Miles Hubbard: Mick is exactly right. Anybody who has ever been involved in negotiation of any sort will know that, in the course of a meeting, you might throw 10 ideas across the table and bat them around. How are you going to measure what an offer is? It is absolutely ridiculous.

In the case of Felixstowe, as I say, you have to remember that all the decisions have been made by the membership. When that 7% was offered, we said, "They're not going to accept it," because we have reps in every department, and they talk to our members and they knew what would come back. The employers said, "No, you have to put it to your members." They made a huge play of this nationally, in fact. Then they imposed it, so we had to put it to our members because we had to ask the question, "Do you accept this, or do we just stop now?" Far from saying, "We accept it," they rejected it by another whacking great majority of 82% or 83%.

What turned out to be the case was that what we were saying was true. We had the temperature of the workplace, we knew what it was, and we were trying to do what was best for good industrial relations. Instead, the employers imposed it and angered people no end. Again, as I have already stressed, they have inflamed the dispute rather than made an effort to solve it. I do not think it is going to work.

Q106 **Chair:** Coming back to your point, Mr Lynch, why would a company put a ridiculously low pay offer out there and think that is good practice? All that will happen is that it will get rejected 100% and give the unions the



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whip hand. I do not quite follow the logic of what you were just saying as to why companies would do that.

Mick Lynch: It would incentivise companies to keep making the unions go back to voting, and wasting our time rather than negotiating a settlement. With a raft of other things—you mentioned earlier in the session when a company can impose—they have to say that they have moved to the end of the machinery and that it has been exhausted. That is what happened with VTEC. We won the case against Virgin Trains East Coast, the predecessor of the current holder, because they had not exhausted it. It is illegal at the minute to impose, if that has not been exhausted. There is a case called Kostal.

I think the legislation that they are seeking to bring—obviously we need to see it before we can make a judgment on it—will end up with all of us in court quite a lot. There will be winners and losers in that, but what they are essentially trying to say is that effective industrial relations will be suppressed in this country, and it will be extremely difficult to have a ballot. Every time you have an offer that may be particularly punitive—let's not forget that with the train operators we do not have any offer at all—you would have to keep going through these exercises, which I think would tie the unions in knots.

Q107 **Chair:** I agree that it could be deemed a waste of time, but a business would not necessarily want to give you the whip hand and waste the time. To your point that you cannot legally define an offer, by its very concept it is a legal definition. I was a negotiator for some years, and I would be able to define what would have been a negotiated offer. I do not share your scepticism that it would not work in practice, even though I understand why you would not actually want to—

Mick Lynch: Well, it would work for the business, wouldn't it? That is the idea.

Q108 **Chair:** It could also work for your members. When we had a session with your deputy and Mr Shoveller, that 8% pay offer had just been made. Do you not think it would have been reasonable at least to put it to your members and determine whether they were willing to accept that or if, as you say, they would not, you have your proof and your negotiating arm?

Mick Lynch: We put it to our members through their elected reps. Isn't that what you do in the Chamber every day? Are you going to put the Chancellor's Budget to a referendum? No, you are going to put it to elected reps and they will make the decision.

Q109 **Chair:** No, not at all. We all have our vote. That is the whole point. We do not refer to anybody else.

Mick Lynch: So do our reps, when we have a mass meeting. They get a vote.

Q110 **Chair:** But what about all of your members?



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Mick Lynch: Well, what about all of your constituents? Will they vote on the Budget, or will you let their elected representatives vote on it?

Q111 **Chair:** Obviously, if we were going to be voters like that, then we would be in Switzerland.

Mick Lynch: Exactly. We would have exactly the same situation in the union. We have multiple companies. We deal with 400 companies in the course of a year. Unite must deal with 4,000, or 5,000, for all I know. We would be running around with referendums on a non-stop basis.

Q112 **Chair:** Following your logic, why do you bother putting anything to the members at all?

Mick Lynch: Because we get to a final position that may be at the point of either agreement or impasse, and we go to them for their endorsement. You did not put every version of the European treaty to the country. There was a long debate about that.

Q113 **Chair:** We tried it once.

Mick Lynch: Exactly.

Q114 **Chair:** Coming back to Mr Hubbard, to be absolutely clear, the 7% was rejected. I do not know if you heard me mentioning this to the representative for Felixstowe. Your national officer, Robert Morton, said that he was looking for a figure of between 7% and 12.3%. What was offered was 7% plus £500, which seems to be within that window. Is there anything else that—

Miles Hubbard: I think what he was saying was that the current offer was one end and inflation was the other, and the answer lay somewhere between. That is what I would interpret him to mean.

Q115 **Chair:** He said a figure between 7% and 12.3% would be acceptable.

Miles Hubbard: Yes, there you go. He is saying—

Q116 **Chair:** He was not commenting about the inflation rate. He was commenting about—

Miles Hubbard: Well, the 12.3%. The wage claim is for 10%.

Q117 **Chair:** I recognise there is a big window, but you are within the window. That was the point.

Miles Hubbard: Our members make that decision. As Mick has already shown, what all this is predicated on is a belief that our members do not trust us; there is no trust in the room; everybody is out to act badly; and there is never any agreement. Most of the time there is agreement. Particularly at Felixstowe—I cannot speak for the RMT situation—most of the time we reach agreement on things and have done for the last 30 years. By and large, there is trust and the system works. Sometimes it goes wrong.



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Somebody said earlier there were all these days of strikes. If you compare it to 1979, there is a minuscule amount of strike action taking place—it was tens of millions of days lost. We have to get this in proportion. Most of the time the bargaining system works well and leads to harmonious industrial relations. It is only these anomalous situations.

Q118 **Chair:** You touched on this with Grahame, but we heard from Network Rail that they felt they could not impose their pay offer on the workforce. We heard from Felixstowe that they took the view that because negotiations had ended, they could, and that gave them the legal differential to justify it. You are saying that negotiations only ended because they would not continue to negotiate with you. How do you and your lawyers view the position?

Miles Hubbard: That one remains to be seen. We will find out, won't we? In terms of common sense, when one side says, "We have not finished negotiations," you would think that would be clear, wouldn't you? I do not want to go into the details of this because it will be argued out in due course, but Unite has been clear all the way through that we wish to bargain, and we wish to get back in the room to make a deal. We are prepared to look at all possibilities on that, but our members cannot live with what is there at the moment. To me, that is a reasonable position.

Q119 **Chair:** But negotiation, by its definition, is not a unilateral concept, so I take your point.

Mick Lynch: You are putting the case where it is purely money. If one side is offering 5% and the other one wants 9%, logically you might get a deal with 7%. All the negotiations we are having with the train operating companies and Network Rail are on the verge of fire and rehire. It is all about conditions. It is all about the number of people who are going to work there and what the work-life balance and the nature of that work will be in the future.

What they are saying is, "If you do not accept what are basically new contracts of employment, we are going to make the redundancies and we are going to impose the changes." That is like fire and rehire. If you do not want that, you might have to take it to a tribunal as an individual or as a group. We never get round to the money because the money is at the end of the equation. We are constantly stuck in what your working life is going to be like. P&O made a different decision—that they did not want to discuss it at all.

Q120 **Chair:** Mr Shoveller did not give us that impression. In fact, if anything, he said he did not want to impose—

Mick Lynch: With respect, that is true. In fairness to him, that is what he wants, but they are saying, "If you do not get there"—they are now saying it is in a very quick time—"we will impose these changes, and we will impose them separate to a pay deal."



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For our members, it is absolutely fundamental to what their life is going to be like. The TOCs have said to us that everybody will be on a new contract of employment. That is all the Sunday issues and all the premiums. For all the stuff that we have negotiated, they want a new model contract—without the detail, because there are hours of discussion—that will be entirely different from the one you have now. That is a version of “like it or lump it”. You can either agree to it or you are going to have to take it as it is imposed, with the redundancies on top.

Q121 Karl McCartney: Mr Lynch, you have answered my question without me even asking it. I was going to ask for some details about the negotiations and what the sticking points were, because you said it was not about money.

If I can sum up, would you, on behalf of your members, ever accept driverless trains? Without you immediately saying no, say, for instance, a 50-year-old driver was offered severance pay for driverless trains to take place—say half a million; I am not going to go into negotiations with you at this point—would you put that to your drivers or just dismiss it out of hand?

Mick Lynch: We do not think it is safe to have driverless trains on the mainline railway. You would have to spend more money than Kwasi Kwarteng printed last week to bring in driverless trains in this country. It is the ability to detect cattle, sheep and people crossing. We cannot even work out level crossings in this country. Network Rail does not have the infrastructure. We do not have automatic signalling. It is only on one route, to Machynlleth, I think, at the moment. You are decades and decades away from that becoming a question.

If you want to go up to the highlands of Scotland and have a driverless train, you will have a train that is stopped forever because there is no infrastructure and this Government are not going to give it any investment, even towards getting a more efficient railway system. The only real new signalling projects you are getting are on things like HS1. There are little piecemeal bits around the system.

Q122 Karl McCartney: But you admit it works on DLR.

Mick Lynch: They are attended trains. Our members on DLR drive those trains as soon as they have lost coherence with the signalling system. There is always a person on those trains. DLR has exactly the same crewing requirement as a London underground train. There is a person who is capable of driving that train and is responsible for the dispatch. It is not true that it is a driverless train. The person on it is a qualified driver.

Q123 Gavin Newlands: You described the current set-up. I think you used the words “corrupt cabal”, “subsidised profit” and so on. In Scotland, ScotRail has been nationalised and is now under public ownership and control. Just last week, it was announced that the sleeper service is going to



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come back into public ownership.

Clearly, public ownership in and of itself is not a panacea for all the problems that you and the operators have outlined, but would you see it as a first step potentially to seeing off some of those challenges?

Mick Lynch: I see integration. I hope that the sleeper is integrated with ScotRail services. We want public ownership in the interests of the users and all the other issues. I do not think we are going to get a railway that runs in everybody's interest until the profit motive is taken out of it, because they will only run the services that pay them a direct profit unless we give them incentives through subsidy. That is what they have lived on.

The big owners such as FirstGroup, which is a Scottish company, have walked away from franchises. They walked away from the Great Western Railway franchise as soon as it was going to cost them any money or get any risk. A number of the people who have run ScotRail and the sleeper service have made a pig's ear of it, frankly. They cannot do what they bid for because what they bid for undercuts the previous incumbent, and you get a downward spiral. Then we end up subsidising it.

I see an integrated transport policy as the future, but that has to be where all the railway services, including freight, are run in a broader interest than the people who are pitching in for the stake. I think that is what the problem is. They are driving down standards rather than driving them up. The only standard they are interested in is their own return.

Q124 **Gavin Newlands:** We need to move on to aviation, but lastly, if I may, the general secretary of the STUC, Roz Foyer, spoke at the weekend about the difference in approach between the UK Government and the Scottish Government with regard to disputes. Essentially, she said they do not have a Government who will give them everything they want as fast as they want, but they have a Government who get round the table to discuss these things, and they do not have that south of the border. How much does that differ from the approach that the UK Government have had?

Mick Lynch: I think there is a different atmosphere when you meet Scottish politicians of all hues. We go up there and meet all sorts of people. I think they have an attitude where they want to resolve the issue, whereas sometimes when we meet politicians down here they want to exacerbate the issue and make us their enemy, for some reason, and make our members some kind of victims of their ideological pursuit of a free market agenda. I think that is something the railway suffers from.

Q125 **Chair:** Despite all of that, and the fact that Scotland has the nationalised operation, which you would like, Mr Lynch, and given that Gavin mentioned that it has a better series of industrial relation strategies than south of the border, yesterday I believe that the RMT voted for strike action on ScotRail. Where did it all go wrong there?



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Mick Lynch: It is not a panacea. You will still get problems. They have budget restrictions. They are picking up what was left to them by Abellio, the previous caretaker. I am not saying that we will never have industrial relations issues, but I make a prediction that we will get to a solution with ScotRail in a more comfortable way than we will with the train operating companies that are governed by the DFT.

Q126 **Chair:** But you are on strike.

Mick Lynch: We have had one day of strike. We have had eight days of strikes on the English-based ones.

Q127 **Chair:** You might think you have only just started, unless you are actually giving the Scottish Government the whip hand that you are willing to cave in.

Mick Lynch: We do not have a tradition of caving in, so I do not think that is going to develop now.

Q128 **Chair:** That is my ultimate point, and challenge, to you. You talk a lot about not liking the private model—we accept that—but whether it is private or nationalised, you take industrial action. At what point, with particular reference to whether it makes any difference any more, is the reason these strikes continue to roll on that what you have demonstrated is that people can carry on working from home, whereas in times gone by I would have expected this to have been settled by now?

Gavin Newlands: Can I make one point, Chair?

Chair: Can I ask Mr Lynch to answer?

Mick Lynch: I think the Conservative Government of the minute is making this dispute longer—the DFT one. Where the DFT were not involved, and where Grant Shapps was not involved, we settled all of the major disputes. If you take driver-only operation with Transport for Wales, with Merseyrail and with others, we have settled those disputes. We do not have pay disputes, apart from the issue in ScotRail.

There is a theme that the DFT and the Treasury have provoked some of this stuff by cutting the funding. We will continue to talk to ScotRail and Transport Scotland. We will get a solution eventually.

Q129 **Chair:** Who do you think should end up paying for these increases? Is it the passenger or is it the general taxpayer?

Mick Lynch: The railways will have to pay for them. We need a funding settlement for the railways that will be adequate. At the minute, it is all being paid for by our members, either in terms of their jobs, the pay freeze that we have had for three years now or the conditions that are going to be ripped up. You can compress that spring for so long, but then you will get a reaction.

Q130 **Chair:** Work on the basis that there will be a settlement—there tends to be a settlement. Who should foot the bill for that? Should it be the rail



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passenger or the general taxpayer?

Mick Lynch: The bill for the railways is footed by a combination of subsidy and fare payers. What we are not getting is the train operators chipping in at the minute. They are not forgoing any of their profits, nor did they during covid, and nor did the ROSCOs, which continue to post record profits when there were fewer than 5% of people travelling. The system that this Government have brought in rewards the ROSCOs, who have no risk, and rewards the TOCs who have no risk at all for doing nothing, and that includes settling this dispute.

Chair: Gavin had one last question.

Q131 **Gavin Newlands:** It was just to say that there is a slight difference in the starting point of the offers from the Government. We are much closer to where the RMT wants us to go. It is: five years, no compulsory redundancies, a 5% pay offer and excess revenue share—which is what the train drivers accepted at the end of their dispute.

Chair: I recognise I am not asking the questions, but that suggests that it is a pretty unreasonable strike if it is such a great offer.

Mick Lynch: That strike is among low-paid people; 5% when you are on 21 grand is a different matter.

Q132 **Chair:** We put this to those in industry, so it is only fair we put it to you as well. I talked to Mr Shoveller, for example, about what more he felt you needed to do in order to get to a settlement. Equally, I asked what more he and the Government needed to do to get to a settlement.

I will put it to you in the same way. What more do you think that the RMT needs to do to get us there? Equally, what more should the Government do? You cannot be that far away.

Mick Lynch: We put proposals to them that would address some of the stuff they want—what they call modernisation and we sometimes call cuts. They have those in front of them. We put counter-arguments to them. With the train operators we do the same, but the train operators have not changed their position since 18 months ago. In fact, they have made it harder. They want to go back to all the DOO disputes, which you had in your constituency, and open every single one of the disputes on Northern and all the inter-city companies, and go back to those arguments from six and seven years ago. That is the position that the Secretary of State has given them.

She needs to change their mandate at the negotiating table. They tell me directly, "We cannot make a new offer to you until we go and see the DFT and they change their mandate." It is in their national contracts that the Secretary of State is responsible for industrial relations at the TOCs. De facto, she is the only shareholder of Network Rail.

It might need a few more bob, Mr Merriman. I am not going to kid you. Disputes get solved sometimes by more money, but it also needs a



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change in attitude and a change of stance. Stop asking us to accept things that they know we cannot accept.

Q133 **Chair:** What more do you think you can give in terms of being creative?

Mick Lynch: We are as creative as we can be, believe me. Then we have to persuade our members. We will do that at the table. We have put counter-arguments to them and counterpoints that address some of the stuff they want. Whether it is on retail or retraining our people for different deployments on the railway, we will deal with that and we always have.

Q134 **Chair:** Mr Shoveller said you had not put a figure that you actually wanted. Is that the case?

Mick Lynch: Because we are not at the stage of money. The offer he has put to us is 8% over three years. Inflation at this time is 12.3%, so he knows that is not going to cut the mustard. They never got a pay deal last year on Network Rail, and the offer is over two years going forward. It is 8% over three years, which is very poor. He knows that is not going to fly, but he wants to get the changes through first. They say we have to accept all the changes without reservation, and then they might give us a modest increase on the deal that is being proposed.

Q135 **Chair:** Mr Hubbard, I put the same point to you. What do you think Felixstowe could do to get your members there, and what more can you do in the same vein?

Miles Hubbard: We know, and they know, that all they would need to do is come around the table and talk about a figure we could all live with. Our members are keen to make a deal. We are keen to make a deal. They have, frankly, taken a very belligerent position. I do not know why they have done that, but it is massively disruptive. We accept that. We do not want to cause disruption unnecessarily, but our members have nowhere else to go. Our message to them is, "Come back round the table and let's make a deal."

Q136 **Chair:** What more do you think you can give?

Miles Hubbard: It is difficult to know what more we can give.

Q137 **Chair:** Is it somewhere between that 7% and 12.3%?

Miles Hubbard: With all due respect, I am not here to bargain in public, but of course, yes, there is a deal to be made somewhere, as Bobby Morton has been clear about.

Chair: Thank you both very much indeed, Mr Lynch and Mr Hubbard. You have given us great evidence. I appreciate the time you spent listening to the other evidence as well. We wish you well with a settlement for you, and also all of those you represent.