House of Commons

Transport Committee

Oral evidence: Rail investment pipelines: ending boom and bust, HC 575

Wednesday 18 June 2025

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Watch the meeting

Members present: Ruth Cadbury (Chair); Steff Aquarone; Catherine Atkinson; Alex Mayer.

Questions 194–206

Witnesses

II: Mick Whelan, General Secretary, ASLEF; John Leach, Senior Assistant Secretary, RMT; John McGookin, National Officer for Rail, Unite the Union; and Robin Jenks, Policy Officer, TSSA.

Written evidence from witnesses:

- ASLEF
- RMT
- TSSA

Examination of witnesses

Witnesses: Mick Whelan, John Leach, John McGookin and Robin Jenks.

Chair: Welcome to our second panel. Could you please introduce yourselves?

Mick Whelan: Good morning. I am Mick Whelan, general secretary of the train drivers' union ASLEF.

John McGookin: Good morning. I am John McGookin, acting national officer with responsibility for rail in Unite the Union.

John Leach: Good morning everyone. I am John Leach, RMT senior assistant general secretary.

Robin Jenks: Good morning. My name is Rob Jenks and I am the policy officer for TSSA.

Q194 **Chair:** And you are a last-minute stand-in; thank you very much for being available today at short notice.

As we have said, the purpose of our session is to focus on the workforce and skills and developing a stable workforce. Could you each outline briefly how the workers you represent have an interest in how effectively Government plan rail investment?

Mick Whelan: As you know, we are a campaigning organisation as well as an industrial one. We have been campaigning for full employment now for the best part of 23 years. We do not see how a performance-driven industry can rely on overtime and voluntary overtime. We have seen the problems that causes, but also over the past 10 years or so what we have created for the train-driving grade in particular is an ageing workforce. Our current statistics tell us that 22% of passenger train drivers will retire in the next five to seven years. If you go to the freight sector, it goes to 40%.

Some of our policies are, then, about how we encourage young people into the industry, change the face of it and make it better. One of our policies is having an employer-justified retirement age so we can have succession planning: we know when someone is going to retire so we can backfill those positions. Under the age discrimination legislation, that has made things incredibly difficult. Currently, we have that in four or five companies and we are seeking to stretch it elsewhere. At the same time, we have worked very well with some of the colleagues you have just had before you, particularly Neil, who is an old friend and colleague.

What I will say about apprenticeships is that the industry got interested in them only when the apprenticeship levy was applied. What we have is not directly there for young people; it is directly there for everybody who comes into our grade in the industry, so that the companies can claim back the money. I wish it was the case that everybody looked at this brave new world whereby apprenticeships were the way forward and where we wanted to be.

Over the 14 years of the previous Government, not just in the rail industry but elsewhere, we also lost union learning funds. Those funds helped to create transferable skills and allowed people to career-map from other roles into roles such as train driving. One of our biggest problems is that we do not have enough people career-mapping throughout the industry and stepping forward. Why would somebody not want to go for a job that is higher paid or has better conditions in some circumstances? So we have that issue.

We then look at ourselves as part of the problem. We have to do that on a holistic basis. Every few years I commission a report—I will send you a copy, if anyone requires it—on ASLEF itself. We look at our density—our Manhattans—when it comes to young people, women and the ethnic breakdown. It is quite frightening. The average age of someone coming into the driving grade is 34. You do not have to be a genius to work out how many female members will change their career at 34. How are they going to plan their families differently and change their career path? We are not getting people into the industry earlier. I am quite proud to say that currently I am the only trade unionist who is affiliated to Women in Rail. We looked at that. We also looked at the fact that our density for a BAME worker is only 8%, and also if people come in at 34, we do not have our fair share of young workers.

We campaigned for the last 10 or 13 years. I am pleased that we announced in Derby the other week that we are going to reduce the driving age to 18. That does not mean every driver who comes into the industry will be 18 years old, but we will get a better spread of people, and you are more likely to get people straight out of communities and more female members starting their careers early on and going into a cradle-to-grave industry.

That is not the only solution. We need to do more; we have to be better at what we do. What we need to do is part of the conversation you have just had about stereotyping. Everybody has a vision of railways as heavy manual labour. On the passenger side in the 21st century it is step on, step off. We run a different sort of railway; it is a different opportunity. You are no longer throwing on hundredweight shackles in the rain, connecting trains together, unless you are in certain parts of the freight sector. We have to look at that as a way forward and what we need to do.

As with procurement and other issues, we also need to look at social impact, not just social value, in what we do. If you go anywhere else in Europe, when they make a decision on procurement they look at their supply chains and, more importantly, their apprenticeships and people coming into their industries in future. It is not unusual or xenophobic to see German trains in Germany, Italian trains in Italy and French trains in

France, because they also look not just at the price of the contract but at the price of the workforce and what they lose or gain by doing those contracts. I think that is a valuable way forward.

Having said that, the freight sector is in the doldrums and we are dealing with live redundancies. It is not very attractive at this moment. What we will see in the short term, as they try to backfill that high age gap, is that people will go there and be productive for three years and, as soon as they get the opportunity, they will jump to a passenger TOC or a safer occupation. We know there is a high risk of divestment in the freight sector at the moment. Germany has problems with its own railways, which got rid of their passenger TOCs. It is quite clear that they would get rid of DB tomorrow and not invest in the future in a way we would hope. We also understand that other freight operators who are owned by other companies have now subbed a European base, so they could get rid of that company easier in the process.

Under GBR there is a massive opportunity. We have a national freight operator, DRS, but the biggest procurer of trains in the UK will be Network Rail. What contracts can we bring in, and what can we do? When we talk about skills in particular there is an absolute opportunity, but that supply chain does not work unless we have the projects and investment to go with it, and we build the capacity to go with it.

An expression that was incredibly popular six years ago was "go green". There was cross-party consensus before covid. We were going to deliver Kyoto, Paris and the 1%. HS2 might have been at the heart of it. We have now lost that, but the whole idea was that this little island with 64 million people could not deliver mass freight and mass passenger movements without integrated transport, not just rail at the heart of it. We need to build a greater skillset and not be in opposition to road. If you take freight as an example, you can run a freight train into Wakefield or Daventry with the equivalent of 100 lorries, but then you do four shorter journeys in an electric lorry and nobody loses a job. It is about how you look at building for the future. If you talk to lorry drivers—I have spoken to quite a few—and the trade unions involved, they would rather do shorter journeys than go 200 miles there and back. There is a symbiosis here in what we can do and how we could achieve it.

Chair: You are covering quite a lot of issues that we were going to ask you about anyway.

Mick Whelan: I am sorry, Chair. You know me from the past.

Chair: I want to give the others a chance to answer the first question.

John McGookin: I have no problem with that. I could have said "ditto". From Unite's perspective, we have a footprint in most of the sectors involved in rail. We are involved in manufacturing, freight, train operation and infrastructure. For us, it is key that there is a joined-up strategy in delivery for all, not just one sub-sector of rail. Mick touched on one particular aspect of freight. Unite has a very large transport sector. It covers the maritime side of things through rail, road and the last-mile delivery system. It is joined up. Going forward, we would like to see the Government focus on a real strategy, not just say the words and do nothing. It is important that we invest in the people who work in the industry. It is vitally important that we invest in the infrastructure and the kit that these people have.

Early in my career my background was predominantly in dealing with train operating companies, looking at companies such as Great Western and South Western Railways and how they cope within the framework they have. If you use Great Western, they have IET 800 trains that they do not service; they just run them. If they break down, Hitachi repair them. They are serviced by Hitachi. They are not even owned by Hitachi. Ultimately, I think that whole model seems a bit odd. They operate their own service incentives so you have an integration of both in-house train operators and service engineers from third parties. It cannot continue like that if we don’t get the delivery systems right.

I note your colleague from Derby. In terms of manufacturing, we have a huge problem there; we have a significant problem in Newton Aycliffe. Both of those are reliant on HS2 and are suffering as a consequence of the delays in HS2. We need to look at how we support those people and keep them in work.

I listened to the previous evidence and what people said about training. You can train as many people as you want, but if you don’t have a train for them to work on, they will just go and work in Rolls-Royce or Toyota. That might be the right thing for the country in the long term, but it is not the right thing for rail.

John Leach: I echo the comments made by Mick and John. Specifically, we see the current developments around the creation of Great British Rail as a very positive step in the right direction. But we are dealing with the legacy of where we have come from, which is what is happening right now out there on the railway. We are dealing with a very fragmented railway which is still being run and organised as we speak on that basis.

We see £180 million being bled out of the industry every year into the profits of the companies that carry out the renewals work. Eighty per cent of the workforce, which is in the region of 40,000 to 100,000, are on zero-hours contracts. While it is fair to say that the kind of core workforce, if you can call it that, of the railway that directly employed people in Network Rail, train operating companies and all of that is there, in numbers we have a much bigger workforce alongside them, which fluctuates all the time and is still completely casualised in this day and age. That is a huge problem for us. When we are talking about skills, training and planning, that is what is staring us in the face as a union, and we have to take a cold, hard reality check on that.

We welcome all the planning and preparation for investment and training. We have recently had some positive correspondence from Network Rail on that, and we know that some of the other larger organisations like TfL do a lot, but in the meanwhile we are dealing with a very challenging landscape.

I will give you another statistic that I think you should be aware of. It is a related point and I would be wrong not to mention it. We have worked out from our own data and statistical analysis that 58% of the workforce in the transport industry who work in security, cleaning or catering will be black and ethnic minority members. Yet if you look at other grades—for example, the signalling grades, where we would have a large influence, or other train grades such as conductors and guards—it is not that. That is a huge thing that needs to be attended to. We are very much focused on that. That is why one of our main projects at the moment is around the issue of outsourcing—you may be aware of that—across this industry. We welcome the Government's commitment to the largest wave of in-sourcing ever, but at the same time we need to make sure that happens for the reasons I have just given and the statistics.

Millions of pounds of profit are still being bled out. Eighty per cent of the workforce is still on zero-hours contracts in renewals on the railway. There is a long way to go. Boom and bust is the way it has been in recent years and it needs to be addressed quickly. We have a lot to say. We have presented our evidence in writing as well, and we are happy to be part of fixing this big problem.

Chair: Thank you very much.

Robin Jenks: Thank you for the opportunity to step in at the last minute. I echo what both colleagues have said. Clearly, we are all singing very much from the same hymn sheet.

One of the things we see at the moment as a threat to the railway industry is that, while we welcome GBR, we cannot help but consider the undertones in what we hear from GBR—in particular, I am thinking of the recent consultation—and what the Government are doing elsewhere with the health service and other places in cutting levels of staff.

In preparation for this event, we looked at available research. Research from the National Skills Academy for Rail was one of the first that came up, with the identification of so many people who may be retiring from the industry either in the supply chain or among the directly employed, as John called them, in Network Rail and train operators. That is a third of the industry.

We see skills in two areas. The first is in relation to people in the supply chain and all the issues around the pipeline approach that comes from that, and the stop-start, boom-and-bust approach. The other part of it is all those people who we anticipate will lose their work when GBR and the train operating companies are brought together. We know that the DFT has a cut in its budget. We also know from conversations with Ministers and others that there is an expectation that things will be, so-called, “more efficient”, which in our English language means you are going to cut jobs. Those people who are at an advanced stage—maybe they are a few years away from retirement and are in their late 50s or early 60s—are probably thinking, “That would be a nice boost, wouldn’t it?”, but the point would be: who comes behind them? That is where there is a huge training issue.

One of the points I want to make is that there is a lot of talk about apprenticeships and training of people as new entrants or new starters, if you like, but there are also a lot of people in the industry already who could benefit from that sort of training. We did some work a few years back on the use of the apprenticeship levy and how existing staff could build their careers or, perhaps at the time of reorganisation, engage in some form of training, such as an apprenticeship, which should advance their status.

I can give a personal example, but not in rail. My son works for an IT company. He has worked there for a couple of years. They put him through a level 4 apprenticeship. He passed it with flying colours. That is an example of what can be achieved over one or two years’ study.

One of the problems we see with the pipeline approach is the boom-and-bust nature of it. It has been talked about quite a lot so far. We have members in that part of the industry who are employed and their work can dry up. I am thinking about train building in Derby, for instance. We also have members who work for firms in signal design, asset inspection and those sorts of things, who are contracted with Network Rail. Every so many years, their contract comes up for renewal. There is a structure examination group, for instance. At one point it all worked for one firm, but it was disseminated about five years ago. It has been further disseminated now, so you have little groups of staff.

I have been in conversation with some of our members who were supported through a TUPE transfer, but instead of, say, 200 people moving, the approach is seven there and five here. The effect is that, as they get pushed aside, where do they go in terms of training? Employers who take them on are not really interested in training; they want to make their money out of those people and then move on.

The message we are trying to get across to you is that there is an issue of job losses as a result of a lack of pipeline approach in the supply chain, but there is also—we cannot miss this point—a potential for a loss of jobs in GBR as it takes all this on board. If you talk to any of our members in any of those firms, they will say, “The fear is that our jobs will go.” Government Ministers have already said they are going to get rid of duplication. Okay. I do a similar sort of job to that person over there. Will they choose one of us, or will we both have a job? Those are the sorts of approaches. There is also a known cut coming in terms of support for the industry.

One of those support issues arises as well because of a long-term strategy. We have been supporting and banging on for a long time, as have my colleagues, about the need for a 20 or 30-year strategy, yet in the recent consultation there was no definitive indication that there would be that kind of strategy. The implication was that it would fit in with Government cycles, so it is a five-year, short-term strategy, unless you can tell me something different.

The problem we see is that the absence of a long-term strategy goes above the parliamentary period and above the control periods that Network Rail engage with. They can perhaps feed into it, but there is nevertheless a strategy and not a stop-start physical announcement about funding for this, that or the other. Is that the right strategy? What comes after it? That money is so far in advance—say, five years away—will it actually be there when it comes round or will it be cut? One of the things I want to get across today is that a long-term strategy is vital. It supports the supply chain, it should be supported by investment, and it supports the skills agenda.

Q195 **Alex Mayer:** In the written evidence we received there was quite a lot of discussion about control periods. Briefly, how would you like control periods to work differently?

Mick Whelan: I do not think we should have control periods. I think they are budgetary periods. It is quite right that we have a check and balance on the money invested in the railway, with best value for the passenger, best value for the taxpayer and, hopefully, good value for the employees, but you need an overarching, 30-year strategy that cannot be touched politically and allows you to build. Spain has built 2,500 miles of high-speed track linking 16 cities. We are celebrating the 200th anniversary of the creation of the railways and we cannot link London, Birmingham and Manchester. That tells us that there is something wrong across the board with our long-term strategy in this industry, and we need to do something different.

John McGookin: I echo what Mick said. A control period, particularly with our colleagues within Network Rail, is seen as an anchor: it is stopping progress—it is stopping us from getting on and doing what needs to be done. There are huge gaps in the infrastructure that need modernisation and improvement that are being held back because they do not have the cash flow to deal with it.

John Leach: It is in our evidence, but we would support the control periods being extended to a minimum of seven years, which was what the Labour party said back in 2020. I also echo the fact that it is a word to describe a period of time, so it is about planning. This echoes one of the pieces of evidence given earlier by colleagues, not ourselves, who talked about how they had to start as soon as they stopped, so they need to start planning better in that control period so you do not have this stop-start, stop-start, which bleeds down into everything. People lose interest and are disincentivised, along with the zero-hours contract culture. It is just no good for anything. They need to be longer and better planned, and we are looking for much longer periods of planning.

Robin Jenks: I echo my colleagues' comments. One of the issues for control periods is that we spent a lot of time with our colleagues, certainly from RMT, dealing with an issue in Network Rail when the current control period was insufficiently funded. Several hundred people lost their jobs as a result of that, in high-output ballast and the track-relaying machine. Network Rail had to make a decision to carry on with maintenance and renewal activity or tackle the impact of climate change on structures such as bridges, tunnels and earthworks. We had to choose the second. What it means is that they have now had to stretch the asset more into the next control period.

One of the problems with the control periods—I was reading something about this the other day—is that it is all very well to say there are five-year periods, but in practice it means that as one finishes the next one starts, and contractors are complaining that the work effectively dries up. It takes a year before it is all sorted out and then it starts again. It comes to an end and then it is a stop-start issue.

The other point about control periods is that they have to fit into a 20 or 30-year cycle. There can be steps along the way, but there cannot be a stop-start with people saying, "We'll start all over again. What are we going to do this time?" For us, one of the issues—it made the unions question the issue of safety in the industry—was that they did away with the track-relaying system, which was so economical in what it could do. It meant Network Rail could do an awful lot more work in track renewal, with re-sleepering and all the rest of it. Now we have to move it forward. They put measures in place, but are those measures sufficient to ensure the safety of the railway? If you had proper funding, you could move to a situation where we could do both of those.

Q196 **Alex Mayer:** My colleague asked the previous panel about the rail network enhancements pipeline document that is stuck on the DFT website and has not been updated in some time. Do you have a view on its effectiveness in principle if it were updated?

Mick Whelan: It does not work. The most major project that we have seen was HS2, which would have given us capacity on the west coast and east coast and not just delivered faster services. We had an original view about HS2 that it was going to happen. You had to start at the top end of Scotland, start on the south coast and meet in the middle. Going to Birmingham was always going to be fraught with the dangers and the comparisons. If you look at it as a nation, there has not been a major project that we have delivered on time, and that is because we do not have rolling projects. Even the day the M1 opened, it was over capacity. The day that Crossrail—the Elizabeth line—opened, 140,000 more people than expected used it, and now so many people are using it that it will pay for itself in five years. The benefit is not the overrun, although that should be managed; it is the fact that once you have completed it you have an asset forever. We need to change our view about how we build those assets for the future. If we want to come back to Crossrail—the Elizabeth line—it was first mooted in 1949. We hardly rushed to build it, did we?

John McGookin: It is outdated. It is not fit for purpose. It is not delivering what it should do. My view on HS2 and Unite's view is that we missed a real opportunity. We missed an opportunity to join two points that would have improved our infrastructure no end. Instead, what do we do? We build in choke points. In terms of the information, if you can get it so that it is relevant, it will obviously be far better for everybody.

John Leach: We need to see a big improvement there. As I understand it, it is an inadequate piece of information. HS2 is in the news today—I was picking up information on the way in. It seems incredible in this day and age—Mick has just talked about 1949, Crossrail and all that—that we are still having to get our heads around the fact that you need to plan a railway properly. They knew that 200 years ago, yet we are only catching up with ourselves again.

In the meanwhile, £180 million have been bled out every year into private pockets, profit holders and all the rest of it. Someone has had a good time out of all this, and it ain't the travelling public or our members, who do a very tough, hard job and who need to be saluted for everything that they do. Far too many of them are working on low wages and zero-hours contracts while others seem to have had a good time out of it. That is a long answer to your question.

Robin Jenks: From my perspective, the rail network enhancements pipeline has had its day. Frankly, and very cynically perhaps, it was used to conceal the fact that the last Government were cutting the funding for enhancement work. If you look at some figures produced by ORR—it was in our submission to the Committee—they cut it by half, but people didn't know about that. They suspected it, but nobody knew about that because it was not published beyond its first iteration.

In preparing our response to this Committee, we obviously did research on that element. It was interesting to see all the projects and their dates, and how many of them have ever been completed. Our concern, bearing in mind what I said earlier about cuts to the DFT budget and investment in rail, is that there are so many things that could be done in rail that would benefit the country, not least the green agenda and co-ordination of transport.

In another consultation, we suggested adopting the Swiss approach of a fire plan and all the planning that goes into that. It has to be made public if it is to continue. People have to know it is there and it has to be trusted. Unfortunately, a lot of us come from the perspective of saying—and I don't just mean the trade unions—how trustworthy actually is it?

Mick Whelan: We seem be talking about this in terms of all the major projects that need massive amounts of whatever. We have major investment going into the railway and into other projects such as ERTMS. They are currently not being done in a strategic way, in our view. The last time I looked at it, we are doing a little bit of the east coast, and then the next bit we are going to upgrade is Warrington on the west coast. That is hardly connectivity or building it throughout.

Some of the other things that could help us to build capacity could be done in a better and more strategic way, rather than waiting until the existing signalling becomes time-expired. We will end up with a railway where we will go from semaphore signals to two-colour lights to three-colour lights to four-colour lights to automatic under London Bridge, to a little bit of ERTMS, and then coming back again. Then you have the duplication and the education skillsets to go with it.

Q197 **Alex Mayer:** How do you think the Government should approach rolling stock procurement?

John McGookin: We look at where we are on procurement. Last week, I was on an HST, a 385; these trains were new before grass was green. Ultimately, we do not have, and do not see, a joined-up plan in terms of how we replace rolling stock. We now have, say, five manufacturers in the UK that have capacity. When we looked at this way back before covid, we had one major manufacturer, which was in Derby. We have seen Siemens come along and do what it is doing now in terms of the underground. We have Newton Aycliffe building the HST replacement, the 800s. Ultimately, they are sitting there, particularly two of them, twiddling their thumbs waiting for the next order or the next train operating company to be authorised to have a new train. HS2 is what has caused all that. There still is not that pipeline—that rolling stock replacement—outside HS2.

We see CAF is doing its thing for Transport for Wales. Great Western has had the 800s, and it is now getting 170s from Transport for Wales. Ultimately, they are old beyond old. They are being refurbished. They may be slightly more comfortable for those people who will use them down on the west coast than the HSTs, but ultimately they are still an old rolling stock.

On the other side, on SWR, we have 701s—I see Mick knows exactly where we are coming from. We have 400-odd trains that are effectively sat in sidings because we can't get them to function properly. I do not know whether that is down to the change in systems or the requirements to operate, but ultimately both SWR and Alstom are tearing their hair out over it.

Q198 **Chair:** That is down to the ROSCO model. Do you have other suggestions? What would we have if we did not have the ROSCO model?

John Leach: We all have something to say on that. Those were the missed opportunities as far as we are concerned with what we see with Great British Railways, because it is not touching this. The rolling stock owning company set-up is all wrong for the reasons we know: the profits that are taken out of the industry, and the lack of strategic thinking—the "What is best for the railway industry?" approach that comes with all that. The RMT are ambitious about this. We think that should have been taken into the public sector along with everything else, and it should be a publicly owned rolling stock company or whatever way we want to describe it. This was the moment to try to do that, but that is not the way it has gone.

Q199 **Chair:** Do all your unions agree with that, or is there any different perspective on it?

Mick Whelan: We have a slightly different perspective. The first point is that if you create loads and loads of different types of traction, you create loads of duplication. The tradition in the industry for the last quarter of a century is that we treat the regions and nations like second-class citizens by giving London all bright, new sexy trains, all the InterCity stock, and we cascade things that are 20 years old or heritage stock to those places and to those passengers under the guise of new trains. That has to stop. The simplest way to stop that, in our view, would be to have a green agenda and electrify the lot, build one class of electric train, one class of electric freight loco, and then all you have to do is vary the length of the trains for the needs of the service you are delivering. If we did that under publicly owned trains, we would also take away the unique problem that we have with the ROSCOs.

The ROSCOs made £1.2 billion, I believe, between 2012 and 2018. They provide a service. They have to pay for the service they are providing. That is fine. We chose to do that as a nation. But that money could have come back into our industry to fund our future trains.

One of the solutions that we put forward—we launched it in Holyrood not so long ago—was green bonds for ScotRail to buy its own trains in the future. EUROFIMA has given you evidence of a similar sort of model. The Government can issue bonds. Bonds are popular as gilts with pension funds and other investors. You buy your own trains and you own your own trains. You do not find yourself then in that really silly situation whereby you are now paying more for something that is 24 years old on a leasing process than you did in the first year it was made. That can't be right. If you leased a car on that basis, no one would ever lease a car, would they?

John McGookin: I am pretty supportive of the angle that Mick is coming from, because from our perspective we need to see that money filtering its way back into the railway, whether through a private or public initiative. But it needs to come back into the railway.

Robin Jenks: I echo the comments about standardisation. It seems these days there are so many different items of rolling stock, all different classes, all requiring all the design and all the other elements that go into it, when standardisation was what was practised, largely, by British Rail. It worked. We are hoping that the fact that GBR will take control of this will sort this out. Ideally, the ROSCOs will be brought into the public sector as well, but there may be other options. I am aware that one option that the Government may be looking at is not-for-profit borrowing from a Swiss organisation to fund—

Chair: EUROFIMA.

Robin Jenks: Yes.

Chair: We covered that in our session last week.

Robin Jenks: I thought you might do.

As you will probably know, ROSCO profits have skyrocketed. Anyone else would have been sorted out long ago, if I can put it in plain language like that, instead of profiteering. They had 37% profits in 2022-23. The TOCs pay £3.1 billion in leasing costs.

A colleague and I, as well as some of the other unions, did a lot of work in Scotland at the end of the 2010s on public ownership of ScotRail. One of the things that the then Scottish Transport Minister talked about was how the Scottish Government would be able to have a better rate on borrowing if they were to buy the trains directly. Maybe that is something the Government should look at.

Q200 **Chair:** I am going to move on to the role of the private sector in rail investment. Given that the private sector will continue to play a key role in both the planning and the delivery of rail investment, what framework should the Government use for engaging with the sector?

Mick Whelan: I am not sure that they should, but it is quite clear that they are going to, at least in the medium term.

Chair: I am sorry—I have moved on from rolling stock.

Mick Whelan: Yes. What role should they play? If we are truly going to nationalise the railways, which was the intention of GBR, we should be seeking our own funding, most of which should come from central Government, and we should seek the inspiration and innovation that we did not get through the previous model.

The previous model, if I can take you back to it briefly, was built on three things. Private investment would come; well, they did not buy any of their own trains and they did not build any infrastructure. Private investment and competition would drive down fares and would drive innovation; that did not happen at all. Outside the innovation part of it—if things are done outside that aid the railway, we should buy into it, so there is a role for them there—I do not see that they should have a role in future investment.

John McGookin: Again, the problem we have is that inviting private investment in is a flawed model. It has had its detractors for quite some time.

Chair: You have supply chains, obviously.

John McGookin: Absolutely. The supply chain itself will evolve through the delivery of the goods that are required by the public sector. I find it ironic that I can go to Screwfix and buy a fastening for something like 10p, but when Network Rail purchases that off a third-party provider it is paying pounds for the same fastener. So there is an uplift.

I listened earlier when a colleague was talking about wage inflation. I would love to see the wage inflation within the rail industry that they were talking about, because we have been capped at 3.5% for the last two years.

I am not afraid of private finance. I understand that it is something that needs to happen and you can drive investment, but there needs to be a trickle-down effect back into rail. As it stands at the minute, all that is going into pension funds, which is not a bad thing, but equally it is also going into the back pockets of privateers.

Q201 **Chair:** The question was about what sort of framework might work if the current ones don't.

John Leach: If we are going to have it, I agree with what Mick said. The RMT's position is clear on this: we want complete public control and ownership and the eradication of £180 million a year being bled out. Having said that, if we are going to have it, it needs to be tightly regulated and it needs to be managed very hard. We have to get rid of things like zero-hours contracts in the railway industry. They should be absolutely forbidden. Nobody should be allowed to use them anywhere for any reason whatsoever. Everyone should be on 100% sick pay. If we are going to do this, which we do not—

Chair: And they do that in contracts in the private sector as well.

John Leach: It can be done, can it not? That is the way we would go.

Q202 **Catherine Atkinson:** I am conscious that time is tight. Derby has seen the first hand the pain and the cost of boom and bust in rail, which a number of you have already mentioned. I do not want to end this session without giving you the opportunity to explain from the point of view of your members what it means for individuals, for their livelihoods and for communities when we have those boom-and-bust cycles.

Mick Whelan: I think it is the same as for any other industry. It makes lifestyle choices. People want to live in their communities. They want to bring their families up where they grow up. They want a future for future generations. If you have uncertainty, that changes that. It also prices people out of where we need to be. We need a more generous industrial strategy whereby we look at where we are going to build our businesses and houses for the future and then build our transport links to them.

Part of the last question possibly should be whether a land value tax, as we saw helped with Crossrail and would have helped massively with the Olympics in 2012, would have secured those jobs in those areas in those supply chains for future generations.

It comes back to one of the contributions at the start: when we consider anything that we do, social impact has to be one of those major factors. What does it do for that community? What does it do for the supply chains? What does it do for current work and future work? If we do that, we will look at it the right way.

John Leach: The impact on your constituents, our members and other trade union members of this boom and bust—I know about Derby, but not as well as you and your constituents—and the reality of that is appalling and catastrophic, and it has a lifelong effect on people. It does not need to be like that. That is the other thing: it is almost absurd that we are still thinking like this and there is not a way to plan this. The railway is not going to go away, and everyone knows that. The effect on people is very hard and it is preventable, which makes it even harder. We will do everything we can to work against it.

John McGookin: Listen, history is a great leveller. Back in 2011, the Government of the day offered a contract to Siemens for Thameslink, and that had a huge impact on the established workforce at Derby. Upward of 12,000 jobs across the area were impacted.

We roll forward into 2024 and we see the impact of HS2 and what it has done in relation to the employment status on the site. They learned a little bit from their mistake—well, it wasn't their mistake. They learned from a harsh reality that having core workforce to the levels they had previously was probably not the done thing, considering where we are with this boom and bust. Ultimately, they engaged more agency than they should have. If you look at it now, there are 82 core workers on that site. I know that you were up there in the last week or so, so you have seen the impact and what that site is like now. We are seeing a little bit coming back, but it is still reliant on getting HS2 up and running. For us, we really want to see a flattening of that peak and trough.

Robin Jenks: All I can add, Chair, is what my colleagues have highlighted. One example is that we were involved in 2011-12 when there was a big issue at Derby with the train builders. You had the impact on the staff who worked in the train building plant, but you also had the 15,000 or so people who were in the supply chain around it. That obviously had a great deal of effect on all those people and their families. They campaigned successfully in the end but, as has been described, it has come back several times since then.

We as trade unions look at it from the human perspective. What is the impact on people? We do not care about how much it is going to cost and all these sorts of things. You are making decisions that affect people's lives and livelihoods. The impact of that can be devastating in terms of people's own personal security and the certainty, as Mick called it, about their lives. It also has a detrimental effect on people's mental health. It has a detrimental effect on people's families in the sense of education and skills.

Also, people want to play a part in their local communities. If they are unable to afford to play a part and they become transient workers and have to go and work somewhere else, where can they put down their roots? My plea to all of you is that, in any decision making, bear in mind the impact on people. It is not just about money; it is about people.

Q203 **Chair:** You make a very important point. I want to cover the consultation of the workforce in the context of planning for rail investment. What difference do you think better consultation with the workforce would make to the projects that are planned and how well they are planned?

Mick Whelan: We have wonderful examples of where we have worked in partnership and it has worked incredibly well, and then we have examples in relation to train building, development and other areas.

Chair: Do you want to name them? Give us an example.

Mick Whelan: A quick example that my colleague referred to was the 701 series. We were involved in the build of that from the start. The driver's cab is wonderful. The passenger experience is wonderful. Then somebody decided to change it and move the back wall of the driver's cab 15 inches forward, decided the sight lines, made the ergonomics not work and then put new software in. That held up the production line and had an impact on Unite members, and many of them were sitting in the sidings for months. We are now working to find solutions to those issues with them, but that is retrospective. If we had been involved at the start as we were with the original 701s, that would not have happened.

When people plan new railway yards and new things, the people who are actually going to use them have a great insight on what works and what occasionally does not work, rather than somebody, as at my old depot at the Wembley European freight operations centre, coming from the air in a helicopter.

Q204 **Chair:** Do you think GBR is going to be adequately equipped to improve on workforce consultation? Do you think there needs to be a formal requirement for GBR to engage its workforce on pipeline planning?

John McGookin: I have just one point on that. I cannot speak for my colleagues, but it would be interesting to sit down with somebody from GBR and have some dialogue.

Chair: You have not had that yet.

John McGookin: Absolutely not. I cannot give you an appropriate answer other than that from the current position, it can only get better.

John Leach: We would echo that. Of course, we would like it. All consultation is to be valued, but it has to be good consultation and negotiation that would flow from it. There is talk about a rail national council. We would want to see that flourish and be improved, and consultation is part of that.

Robin Jenks: We would certainly welcome that style of consultation. Most of the unions tend to be consulted when it applies to pay and conditions and jobs—things like that—as you would expect. In terms of big-picture thinking and involvement with the supply chain and expressing views about that, we are not consulted on that.

The other point I would make is that there are different forms of consultation. You can have the consultation that says, "We're going to do this. We thought we'd tell you about it." Then there is the consultation that says, "We're going to do this. What would you see as the best way to do it?" That is the sort of consultation that we want, not necessarily a case of, "We're going to do it anyway." An older manager I used to deal with said, "I'll listen to what you've got to say, but I'm going to do it anyway."

Chair: That is a very important point.

Q205 **Catherine Atkinson:** What is the importance of taking decisions in rail investment—infrastructure, passenger and freight—on a system-wide basis?

Mick Whelan: Quite simply, if you are looking at the global vision, you don't leave anything out. You do not put in 20 passenger trains that preclude any freight trains running at certain times of day, which precludes real-time delivery. If you have a global vision, you look at where you possibly can move or divert trains to create the best capacity and the best service. You then look at what staff you can use in a more universal way. I am trying to be very quick here; I do apologise, Chair.

Chair: Try to keep it to rail investment.

Mick Whelan: On rail investment, there are so many economies and synergies that will come out of GBR, where any worker can cover so many different aspects of what you do, as we did under the old nationalised system, rather than if you work for Avanti, you can only drive an Avanti train. I do believe that capability is there. That is part of having that global vision about where you put your depots, where you put your people, what they serve and what they do.

John McGookin: It is root and branch. It is about understanding that everything has a flow. If you do not engage at all levels and you do not involve all the relevant people, you will not move forward. You will have what you have now, which obviously is not delivering.

John Leach: The fragmentation and disorganisation of the railways since they were privatised is an utter disaster. It is beyond common sense. Anything that pulls it together and involves all parties and all parts of the industry is going to mean it is more efficient, more productive and in the better running interests of the travelling public and the workforce. Everyone who works in the industry knows it.

Robin Jenks: I would echo the comments of my colleagues. I scribbled down here "the west coast main line". Just think about what could be done with the issue of HS2 at some point in the future running its trains on the bit north of Birmingham at Handsacre junction. If people started talking to each other, they would probably resolve that issue.

Q206 **Catherine Atkinson:** Finally, what is the strategic advantage in making decisions on rail investment in the context of a broader infrastructural and industrial strategy, and in making sure that you are part of that wider strategy?

Mick Whelan: It gets us away from the silo mentality. I am trying not to sound hypercritical here, so bear with me. The way the railway has been run for the last two decades or more, people only had to do what was in the contract—they would do whatever they could to facilitate the contract they were in—whereas if you have a more global strategy, you look at the needs of all the stakeholders within it and the people who use the railway, which should be key to anything you do, from accessibility to all the other things we need to do. If you have that more global opportunity, you are not looking at what you are seeking to deliver in just one part of the country or in one company: you are seeking to do it for the whole railway. That helps you to devolve best practice as well.

John Leach: Less selfishness. It is all about working together, which is what railway staff do. That is how the men and women out there who are providing the railway in whatever form, doing whatever job, operate regardless. If you are unable to do that because of contracts and things like that, it is just so much more difficult and unnecessary.

Robin Jenks: One example is that when I worked in British Rail and then it was privatised and I worked for one of the infracos, we had a good relationship with what BR called "operations" but became Great Western Railway. We were told, "You did all these things together; you can't do that any more. The line is there. You don't go and see them and say, 'We'll do you a favour; you do us a favour.' You don't do any of that. It's a contract. If they want something from us, you have got to sign a contract, and we'll make money out of it." That is what has got to go, because people are fundamentally railway staff, and they have a desire to work together.

There is an ethos in the railway industry that most people looking in do not understand or are not aware of: railway people work together. They stick up for one another and they work together to resolve issues. You see this countless times. When accidents happen or there are delays, people just get stuck in. All this business about contracts and all that goes out the window. It is just a case of, "Let's get the job sorted, let's make sure the passengers can get on their way, let's make sure the freight can run and let's make sure the railway is safe."

John McGookin: I could spend quite a lot of a time on this. For me, in the broader strategy, we need to understand that rail is a means to an end. It is about getting people to work or on holiday. It is about getting goods from one end of the country to the other. If we had some sort of joined-up strategy from port to last mile or parcel delivery, it would do a lot to make this country more successful. You have to get the gauging right, though.

Chair: Thank you ever so much for your evidence. If there is anything else you want to add, please write in quite soon. I thank all of today's witnesses. We have heard some really illuminating evidence; thank you so much. We look forward to gathering further evidence as we move forward with our inquiry. That concludes today's meeting.