



Unite response to the ORR consultation on the formalisation of the Rail Delivery Group

1 Introduction

- 1.1 This response is submitted by Unite the Union, the UK's largest trade union with 1.5 million members across the private and public sectors. The union's members work in a range of industries including manufacturing, financial services, print, media, construction, transport, local government, education, health and not for profit sectors. Unite represents a quarter of a million members in the various forms of transport making it the largest union in the transport sector. Unite is the fourth rail union with membership primarily in rail manufacture, engineering and rail freight.

2 Enquiry questions

Question 1: Please comment on whether you consider that the purpose of RDG will drive the changes and improvements envisaged by the McNulty study.

- 2.1 Although Unite agrees with many of the findings of the McNulty report in terms of identifying the flaws that have arisen due to fragmentation, Unite can not agree with McNulty's solutions for the industry. Unite feels that the main beneficiaries from the work of the Rail Delivery Group (RDG) will be the commercial organisations who operate passenger rail franchises and very little notice will be taken of the workforce, its representatives or any concerns they may raise.
- 2.2 Unite is alarmed by the consultation documents statement that the role of the RDG will be a "key resource for the governments of the UK, Wales and Scotland" and that the plan expects "the RDG will seek to take back to the industry from government key roles and responsibilities"¹. As the government's rail command paper envisaging a greater role for the industry in implementing rail reform, this represents potential for the companies involved in the industry to write the governments agenda.

¹ 2.4 (c) Page 8

- 2.3 Unite is therefore extremely concerned that the RDG will end up being a profit lead, undemocratic body imposing decisions on the railway industry like so many that have come and gone before, who will make decisions based on what is best for them rather than the passenger or taxpayer. Unite therefore fails to see how this policy will help the travelling public, rail freight shippers, the workforce or the taxpayer as companies are given a licence to print money.

Question 2: Are you content with the proposed structure of the RDG, particularly in the terms of scope of representation and criteria for membership?

- 2.4 Unite feels that the proposed structure will prove most powerful organisations will probably have the biggest say in an organisation that will guide government policy. Unite believes that as proposed the RDG will end up being not much more than a trade association linking together ATOC, the freight companies and Network Rail with other interest groups' points largely ignored.
- 2.5 Ultimately, RDG's activities will be paid for by fare payers or tax payers and hence there needs to be a strong voice from these groups on this group if it is to provide some semblance of balance. Equally, voices of those workers who have to apply the decisions should also be represented in a meaningful way. If these voices of passengers, freight customers and workers are not included on an equal footing, the RDG becomes just another layer of complexity and cost to the industry.

Question 3: Please comment on how you consider RDG could best engage with licensed and associate members.

- 2.6 Unite is very sceptical about how effectively the involvement of 'associate members' will work in practice. The wording suggests a low priority will be given to the interests of passengers in the work of RDG which Unite believes is a mistake. Unite is concerned that the wording suggests numerous caveats would have to be overcome before notice would be taken of customers of the network rather than involving them from day one. As the proposals are currently outlined, policy decisions will be taken by short term judgments driven by profit of the operators rather than a department led by a Secretary of State.
- 2.7 Unite further believes it is unreasonable to conclude that London Underground has been excluded from the higher tier of involvement. The network enables the connection of many lines through the capital.
- 2.8 If the aim is to engage with industry stakeholders over decisions, such engagement should involve more than a briefing paper or presentation to inform interested parties, which does little more than pat RDG members on the back. The proposals have no regard for the workforce as a major

stakeholder in the industry either which Unite believes is a fundamental error.

Question 4: (for licensed train operators and Network Rail) – in view of these proposals would you be content to agree to the introduction of the new condition at Annex B into your licence? If not, what changes would you wish to see which would allow you to provide that agreement?

Question 5: Will the proposed voting and quorum arrangements provide you with assurance that decisions taken by RDG will have sufficient cross-industry support to justify implementation?

2.9 Unite has no comment to make on either of these, as it does not apply to trade unions.

Question 6: Are there any specific commercial protections that you consider will need to be included within the competition compliance document?

2.10 Unite has no specific points to make on this particular question.

Question 7: Please comment on whether you consider these funding arrangements to be appropriate.

2.11 Unite is concerned that the formalisation of the RDG into this role will create a small but additional drain on the resources of the network leading to even greater pressure and justification for fare increase, calls for more subsidy etc and at the same time will divert funds from the areas which need it most.

3 Conclusion

3.1 Unite believes that if there is to be a body to become the voice of the rail industry, then this group should be representative of all interested parties

and not just those motivated by profit. Unite believes that, as Proposed, this group will be a self congratulatory talking shop with too much influence on rail policy. Consequently, these proposals would need to be significantly reviewed before Unite could support them.

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