HOUSE OF COMMONS

Transport Committee

Oral evidence: Skills in transport manufacturing, HC 1223

Wednesday 5 November 2025

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Watch the meeting

Members present: Ruth Cadbury (Chair); Dr Scott Arthur; Mrs Elsie Blundell; Jacob Collier; Olly Glover; Alex Mayer; Baggy Shanker; Rebecca Smith; Laurence Turner.

Business and Trade Committee member present: Antonia Bance.

Work and Pensions Committee member present: Amanda Hack.

Questions 59–77

Witnesses

I: Eddie Dempsey, General Secretary, National Union of Rail, Transport and Maritime Workers; John McGookin, Acting National Officer for Docks, Rail, Ferries and Waterways, Unite the Union.

Written evidence from witnesses:

- National Union of Rail, Maritime and Transport Workers

Examination of witnesses

Witnesses: Eddie Dempsey and John McGookin.

Q59 **Chair:** Welcome to this morning's evidence session of the Transport Committee. This is the second and final session in our inquiry into skills and Britain's transport manufacturing sectors. I would like to welcome Amanda Hack MP, and Antonia Bance MP who will join us shortly. They are guesting from the Work and Pensions Committee, and Business and Trade Committee respectively. Thank you very much for joining us.

We are hosting two panels today. During our first panel, we will hear from trade union representatives. In our second panel, we look forward to hearing from representatives from across Government, and I am very pleased that we have people from two main Departments, as well as Skills England, and the Minister. That goes to the heart of the cross-cutting nature of our inquiry. Could I ask the first panel to introduce themselves, please?

John McGookin: I am the acting national officer for docks, rail, ferries and waterways for Unite the Union.

Eddie Dempsey: I am the general secretary of the RMT Union.

Q60 **Chair:** Welcome. If we do not address the skills shortages in transport manufacturing, what is the impact on the transport manufacturing industry and on transport users going to be? I will start with John.

John McGookin: To be fair, it is a very open-ended question, and the easy answer is it would be catastrophic because, at the end of the day, we will have nobody fit for purpose in delivering the transport sector for the future. Ultimately, we need to invest in people.

Eddie Dempsey: We need about 2,000 fitters and technicians in train manufacturing and train maintenance as it is. The average age of a worker in that part of the transport sector is about 47, and skills are changing. There are more digital skills coming in; there are more types of new technology such as they use in infrastructure around predictive maintenance where those digital skills are required. As it stands, we need 50,000 people in the railway industry in the next couple of years, but we need 2,000 in the next two or three years in train maintenance and train manufacturing. If we do not address that it will be a big problem.

Fragmentation is one reason we have these issues in the rail industry. Many employers—I know there has been a lot of attention on SMEs, but it is not just SMEs, but the big players in the rail industry, the profit-driven and value-driven employers—have also underinvested staff. They run lean staff and rely on outsourcing as a model to supply labour. As a result of that, you have a shortfall in people with the right skills right across the sector. These are really high-value jobs as well. In terms of how productive these workers are, we all know manufacturing jobs are more productive in general. In fleet maintenance, in the main they are twice as productive, even versus manufacturing jobs. They are very important jobs that provide a lot of value to the economy.

Chair: We will dig down into some aspects in our questions as we move on.

Q61 **Laurence Turner:** Good morning. I have a follow-on question from the last point around technology and how that is changing the skills requirements. The broad end of the question is: what additional skill shortages are you seeing as a result of technological change? We are also interested in the age aspect. For young people coming into the industry, are the right pipelines in place? Are there retraining opportunities for workers who are maybe a bit longer in the tooth?

John McGookin: To be fair, when it comes down to the right skills, we have been very mechanically biased in the past. We are obviously seeing new technology come through and the advent of the electrical and mechanical side being hybrid. From a purely simplistic point of view, we have a problem getting young people to come into the industry itself, particularly underrepresented groups. Once those people who do come through, particularly within the rail industry, transition through their apprenticeships and into the fleet maintenance or manufacturing side of things, there then becomes the issue of whether the shift systems that operate within there are conducive to their personal wellbeing. From an older point of view, as Eddie has already indicated, we have a very mature workforce within manufacturing. We have a number of people who will find it difficult to transition from their current skillset into new skill requirements. However, we need to focus upon the core requirements going forward. At the minute, we are not there. We have missed the boat in terms of EV; we are struggling to catch up and grab back some of the initiative we have lost to competitors around south-east Asia and Europe.

Eddie Dempsey: Great British Railways is a once-in-a-generation opportunity to think strategically about the long-term skills needed in the transport sector. In the past we have suffered from fragmentation in the industry. If you look at the infrastructure side, 55 companies in Network Rail’s supply chain went to the wall during the changeover from one control period to another as the work is allocated on a contract-by-contract basis. As a result, you see employers recruiting staff, reorganising, making redundancies and relying on outsourced workers so you have no stable skill base. The fragmentation has also taken away a really important aspect of this which is retaining skills in the industry. It used to be the case that you could come into the railway, develop skills as you progressed, and be able to transfer where the need for work was. So, you could shut one place, open a new place, and you could transfer skilled workers from one place to another fairly simply. You cannot do that any more and, as a result, there has been a lot of skill lost, and there is a big skills gap in various parts of the transport sector.

Some apprenticeship schemes have been more successful than others. There was one particular scheme aimed at school leavers, but the average age of people coming through was early 40s, which was not quite what was intended. It was well intended but did not work. Actually, I am going to pay tribute to Network Rail. It is doing a fantastic piece of work on developing its apprenticeship scheme, which we think GBR should use to establish an industry-wide apprenticeship scheme with transferable skills across the industry, and that could be a single point of entry into the railway sector for school leavers.

We also need to think about skills progression, which has been highlighted by the ORR as something that is lacking in the industry. If that is supplemented with what we used to call the promotion, transfer, reorganisation and redundancy arrangements, it means you can transfer skill from parts of the transport economy to other parts of it as you need it and, through the apprenticeship scheme, it can also provide a reskilling and retraining pillar, if you like, so if you shut one part of the industry, you have to move to the next. This is really vital because there is a dramatic shift in the type of work that is going to be needed in the rail industry.

As John said, we are moving from a mechanical-based operation on rail to one based on telecoms, digital technology, AI, and all the rest of it. If that is not managed well and we do not provide the skills properly, we are not going to be able to realise the huge benefits of GBR. We are not going to be able to realise the benefits of driving regional growth and high-productivity growth in Britain that GBR is the opportunity to. If we have some thinking around this as part of the rolling stock plan, as part of thinking how we are going to deliver the fleet over the next few years, it also provides us the opportunity to use the secondary manufacturing supply line in rail to build our capacity out and, who knows, maybe even start building trains in Britain again. There are real opportunities here if we think about this and do it well. It just requires the strategic overview that GBR gives us the opportunity to think about.

Q62 **Laurence Turner:** Thank you, and you have given us your view on Government policy and regulatory policy. Throughout this inquiry we have heard that both the public and private sectors could be doing more. Thinking about private employers, are they doing enough?

Eddie Dempsey: I do not think so, but it is due to the model. If you take even some of the big employers in train manufacturing and train maintenance such as Alstom, they also underinvest in skills. It is not the case that this is just a matter of SMEs. If you look at its operations in Polmadie, Oxley and places like that, the private operators have generally come into the industry and de-skilled big sections of the workforce, run a lean staffing operation, and over-relied on short-term labour to get the job done. Because of the fragmented model, they take on work, deliver a package and reorganise redundancies, so we are not retaining the skill. While some big private employers have invested in apprenticeships and done some limited training in some cases, the model itself has not worked and that means we do not retain people; we lose people to other sectors. In some parts of the country, the wages are lower than the general wages in that area, so you lose people to other sectors depending on where you are.

John McGookin: To be fair, the recruitment and retention issue is massive within the private sector. Eddie has talked about Alstom, but you can talk about Hitachi or Siemens, anybody within the manufacturing scene within rail. You can also talk about the automotive sector. There are massive problems in terms of core workforce versus the extended temporary labour. We genuinely have a concern that if you are going to invest in people, you should invest in terms of their long-term future. None of these companies seem to get that. They see the peaks and troughs of manufacturing as an excuse to outsource labour profiles. Ultimately, something needs to be done about Britain investing in its manufacturing. I saw a video the other day on what we used to export out of the docks in Southampton. We are not an exporter; our net export-import is well out of kilter at the minute.

Q63 **Baggy Shanker:** I should declare an interest as a proud Unite member of 36 years—I know I do not look old enough, but it is 36 years now. Last year, a number of reforms to the apprenticeship system were announced. How do you think they affect the supply of skills into transport manufacturing industries?

Eddie Dempsey: Again, we have seen some people making use of the growth and skills levy, or the apprenticeship levy. We have seen a variety of apprenticeship schemes in the industry. The predominant one has been in Network Rail, but outside that it has not been well used. We have given evidence elsewhere about the quality of apprenticeships. We found a stark difference between the on-the-job training by the direct employers of the apprentices when they come in and the quality of the teaching and training that happens in the classroom-based college side. We produced a report on apprenticeships that was driven by our apprentice members who have been through various different apprenticeship schemes in the industry. The real issue is that we need an industry-wide apprenticeship scheme. The work that is being done presently in Network Rail by its team—I have to congratulate them—can provide the basis for that. If you get that right, it is not just a way of getting school leavers into the industry. As I said before, it provides a pillar for retraining and re-skilling for workers as the industry changes.

How do you manage a changing workforce well? It needs to be done with a long-term view, otherwise it is going to lead to problems. For example, for us in the trade union movement, we have to deal with reorganisation and redundancy situations all the time as the industry changes. If it is part of a long-term strategic plan, we can work together to make that as productive as possible, looking after people, protecting skills, and making sure you are getting value out of transferring people around the industry.

If it is just a blunt instrument where people get work and then a short time later we have to deal with a redundancy situation, we end up in trade disputes and arguments with different employers around the country. If you have an industry-wide view and you are making the apprenticeship programme a foundation to get people in, but also to retrain and re-skill, that is a much more positive way of managing change in what is going to be a fast-changing workforce. I have written to the Secretary of State on this. We want to have a genuine conversation about productivity in rail. We want to look at long-term workforce planning, which has bedevilled the industry for years. It is over-reliant on overtime; we have a big skills gap. Work is not happening because there is a mismatch of skills out there, and we could be doing a lot better. That is an area where we could have genuine discussions about workforce productivity in a long-term strategic fashion rather than trying to deal with it in the high-pressured environment of a pay negotiation when inflation is very high. The previous Government took that approach and it did not help anyone. We want to see a different approach from this Government. There is a positive way to do this, and the apprenticeship scheme could form a really important part of that.

Q64 **Baggy Shanker:** Do you have anything to add to that, John?

John McGookin: To be fair, from my perspective, apprenticeships are going to be the core of where we are in the future. The problem is that the manufacturing needs and the delivery of current apprenticeships are not akin. There is a disconnect but there are good examples, and LLE is focused on rail. There are equally good examples within the aerospace industry, maritime and the automotive industry, but they work in silos. They are very centric around what their core objective is in delivering for their own industries. We need to have a wider conversation. We had a conversation some time back about the support that was needed in Alstom in Derby about how we could support those young people coming through their time while there was a shortfall of work and trying to get them some additional skilled training within the Derby site for Rolls-Royce. It may sound daft, but if you are taking the responsibility of training a young person at the beginning of their employment road, you are not necessarily going to see the end product. If you can accept that and still deliver the level of training that they need to be the person that they need to be going forward, then we have discovered half the problem and the solution at the same time. In six years' time, young people trained in the automotive industry could be working in the rail industry, or any other manufacturing hub, but we do not see that at the minute.

Q65 **Baggy Shanker:** Do you think the Government's new growth and skills levy will help upskill workers and create opportunities?

John McGookin: It will help. I do not think it is the finished article. The employers see level 7 as an impediment to training those people they want to invest some serious time in. But in essence, yes, there is a positive move in terms of what that will deliver into the future. Is it the finished article? As I have said, I do not think so.

Eddie Dempsey: We are not opposed to it. It can be helpful, but you have to start from the point of view of getting appreciation of what skills we have in the rail industry now, and what skills we are going to need to deliver the Government's ambitions for GBR as a driver of productivity and growth in Britain. If you look at it from that point of view, train manufacturing is a strategically important part of our transport sector predominantly delivered by foreign companies. That is not a clever way to do business; we need to get some of that back here. If we use this process well, it could be the driver for growth more generally. As I said, there are opportunities if we use the rolling stock plan for GBR, if we take a national industry-wide approach to create an environment for developing the skills we need for the future, retain the skills that we need now, and provide a means for transferring skills from parts of the industry to other parts. That is more important because the problem we have is a mismatch of skills and a huge shortage. You can introduce an apprenticeship levy, but the fragmented and almost balkanised system we have means you cannot retain and transfer skills around the industry in a productive way and it stops progression.

In a survey of our members, almost eight out of 10 had never had a conversation with their manager about progression. Many of the people who responded to our survey did not have any opportunity to gain new skills and progress through, and that is what you need, as the ORR has pointed out. People come in at the entry level and develop a portfolio of skills as they progress that gives them the ability to transfer around the industry if one type of work finishes and something else starts. That does not work if you are relying on a model of outsourcing and zero-hours contracts because you are not directly employed; you have no way to seek promotion. You can be an entry-level operative or you might be a supervisor, but that is all you are ever going to do. You are never going to get the chance to transfer into different types of work in the industry. For example, we think there are 44,000 people working on the railway infrastructure. According to Network Rail's figures, we think nine out of 10 of them are on zero-hours contracts. That is in the renewal side of the industry.

In train manufacturing and maintenance, even the big employers, not the SMEs, rely on contracted labour and keep a lean workforce. They have relied on de-skilling railway employees, as many other employers have, by coming in and defining the work to a very particular area and not providing the transfer opportunities that are needed. They are particularly needed if you are going to have this big change from mechanical to digital-type work in the railway industry. If you do not provide the means for that to work, you are going to have social chaos. Organisations like mine will have members up and down the country demanding we do something to protect their future employment status. If we are able to approach that early as part of a strategic view of how we develop and retain the skills, and create the environment for the development and retention of skills, then that can only be a good thing. This is a once-in-a-generation opportunity to do that, so we should all do our best in that because we all have a stake in trying to make this a success.

Chair: Jacob, that links very closely to your question.

Q66 **Jacob Collier:** Yes. Eddie, you have just spoken about transferring within the industry. Could you say more about what Government and industry could do to attract people from outside the transport industry into the sector?

Eddie Dempsey: There are two things that could be done. Again, I am banging a drum for a national apprenticeship scheme in the industry which could be based on targeting school leavers. It could be a single point of entry into the railway industry giving people both the generic, transferable and specialist skills that allow them to move around the rail industry, but also in other high-tech manufacturing-type roles. We also need to look at the entry grades into the railway. I am not giving the game away, but there is an opportunity to look at how you can get more long-term productivity by providing a skills development model that could target particular parts of the country. There are two problems with this: one is the fragmentation, and the other is the geography of the country; it is where you need the skills and at what time. That is not always easily answerable because of the uneven development we have in Britain. In different parts of the country, you have different types of labour markets. You can use this to target those particular places. If I was an MP in a place where you do not have a lot of high-skilled employment, I would be looking at this as a real opportunity for how you could get some high-quality, high-tech jobs into your local economy. As I said, if it is done well, it could be used as a tool to get the skills we need, to retain the skills we have, to provide people with a stable employment future even in a changing industry, and be an important part of regional development.

John McGookin: To be fair, it is a root-and-branch approach to this. We need to get involved with schools. There are examples of good engineering companies involved with local schools and colleges. It is about getting people hooked early into wanting to work within those environments because it is very easy to generalise and suggest that the vast majority of young people only want to work behind a computer screen. That can be achieved, and you can still do that within a manufacturing environment, but we still need people to make the components, and to drive the components from one site to another. We need a joined-up approach. The schools and colleges need to maintain a high level of quality deliverable coursework that is fit for purpose going forward. We are lagging behind in terms of EV. We have opportunities to address that in the future, but it will be from a starting position way behind those who have already leapt forward.

In terms of apprenticeships, we need to simplify the levy of how small and medium employers can draw down on that funding because it can be complicated and bureaucratic, and it can switch people off. I do not have the figures, but I am pretty certain that we under-utilise the levy across

UK manufacturing. In terms of older workers, we need to give them the opportunity to transition from one job to another. To be fair, rail is a good example of where you can go from point A to point B. We are not here to talk about certain people within the rail industry, but you can turn up and work as an apprentice, conclude that apprenticeship and then decide, because of the earnings potential within your job pathway, that you can earn more money driving a train and we have lost all that skill and ingenuity going forward.

Q67 **Antonia Bance:** Please accept my apologies for being late, Chair. My apologies: transport let me down this morning. Before I continue, I should declare my membership in the Register of Members' Interests; I am a member of Unite the Union.

The one thing I worry most about is that we have a very skilled workforce in making internal combustion engines in this country, and we are not going to need many more internal combustion engines in 20 years' time. I would very much appreciate your thoughts on what we need to do to move the current existing workforce—skilled, earning good wages, paying their car loan and mortgage, taking their family on holiday—into new, good, skilled jobs in transport manufacturing or wider manufacturing in the future. John, shall we start with you?

John McGookin: I am an ex-car worker, so I can declare that. I joined what was the BMC, then Austin Rover, back in 1986, and they had 40,000-odd employees, of which 10,000 were tied up in the manufacturing of engines and gearboxes. If we look at where we want to be in the future and net zero, the internal combustion engine as we know it will cease to exist. Whether we move into hydrogen or any other combustible process is down to people like yourselves because, hopefully, the incentives are there to do that. In terms of the transition from internal combustion to EV, we are so far behind it is unbelievable. We do not manufacture the level of battery-powered engines that will be required for our car industry, let alone export to others, so we really have a problem.

Q68 **Antonia Bance:** Can you identify any aspects of that problem? What are the particular things that are contributing to our underproduction of EVs and lack of capacity?

John McGookin: The manufacturers are not invested in the process. There is a lot of noise in and around the needs of what the customer wants, the drive for net zero, and ultimately our ability to manufacture what is required. We can import, and we will continue to import. The BMWs and Nissans of the world are doing quite well in that, but ultimately it is whether there is enough time to get it up and running before our competitors have completely stolen the march.

Q69 **Antonia Bance:** Two days ago, I spent some time with Unite's automotive conveners and they were talking to me about the difficulties presented by the phase-out of ECOS, the employee car ownership schemes. I am sure you agree with your colleagues at Unite, but is there a particular point you want to make about ECOS and how important it is to be reviewed when the Chancellor comes to look at it?

John McGookin: It is a game-changer for many because, at the end of the day, it is a continuance of the ability to get to and from work. It is the continuance of allowing a benefit that people have that supports our manufacturing industry.

Q70 **Antonia Bance:** Exactly. They said that 5,000 jobs might be lost if the ECOS scheme comes to an end, which would obviously be very difficult and I know this Committee would be very concerned. Eddie, is there anything you want to add?

Eddie Dempsey: Yes. Manufacturing is extremely important. The Government are right to recognise that we have to find a way of rebalancing our economy. We have over-relied on the financial sector for many years and, as a result, we do not really have a productive economy left. What is left of manufacturing in Britain is about 8% of GDP; it accounts for 30% of exports. It is highly productive. Workers in the manufacturing sector are highly productive workers. Workers in fleet maintenance are twice as productive as other manufacturing workers; £105,000 gross value-added tax for every fleet maintenance worker. That is multiple times what the average worker in Britain delivers. As I have said, we are bedevilled by a lack of strategy and we have left it to big, private, profit-driven companies to come in, balkanise our industry, drive down our skills, and leave us in a position where we do not have a strategic overview.

Q71 **Chair:** We want to focus on solutions if that is possible.

Eddie Dempsey: I will give you some solutions. We need to think about the railway as part of building the capacity we need to start re-energising manufacturing in Britain. We need to think about the capacity on the railway network and how that drives regional growth. Then we need to get strategic investment in, and the train manufacturing and secondary manufacturing side of the industry provides an opportunity for that. There was a report done by the Midlands Rail Forum a couple of years ago that pointed out that aluminium body shelves for trains could be manufactured in Britain. The reason they are not is that there is no one employer big enough to make the orders for them. In GBR, that gives you the opportunity to think about the rolling stock for the next 30 to 40 years, and you have a chance to restart manufacturing in Britain in parts of the economy where we do not have it any more. We do not build trains here; we assemble trains from components made in other countries. This is a strategically important asset in rail. If we want to re-jig and get manufacturing and a productive economy going again, we need to invest in skills and in the railway infrastructure and capacity as a basis for re-founding manufacturing in Britain.

Chair: Laurence, do you have a point to make?

Q72 **Laurence Turner:** Yes, thank you. Mr McGookin, you mentioned that you worked at Austin and later MG Rover. I have a particular local interest: the site is in my constituency and the impacts and scars of that closure can still be seen to this day. Thinking about what happened to Austin and other transport manufacturers that have declined or closed, are there any lessons we should take into account today when industrial shocks of that nature occur?

John McGookin: I was based in Swindon at the panel stamping plant, and Swindon had previously been through multiple scenarios similar to that with the rail works shutting down. Obviously, with the impact of what was the Rover Group and then the creation of BMW as such, the plants at Swindon, Oxford and Hams Hall were the lucky ones. The Birmingham sites and what happened across Longbridge in particular, as you say, are still resonating now. We see a lot of deprivation afterwards. The vacuum gets filled with low-skilled warehousing opportunities, which I am pretty certain we all need and we understand, but we have talked Britain up in terms of its ability to deliver high-skilled, high wages, but it has never manifested itself in those areas. You just need to go in and around the Midlands to see where there were massive employers that have just disappeared.

The important lesson to be learned from that is that if we invest in the right product and deliver it at the right level of quality and quantity, then we will always be competitive. But there will always be somebody who will want to do it cheaper; there will always be somebody who wants to undercut. By the way, we are in danger of seeing manufacturing as an entity just disappear off the planet. We have over 200,000 members in manufacturing across all sectors—aerospace, maritime, rail manufacturing and others—but they are all looking over their shoulders now. Even for the marquee elements in aerospace, it is very much, "Look over your shoulder". Do we have a solution? I do not know; I do not think we do. We need to get employers and Government on board and deliver high-quality, effective training to ensure that we can deliver going forward.

Q73 **Jacob Collier:** How do you think we can improve the perceptions of people outside the industry of transport manufacturing to try to attract them into the industry?

John McGookin: This one is a laugh because I remember as a young operator watching some kids being shown around the plant in Swindon. On the day, two kids were misbehaving and the teacher turned around and she scolded them by suggesting, "If you don't behave and apply yourself, you'll end up working in a place like this." To be fair, it absolutely shocked me to the core because, at the end of the day, these were highly-skilled operatives who were well paid. Whether you believe in the model or not, there are more examples of people going through the whole education framework to university and their earnings potential falls well below that of people I worked alongside 25, 30 years ago. Ultimately, we need an image change. It can be dirty, although the days of being covered in oil and muck are long gone. You can go into most of the manufacturing employers that I deal with and it is pristine. You feel guilty about coming inside from outside. We need to change. It is an image change, and we need to emphasise that it is a career that people can benefit from.

Eddie Dempsey: A good example is what TfL does in terms of its apprenticeship schemes. Its intake is geared up so that all paths are open to you. You can come in and you can get a feel for what you want to do. There is the idea that you have a job that can change and develop as you go, and you can work in all manner of different things. They do some good stuff with us. Some of our people go down to London Transport Museum; they bring young kids down there. I brought a young fellow down here from the estate I am from to let him meet some other kids who are going through the apprenticeship and hear about opportunities that I guarantee he would not have thought even existed where he is from. I saw his radar pick that up, and I was very pleased to see that. So, there are some good examples. GBR provides an opportunity too if you can set it out and have the engineering department as part of it to look at infrastructure and fleet together.

As the F1 of engineering in Britain, the opportunity to have a job that is interesting, that allows you to move and develop, particularly in parts of the country where we are lacking that high-skilled, quality, stable work is great. You have to remember that most people do not know what stable work is like in big parts of this country. We have 39 million people at work; it is the country's best asset. We just have a problem with it being misallocated in some places, and GBR provides an opportunity to address that.

Chair: Thank you. You gave two good examples about where the image issue should start.

Q74 **Mrs Blundell:** Thanks for giving evidence today. Like others on the Committee, I will also declare my interest. I am a member of Unite, although I cannot quite compete with my colleague's 36 years' membership. Before working in this place, like lots of other members on the Committee, I worked in the transport sector, and I am really interested in how we can get more women, and specifically more women from working-class backgrounds, into the transport manufacturing sector at all levels really. We have talked a lot about age, but how else could Government or industry work to make its workforce more diverse when it comes to gender, class, and other characteristics as well?

Eddie Dempsey: There are two really simple ways to do this. When you look at diversity in the rail industry, the part of the industry that is not looked at, which is bigger than the directly employed workforce, is the outsourced sector of it. If you look at who works on the trains and who is cleaning them, you can see the stark difference. Go to any London terminal station and you will see, in the main, white men like myself working on the trains, and you will see predominantly black women cleaning them. Insourcing as part of providing a longer-term skills approach in the industry could help with that. Secondly, we are a 24/7, round-the-clock industry; people work shifts. For many years all parts of the industry have had a massive over-reliance on overtime working to keep the shifts going and, as a result of that, shift work becomes a huge contention. You see it as a point of contention between trade unions and employers in the industry on occasion. The nature of the work and shift work is a barrier to a lot of people, particularly women taking up those roles, particularly in the engineering side of the industry.

Addressing the work-life balance issue, and looking at insourcing, you can make a direct approach to certain people. You can make a direct approach at how you try to encourage them to come in. It is changing the workforce. In some parts of the country, there are a lot more women involved than there were previously. When I came on the railway, I think women made up about 11% of the railway industry entirely. That has improved, and it has improved dramatically in some places. Those are the main things you could do: insource, sort out the work-life balance issues to provide more attractive opportunities for people to work in, and then do some targeted work around that.

Q75 **Mrs Blundell:** Thank you. John, do you have anything to add to that?

John McGookin: Yes. At the risk of slightly contradicting what Eddie said, I would quite happily have more underrepresented people work within the industry. The concern I have is that we switch the indirect employer for the direct employer. The people who clean the carriages and so on are doing jobs that need to be done, but they also need to aspire to want to work within other aspects of the industry. Sometimes it is down to the breaks they have had in relation to employment opportunities or where they work. On the skills side, we have a lot of colleagues from India and Pakistan and they are skilled employees, but they are working as cleaners within either the carriage side of things or within the stations. I want to see those people want to aspire to work as a core employee, but I want to see them have opportunities to do that. As Eddie has said, one of the big blockers to all this is the shift systems that we operate. Particularly in fleet maintenance, we work at night. There is a minimal service provision during the day, and the vast majority of people who want to start a family do not see that as a career opportunity for them because it is a block. So, it is trying to understand that in manufacturing there are opportunities and not to get pigeonholed into these sectors that the vast majority of employers want you to; they do not want you to cause them a problem. Aspiration is key here.

Q76 **Amanda Hack:** Thank you both for joining us this morning. What more do you think the Government can do to better support transport manufacturing sectors to ensure we have the skills we need moving forward? I know we have covered a lot today, so if there is anything you feel we could add that would be great.

Eddie Dempsey: If they make best use of the rolling stock plan; if they look at how that set-up works, that would be hugely important. The fleet is dominated by the ROSCOs on one side and special-purpose vehicles on the other. That can be very costly, and it takes a lot of money away from investment in skills. At Hitachi the manufacturing costs have just gone up 148%. This is a big drag on productivity in industry more broadly.

I have already mentioned the National Apprenticeship Service; as for other things that could be done, Ed Miliband has done some stuff to mandate that certain parts and certain elements of equipment needed in the energy sector must be manufactured in Britain. You could use the secondary manufacturing supply chain in rail to build that capacity out—I used the example from the Midlands Rail Forum report, whereby you look at the industry as a whole, and over the longer term, rather than having to say there is no point investing in capacity to manufacture stuff in Britain because we cannot get the private employers, which are profit-driven and mainly foreign companies, to invest to that level. If you are taking a view of the railways as a whole, longer term, you could start to re-engage and develop high-skilled manufacturing jobs here again.

If you do not mind, I want to give you a quick quote from one of the top boys at Alstom. It says, "At the end of the day, we are a global business. Our group is looking at this purely from a portfolio perspective thinking, 'Well, if there is no commitment in the UK, we will put our investments somewhere else'." This is a strategically important industry to Britain. We cannot just allow that to be owned by foreign capital that will pull the plug on us whenever it does not suit them to invest. We have to use the opportunity of GBR and a bit of long-term strategic thinking to try to rebuild high-quality manufacturing jobs in Britain and to provide the capacity to kick-start manufacturing more broadly.

Chair: Thank you. Rebecca, do you want to come in at this point?

Q77 **Rebecca Smith:** Yes, just a couple of things to ask. First, obviously GBR is presented as the kind of panacea to everything, so I would be quite interested to get your sense of what success looks like and how quickly that is going to come.

Secondly, specifically on that capacity of secondary manufacture, with all due respect we already have a lot of high-quality manufacturing jobs in this country, but we have looked quite a lot at this skills piece and different industries are acquiring them. In terms of how you think we compete on transport's front compared to defence or road or all those other things, when it is entirely based on Government investment rather than bringing that private investment in, is that a sort of dream? How do you think it could become a reality and how quickly?

Chair: Brief answers to those two very good questions, please.

Eddie Dempsey: People forget the railway generates £65 billion a year in revenue. It is not purely a subsidy; it drives economic value. For example, the five major freight corridors in Britain move 90% of the energy supply system. You cannot just say the railway is relying on public subsidies. It is a nationally important asset that brings in an income of about £65 billion every year and could have more. GBR is not a panacea, but I am saying it provides a once-in-a-generation opportunity to look at the long-term strategic development of the workforce and the skills we need and use that as a driver for regional and national growth in manufacturing. That is a huge opportunity. The Bill is in Parliament today; we are going to welcome it. The rolling stock plan will probably come about a year from now, so we have a couple of years to get this right. The idea is that we use the opportunity in front of us; we must not miss it.

In terms of how competitive it is to other sectors of the economy I am not certain, but I will tell you that fleet maintenance workers are the most productive manufacturing workers in the country. Again, we only have 8% of GDP manufacturing. I know we have quality manufacturing, but it is not nearly enough. If we were to raise that even by a couple of percentage points, the impact on our economy would be much greater and we would not be in this doom cycle of arguing about where public money is going to come from. We would start to generate a productive economy and become a country where we are making things again rather than a couple of banks with a country attached to it.

Chair: Thank you very much to you both. That brings our first panel to an end today. Thanks for the evidence and the time you spent preparing for today's session. I am going to suspend the meeting for a few moments while our next witnesses take their places at the table. The sitting is suspended.