

The Signalling Dispute
& The Crisis On The Railways

Privatisation

Hatchet Horton

*By Swindon RMT
August 1994*

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"There are always losers"

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The Signalling Dispute & The Crisis On The Railways.

There is nobody running a box who is not competent for the duties.
Martin Reynolds, Director Railtrack Great Western.

It's put me in a terrible position. How can they ask me to do what they call a safety critical job when I know - and they know - I am not qualified to do it? I had to refuse, but they've made it clear that this will be held against me in the future.
Railway Inspector, speaking to the Observer.

Introduction.

Most people are aware of the signalling dispute and what is at issue in it, given the coverage that it has received in the mass media. However, although it is in the first instance a wages dispute, there is far more to it. The underlying causes and the deeper issues are not so widely appreciated. We have therefore felt it necessary to produce this briefing which explains the background to the dispute and deals with some of its features which are not widely known.

There have, of course, been comments in the more rabid Tory papers which would imply that the RMT leadership is manipulating the signalling staff in furtherance of a 'hidden' political agenda. This is complete nonsense. The strike is the result of pressure **from the ranks**, on the leadership. This was reflected in a ballot result of more than 4 to 1 in favour of action, with an 80% return; a very high return for a postal ballot. It is true that privatisation lies behind the dispute (we show how, later) and the union and membership are totally opposed to it. But to suggest that we are attempting to drag out the dispute is totally false. The union is seeking to resolve it by winning a fair deal for the members directly involved. That remains the practical aim. It is an insult to these members to imply that they were somehow sheep who could be led along by the nose by the union executive. Of course, the 'popular press' does appear to believe working people are sheep, as you can see by the way they write for them. The RMT does not want a protracted dispute. It exists to serve the interests of its members. That is what it is doing in responding to the demand of the membership for action to pursue those interests.

As we have seen, the government has attempted to use the dispute for its own ends, and their puppets in Railtrack management have responded to their masters voice. This is why the dispute is protracted. That is why we have found it necessary to appeal to the whole labour and trade union movement to provide financial support to our signalling members. The more deeply people understand the issues involved, and what is at stake, the greater will be their awareness of the importance of solidarity in what will surely prove to be a pivotal dispute, the outcome of which will have a great bearing on the future situation on the railways.

Railtrack - The Great New Era.

The privatisation proposals of the government were universally condemned, and widely understood to be incredibly complex. They created a divide between track owner and track users. Railtrack was created as a government owned company which owns all the railway infrastructure - the track, the signalling, the bridges, the stations, etc. Its major source of income is from the charges it makes on the 25 Train Operating Companies for using its track. The key to success, or otherwise, of the whole privatisation project, lies in the level of charging for track use. Railtrack as a company is supposed to break even, and 'would not normally' receive any subsidy. The Train Operating Companies, on the other hand, have been given subsidies by the government because of the 'social element', i.e. the political fall out which would result from any line closures or

significant cuts in services. Much of the base of support of the Tory party uses train services to commute to work daily, and would not look kindly on a worsening of their services.

Set the track charges too high and there will be no profit to be had for the Train Operating Companies. Set them too low and Railtrack would stand no chance of breaking even. This will prove to be, in our view, an impossible balancing act. The government has determined that Railtrack has to make an 8% return on its capital, by the end of the third year of its existence, 5.6% in the first year. This has led Railtrack to set charges at a level which has meant that the government has had to **double the level of subsidy** in the first year. For Passenger Transport Authorities such as Strathclyde or Sheffield (local government pays a subsidy to the railway for provision of local services) the level of track charge has produced an increase of 300% in the amount that they have to pay! Hardly surprising that they have raised a question mark over paying this, since they are struggling with cutbacks in grant from central government.

Because financial criteria, rather than service level, have been crowned king under the new regime, all the businesses, Railtrack included, are seeking to drastically cut their costs. This is what is behind the signalling dispute and the restructuring package which they have attempted to sell to the staff. Of course, it has been made clear that 25% or more of staff will actually **lose money as a result of this package**. Management have admitted so, and Mr Horton himself, Railtrack boss has said, "there are always losers" in such productivity packages. Hardly any wonder that despite being bombarded with literature explaining this wonderful deal RMT members have not swallowed it. Management have said that they would "compensate" losers for a year, but when pressed as to what this compensation was, Horton waffled.

What Railtrack aims to do is increase "flexibility" - forcing signalmen/women to do more jobs than they currently do (including selling tickets, and cleaning!) - and doing away with the enhancements that they receive, for instance, for working Sunday (time and three quarters). What matters to these workers, of course, is not what their flat rate of pay is, so much as what they take home in their wage packets. There is no doubt that by any standards signal operators, are low paid, especially when you consider the level of responsibility they have for the safe running of trains.

There is also another factor at play, so far as the calculations of Railtrack are concerned. The major part of their staff consists of the signals operators. Resistance to their plans will stand or fall with these workers. They are clearly seeking to break the power of the RMT in order to impose their cost cutting package.

The Government's Involvement.

To begin with, the government denied any involvement in the dispute. Eventually it emerged that the Transport Minister had 'reminded' Railtrack of the government's wages policy. The hidden hand of the government was barely hidden. They had even sent their representative to sit in on Board meetings. This, of course, produced the withdrawal of the offer that never was - the 5.7% which they said they would confirm in writing the following day.

The government has grasped the dispute like a lifeline. In the wake of their local and European election disasters they have tried to whip up an anti-union sentiment against the RMT and the strikers. They have failed miserably because the public perception is that of a shambolic management which hasn't played straight, and an 'interfering' government behind them. At the same time the justice of the case of this group of workers is so patently obvious given the low basic rates of pay for what is a very responsible job (from £146 to £225 per week).

It is clear that the government took a political decision and the management are doing their bidding. The claim could have been conceded at far lower cost than that of eight days of strike. No wonder public sympathy still largely remains on the side of the strikers, and poll after poll shows a big majority of people blaming the government for the situation. Just recently, a local trade unionist (not an RMT member) was walking through the station, and happened to pass a journalist with a TV camera crew. The journalist was complaining to the crew: "It's awfully difficult. I've tried to find somebody who is angry, but most people seem sympathetic!"

The Safety Question - Lies, Damned Lies & Incredible Whoppers.

We were told by management that the move towards privatisation would not in any way compromise safety. The drive for profit would not undermine the safety regime. This has been shown during the signalling dispute to be a sick joke. Everybody working in the industry has been astonished at the incredible lies which management have told to the media. In many places around the country, managers have been pressed into operating signal boxes, against their wishes, under threat of discipline, or in fear of their 'career' prospects. We know of cases where staff (in Bristol for example, a safety manager - how's this for cynicism?) **without any previous signalling experience have been instructed to work a box!** Even those people who are ex signalmen have not, in many cases, worked in a box for two years. Railtrack's initial instruction was that only those who have worked in one in the last two years, should be deemed capable of doing so, There have been many occurrences of this being broken.

Not only should staff have the general ability to work in a signal box, they are also supposed to be passed out in working a particular box, because there are enormous variations in the local circumstances. As the Observer in a front page article pointed out, normally staff have to be trained for a minimum of three weeks, often longer, until they are deemed fit to work a box which is new to them. Yet people told to operate boxes in which they have never worked, being passed out to do so without any on the job training! This happened at Slough panel when a Production Manager from Reading was passed out to work it on the very day he started.

Faced with the prospect of covering a 48 hour strike, in many areas, Railtrack instructed all managers who know the Rules & Regulations to operate signal boxes. This is extraordinary. As an ex BR senior manager wrote in a letter to the Guardian:

When working a signal box in which you are unfamiliar there is the constant fear of making a mistake - a mistake that may cost lives. I am perfectly capable of working a number of signal boxes on BR, but if I were do so properly I would need practice and time to refresh myself with the working instructions and detail of each location.

The danger comes when a normal fault occurs in the system and the knowledge required to authorise the driver to pass danger signals is needed. However experienced one is, because of your unfamiliarity you are not really sure whether the equipment has failed or whether it is telling you you have made a mistake. To override the equipment is normal professional conduct for the qualified, but dangerous criminal lunacy for the part qualified person forced into the box....

Everybody in the industry who knows anything about signalling is well aware that people are working boxes who do not have the training or experience to be doing so. As a signaller in Swindon said to the local paper:

Our job requires knowing a lot of rules and regulations, and these people probably know them as well as anybody. But that does not mean that they have spent time in signal boxes.

Although Railtrack says they are certified, once they move out of the signalling grade and into management they lose the day to day experience you need to deal with serious problems if they arise.

A front page article which appeared in the 'Observer' was the result of inspectors and managers contacting the paper because of their fears for safety and their anger at management threats. They did not consider themselves competent to work as signalmen but reluctantly did so because of the threats made. These, by the way, were not only RMT members, but included TSSA and non-union people. They passed on to the Observer the names of seven inspectors from Crewe who were sent as far afield as Willesden in London, to work in boxes that they had never

operated, and of which they could not possibly have local knowledge. The Observer asked Railtrack if they could provide evidence that these people were certificated to work these boxes. Railtrack declined.

In a recent local example of Railtrack breaking their own rules, in the Swindon B panel (the new IECC) they had a single man working for 12 hours **without a break**. This box is operated by VDU, as a result of which operators are supposed to have a break every two hours. There should be two people in there at all times. Yet here is somebody on their own for 12 hours! Never mind, they are prepared to ignore health and safety regulations in their attempt to break the strike. They are also prepared to risk a person working on their own with no assistance. What if the person should be taken ill, or collapse?

In the other Swindon signal box where there are normally three signalmen on duty, the management have been running the box on strike days with **one** manager. They have even had, on occasions, one manager working the two positions on the panel and "training" somebody at the same time.

Pressure - What Pressure?

Railtrack has denied that managers and supervisors have been put under any pressure. We know this is simply not true. The 20 minute stoppage by signal operators which occurred in the West Midlands was the result of the proposal to discipline a manager who refused to work Aston Signal box. They had the audacity to say that the action against him had nothing to do with safety. It was purely coincidental that he was disciplined after refusing to work the box! Indications are that with the stepping up of the dispute Railtrack are attempting to more widely use managers who have had no signalling experience. They are prepared to risk the safety of the travelling public and railway staff in their efforts to break the strike.

In some areas management has also sought to threaten the signal operators. For instance, in Slough signal box a manager warned the staff that they might well find that they are faced with the choice between signing individual contracts or being sacked.

The HSE & The Railway Inspectorate - Independent?

One of the questions posed by the dispute is over the independence of these bodies. They have both been presented with ample evidence that boxes have been operated by people who should not be working them, certainly not without supervision, and of undermanning of boxes. Initially they were saying that Railtrack had assured them that all staff were 'competent' and that was that. As evidence has mounted they have had to start looking at particular cases. Yet incredibly they have only slapped Railtrack's wrist over people working beyond twelve hours.

The HSE is headed by a government appointee, Sir Frank Davies, who, like Horton is a three day a week man. Davies has stated that health and safety legislation should aim to create a balance between safety and 'prosperity'. In other words, management's ability to pay the costs of safety measures should be a key consideration! This is an incredible departure for a body whose role is to police safety legislation ensuring companies adhere to their legal duties. The HSE has actually collaborated with the government's review which was designed to weaken a whole host of legislation and safety regulations in order to 'cut the burden on industry'. In reality, of course, many firms ignore their statutory duties and get away scott free.

If the HSE and the Railway Inspectorate were to play an independent role then the obvious thing for them to do would be to determine whether or not Railtrack was adhering to its own rules in relation to the operation of signal boxes. Clearly it is not when it is certificating people to work in boxes which they are not acquainted with, and in which they have had no training.

In it's approach to the evidence presented to it by the RMT, and other sources, such as the Observer, these bodies are playing a clearly political role. Should they come down hard on Railtrack this would get them into trouble with the government. However, this 'hands off'

approach means in effect that they are taking the part of Railtrack since **they are allowing them to break their own rules with impunity.**

A Crucial Dispute.

In their efforts to prepare for privatisation, managements in all the railway businesses are seeking to overturn all the existing conditions of service of the workers involved. If Railtrack are able to impose these new conditions onto the signalmen/women, then this will give the green light to other managements who have their own cost cutting agenda. In this sense the dispute is a pivotal one. That is why the RMT has appealed to the trade union and labour movement to raise financial support for the signalling operators, to sustain them should the dispute be prolonged. We are seeking not only contributions from trades union branches, but also workplace collections. There is a great deal of support for the dispute, and people are watching and hoping for a victory which will push back the employers offensive. We believe, therefore, it is the responsibility of the broader labour movement to offer financial support to the staff involved. The TUC has now issued an appeal, under the signatures on John Monks and Jimmy Knapp calling on all the affiliated unions to raise funds to support the signalling staff.

Privatisation - What Stage Are We At?

The privatisation measure which the Tories introduced has been a complete shambles, not only because of its complexity, but because of the realities of the railway industry. As none other than Bob Reid himself said, "there is not a lot of money to be made on the railways". The overheads resulting from the need to maintain a massive and complex network such as that in Britain are enormous. If purely financial criteria were applied then areas of the network would be closed down because there is no way they can make a profit. But of course, there are other considerations. The railways provide a public service for people who have no other alternative methods of travel. They provide a means of transport without which there would be a significant increase in the carriage of freight and passengers by road, with all the environmental disadvantages. For instance, a single company complaining about the impact on its business of the signalling dispute explained that it would require 250 heavy lorries per day to move what it sends by rail.

There **is** some money to be made by private companies from the railways. Track renewal could be a lucrative business for the big building conglomerates which would like to swallow up the work currently carried out by the Infrastructure Service units which are currently part of BR. However, so far as the running of trains is concerned there is little prospect of the government getting anywhere near achieving its aim - selling off all 25 Train Operating Companies. There might be some interest in the more lucrative routes such as the East Coast Main Line which has been electrified, but most of the TOCs offer not the slightest prospect of a profit. Even though the government envisages providing private companies with a continued subsidy if they take over a franchise, it is hardly an attractive prospect to run a loss making route. Of course it would be possible to cut back services and staff, but the companies are supposed to maintain current levels of service. It would be politically very unpopular if cuts were made.

There are more problems which the government will face as a result of the impact of privatisation on the network. Lack of investment in the past means that much of the track is below the standards it is supposed to measure up to. Already because of the financial pressures on Railtrack (even before the strikes) they are making big cuts in track renewals. This can only mean the further deterioration in track quality and the imposition of more speed restrictions. On some lines already there are restrictions which slow the service down considerably because the track is not fit to take high speeds. For all the talk of attracting investment this is not likely to be done without money coming from 'the public purse'. If Railtrack has to bear the cost of such massive investments as would be required to simply maintain track quality then it is likely to

have to increase track charges. This will obviously worsen the prospects of the TOCs making any money.

The rationale behind the government's privatisation was to introduce 'competition', thus (according to their logic) improving the service and 'choice' to the customer. There is, however, no competition. If you want to travel from Reading to Paddington you can choose the fast train run by the Great Western TOC, or the slower train run by the Thames TOC. Some choice. If you want to reach one of the smaller stations in between (Maidenhead or Hayes for instance) you will have to choose the stopping train. You cannot introduce choice in the way that somebody travelling by bus might choose this or that company. A railway has a certain number of slots in which trains can run. They can't run at will up and down the lines!

Passengers will have as much choice as 'customers' have been given by the privatisation of the water companies. You have to have water from the company in your area - at the increased cost they charge. This 'competition' in reality is non-existent. The same regime will apply on the railways.

Renationalisation.

Swindon RMT moved a resolution at this year's union AGM calling for the renationalisation of the railways. The policy of the union is for that measure to be introduced, should the Labour Party be elected, within the first year of such a government. The resolution also talks of an integrated transport policy which seeks to create "a fundamental shift" from road to rail. At the AGM, Labour spokesman Frank Dobson expressed the commitment to renationalise "the entire network". However, we may well have to fight for its implementation since there appear to be elements at the highest levels of the Labour Party who are not so keen on this question as Dobson. The evening after his speech to the RMT AGM, a "rider" was issued by Walworth Rd (Labour Party headquarters) which indicated that the policy would be implemented "if money was available". Jimmy Knapp told delegates that Dobson was not too pleased with this "rider". Nevertheless, the union policy is clear and we shall have to positively campaign in the Labour Party and unions for its implementation against any equivocation.

As was said at the AGM we do not simply want a return to the pre-April '94 nationalised railway run by businessmen who measure success largely in terms of balance sheets. These narrow accounting methods do not take account of the overall picture. The railways were supposed to be able to compete with road transport. Yet the 'playing field' was not in any sense equal. Whilst the subsidy to the railways was considered by the current government to be a burden, in fact the road transport industry has had a hidden subsidy. Whereas the railways have always had to pay for the cost of their infrastructure, the road transport industry's infrastructure has been paid for by the taxpayer. This means that the cost of road freight transport is much cheaper than it would otherwise be if they had to pay the costs of maintenance and renewal of the infrastructure that they use.

The domination of road transport also has hidden costs. The level of accidents which produce costs in terms of treatment of patients in hospitals, are far far greater than those on rail. Likewise the environmental costs are infinitely greater, both in terms of the impact of clogged roads, pollution and the wear and tear on roads resulting from heavy goods vehicles. If these aspects are taken into account then economically as well as socially rail transport is much more efficient.

The environmental case for seeking to shift freight transport from road to rail is unassailable. Increases in road traffic will have a disastrous impact on the health of the population. The recent toxic smog in London was a timely warning.

Renationalisation is therefore a measure which is in the interests of the overwhelming mass of the population. Far from improving the service to customers, rail privatisation will, like the other privatisations, increase the price of use of the service to a captive population, whilst placing a fortune into the pockets of the few.

Back To The Signal Operators.

We have tried to explain the context in which the signal operators dispute has taken place. Whilst it is a wages dispute, it also concerns conditions of service. Railtrack are seeking to cut their costs under the financial pressures of privatisation. The safety of the passengers is literally in the hands of these staff. The dispute could have been settled for a fraction of the cost that Railtrack and the other businesses have incurred. But a political decision was taken by the government to prevent Railtrack from giving an offer to a few thousand staff which supposedly broke their pay policy. Hence the farce of the withdrawn 5.7%

Railtrack management have shown the most amazing ineptitude, making offers then withdrawing them, giving union negotiators documents with the wrong figures in and so on. No wonder there has been much speculation in the press about the possibility of heads rolling.

Railtrack has carried out a disgusting propaganda campaign. The weekend before the first two day strike, they were quoted as predicting 'picket line violence as RMT members started to return to work'. They have spoken of 'intimidation' and 'death threats'. The reality is one of **their intimidation** of managers and supervisors: threats of dismissal or of ruined career prospects.

They have operated signal boxes to 'standards' which would not be tolerated on normal working days. They have consistently lied on the safety question. They have risked safety in their efforts to break the strike. The fact that there have so far been no serious accidents is largely the result of a very low level of service.

These are the managers who are supposed to be ushering in a glorious new era. As Bill Morris, TGWU leader has said, "I wouldn't put them in charge of Thomas the Tank Engine". They have been a public laughing stock. They have even been denounced in the Tory press for their incompetence.

Railtrack's 'Mission Statement' talks of offering its employees "a fulfilling and challenging career in which we all share equal opportunities". Yes, we would all like to share Bob Horton's £120,000 for a three day week. By their behaviour during this dispute management have succeeded in convincing all signalling staff that they are bare-faced liars and cannot be trusted. This laughable "Mission Statement" describes Railtrack's "mission" as being "to provide the safe and efficiently run rail network vital to the success of the nation's rail service". By their stunning performance they have succeeded in losing tens of millions of pounds, both for themselves and the TOCs. They have ensured a very deep rooted bitterness amongst the staff towards such a management. Contrast this with Bob Horton's statement at the time of the launch of the 'new ship': "We are a new organisation and we can achieve anything we set out to achieve. I know that it's going to be an exciting journey and I am glad to have such a great team with me". The team does not look so great now. As for the new organisation it is one which is prepared to spend £7 million to refurbish its head office but not prepared to give its signalling staff a decent wage.

The sooner the network is renationalised and the quicker these people are given the order of the boot, the better for the railways, for the staff and for the service users. For the moment however, the signal operators deserve the full support of the entire trade union and labour movement. It is ironic that the dispute could have been resolved for a fraction of the cost of over two months of action. Yet the government and the Railtrack management appear prepared to spend a fortune in their quest to put the signal operators in their place and to break the RMT. It is their responsibility that the dispute has dragged on, not ours.