

## Notes of Engineering Company Council Meeting – 17<sup>th</sup> January 2006

Those present

Management Side            Neil McDonald, Roy Taylor  
 Staff Side                     Charles Harding, Ian Ritchie, Craig Freebairn, Nigel Horswill, Ron  
    Thompson, Bill Harrison, Bob Rixham

### Meeting Notes

Mr Harding advised there were no problems with the format or the content of the council notes produced for 13<sup>th</sup> October 2005.

### Issues arising from Notes

<u>Issue Arising</u>	<u>Action</u>
<p><b><u>Pensions.</u></b></p> <p>Mr Harding sought clarification as to whether EWS had agreed an actuarial valuation with the RPS.</p> <p>Mr Taylor explained that EWS continued to dispute the findings of the draft actuarial valuation for the following reasons</p> <ul style="list-style-type: none"> <li>• The Staff Nos were inaccurate</li> <li>• The assumption used on wage inflation was inaccurate</li> <li>• Whether the valuation should be used, given that the stock market had bounced back significantly in 2005. Indeed EWS had suggested to RPS that another valuation should be taken to give a more accurate picture as opposed to the position at 31/12/04.</li> </ul> <p>Mr Taylor explained that once these issues had been resolved meetings would be held with company councils to discuss the findings</p> <p>Mr Harding requested a progress update on the pension seminars requested for Toton &amp; Margam. Mr Taylor explained that with the issues surrounding the valuation, it had not been possible to set these up so far but he would contact RPS again.</p>	<p>RT to discuss with Railway Pensions Scheme</p>
<p><b><u>Margam TMD.</u></b></p> <p>Mr McDonald updated council that the Area Security Manager had undertaken an assessment of the security of the depot and had reported their findings on 2/12/05. A meeting with local representatives was still to take place.</p>	
<p><b><u>Quarterly meeting of Infrastructure team members</u></b></p> <p>Meeting took place on 9/11/05. Post meeting Note – Quarterly meeting also took place on 8/2/06</p>	
<p><b><u>Apprentices.</u></b></p> <p>Staff side requested answers to the following questions ( answers from Mr McDonald in bold ) :-</p> <ul style="list-style-type: none"> <li>• Is it the company's intention to have apprentices in years to come. <b>Yes</b></li> </ul>	

<ul style="list-style-type: none"> <li>• Will these opportunities be advertised – <b>Yes</b></li> <li>• Where do the company intend to recruit apprentices – <b>Likely to be 4 opportunities at Toton</b></li> <li>• Will apprentice opportunities be in addition to opportunities for staff upskilling – <b>Yes</b></li> </ul>	
<p><b><u>Requalification periods for sick pay.</u></b></p>	<p>RT to follow up if meeting with local HR manager has taken place by end of January 2006</p>
<p><b><u>Shunting at Old Oak Common.</u></b></p> <p>Following a meeting at Old Oak on 28/10/05, Engineering Council had submitted counter proposals. These proposals had been considered and EWS had replied to these on 5/1/06.</p> <p>It was agreed that this issue should return to local level for conclusion. Post meeting note – This meeting was scheduled for 20/2/06</p>	
<p><b><u>Track patrolling.</u></b></p> <p>Mr McDonald gave the following update :-</p> <ul style="list-style-type: none"> <li>• The processes and paperwork associated with production staff undertaking track patrolling is being developed in the Toton area by Paul Dixon and Malcolm Price. Once developed a trial would take place at Toton</li> <li>• The trial would then be reviewed, with the intention to roll out local implementation across the country.</li> </ul>	<p>Neil McDonald to feedback at next council meeting</p>
<p><b><u>Working arrangements abroad.</u></b></p> <p>Mr McDonald explained he had discussed the situation with Paul McKeown. It was part of the contract that those working on site must also inhabit the site.</p> <p>Mr Ritchie explained that the complaints were not from those who were contracted to work out in France but from those who had volunteered to go out on a short term basis. He believed that if EWS could address the situation, they may find it easier to attract volunteers when required.</p>	<p>N McD to liaise with Paul McKeown re accommodation arrangements for staff who volunteer to assist on a short term basis.</p>
<p><b><u>Doncaster Depot Security</u></b></p> <p>Mr McDonald explained that the responsibility for arranging for the Area Security Manager to conduct a review of depot security had passed from Andy Johnson to Chris Cooper.</p>	<p>N McD to follow up to ensure assessment has been undertaken</p> <p>RT to attach list of ASM's with their phone numbers to the notes.</p>
<p><b><u>Third Party Wagon depot Work</u></b></p>	<p>N McD to speak to Paul Antcliff to ascertain progress on the specification for NR fixed formation vehicle</p>
<p><b><u>Central Stores Project</u></b></p> <p>Mr McDonald gave an update of the local discussions as follows :-</p>	

**Central Stores**

- Meeting creating the 16 positions concluded on 23/11/05, with the jobs advertised internally on 2/12/05. Interviews now being conducted

**Major Depots**

- Staff seeking the involvement of a Full Time Official ( Post meeting Note – Registered failure to Agree )

**North West**

- Concluded

**South Wales**

- Agreement reached at meeting though conduct of discussion, subject of a later agenda item

**North East**

- Discussions on going ( Post meeting note – these discussions have been concluded with the introduction of another position )

**London**

- Discussions ongoing ( Post meeting note – now concluded )

**East Midlands**

- Registered failure to Agree

**Scotland**

- Concluded

Staff side expressed the following concerns regarding local level discussions :-

- The stock head levels proposed locally did not match the numbers submitted nationally.
- Local Managers were not engaging in meaningful discussion regarding counter proposals.

Mr McDonald explained that, following the concerns raised at a national level re Stock heads, he had asked local engineers to ensure the numbers presented at local level were robust and accurate – hence the difference.

**Internalisation of Building & Plant Maintenance**

Mr McDonald provided the council with an update on progress ( see below ) and explained that 114,000 hours had been included in the budget for 2006/07 relating from the internalisation of buildings and plant maintenance. He explained that without these hours, there would have been a significant impact on workload hours which would have necessitated further discussions regarding workload reductions.

Council requested to review the internalisation project within 3 months of its introduction. This was agreed

**North West**

- Further meeting on 18/1/06 ( Post meeting Note - Now concluded )

**South Wales**

- Concluded with the vacancies being advertised locally

**North East**

- Further meeting required ( Post meeting note – now concluded )

**London**

- Meeting to take place ( Post meeting note – now concluded )

**East Midlands**

- Meeting to take place ( Post meeting note – now concluded )

**Scotland**

- Concluded

<p><b><u>Long Term Welfare Scheme Proposal</u></b></p>	<p>R Taylor to provide proposed wording of the agreement to council for consideration by end Of February 2006</p>
<p><b><u>Rail Unions Liaison Group</u></b></p> <p>Mr Rixham provided the following feedback on the meeting :-</p> <ul style="list-style-type: none"> <li>• CSEU will support the Freight on Rail campaign</li> <li>• The secretary of state for transport has committed to ongoing meetings</li> <li>• CSEU are happy to raise issues that EWS may wish to raise, provided they meet with the Union's aspirations</li> </ul>	<p>RT to speak to Communications to furnish Mr Harding with ongoing information</p>

**New Agenda Items**

<b><u>Issue Arising</u></b>	<b><u>Action</u></b>
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<p><b><u>Xmas and New Year Bonus proposal</u></b>  Staff side proposed the following bonus :-</p> <ul style="list-style-type: none"> <li>• £500 bonus for all engineering staff to be paid before Xmas</li> <li>• £500 bonus to be paid to all engineering staff who work either Xmas day or New Years day</li> <li>• Boxing day becomes a bank holiday for all engineering staff.</li> </ul> <p>As outlined at the previous meeting, Mr McDonald indicated he was willing to discuss a productivity bonus. Thus far, he had not seen any productivity ideas from staff side that could pay for such a bonus.</p>	
<p><b><u>Driving Road Vehicles.</u></b></p> <p>Mr Ritchie referred to the Road Transport Working Time Directive. He explained that a lot of people were unclear as to what was expected of them under this legislation. Though a briefing had helped 2 questions continued to be raised :-</p> <ul style="list-style-type: none"> <li>• From what date ,did staff have to record their activity in log books</li> <li>• What is the reference period for EWS.</li> </ul> <p>Mr McDonald referred to EWS/EP/0247. He explained that the new regulations had come into force on 4/4/05 and that those who drive should now be recording their activities in the log book.</p> <p>He further explained that the workforce agreement referred to in the legislation was the agreed roster. In the absence of an agreed roster, the reference period was 17 weeks.</p>	<p>N McD to speak with Billing re :-</p> <ul style="list-style-type: none"> <li>• Feedback as to how EWS was performing against the Tachograph regulations</li> <li>• Checking that LGV drivers understand the Road Transport Working Time Directive</li> </ul>
<p><b><u>P,T &amp; R</u></b></p> <p>Mr Thompson asked for clarification on Clause 6a contained within the document Suitable Alternative Work. Mr Thompson believed the clause should read :-</p> <p>“ The post must be one which would not involve a significant increase in the employers present daily travelling time, and in all circumstances would not increase total daily travelling time between the employee’s home and his new place of work to more than an hour and a quarter in either direction.” Mr Taylor said he would investigate rewording this clause</p> <p>Mr Harding wished to understand if the company had changed its position on P,T&amp; R being a pan company issue. The reason being his understanding that a revised relocation arrangement had been offered to Traincrew. As neither Mr Taylor nor Mr McDonald had seen the arrangement they could not comment on detail.</p> <p>Mr Rixham expressed his view that “ an element of the contract common to all grades, had now been breached by the company. “ Because of this, he advised that in future discussions he would be seeking improvements in P, T&amp; R. . Mr Rixham also believed the company had all the productivity they were going to get out of the 1997 Restructuring document and that any future changes proposed by management would require discussions over a new agreement.</p> <p>Mr McDonald explained that this was not his understanding of the engineering restructuring documents.</p>	

<p><b><u>SMART Pensions</u></b></p> <p>Chris Hurry/ Don Sutherland ( Deloittes ) and Mr Taylor gave a presentation on SMART pensions. The key questions raised were as follows :-</p> <p>Q : What is the longevity of this arrangement. A : Arrangement will continue as long as current tax and NI arrangements remain in place. If arrangements do change, we will convert to paying pension contributions in the existing manner. People will not have to pay back any savings they receive</p> <p>Q: What will the company do with their savings A : The savings will contribute towards the anticipated increase in employer pension contributions when the current issues surrounding the actuarial valuation are resolved.</p> <p>Q: Will there be an impact on BRASS contributions A : No</p> <p>Mr Rixham wished it registering that CSEU continue to seek a Pension Committee for EWS.</p> <p>Following an adjournment, CSEU head office had confirmed they were familiar with the SMART pensions concept and were considering a similar arrangement for employees of the Union</p>	
<p><b><u>Lodging Allowance</u></b></p> <p>Company council returned to their proposal for a lodging allowance of £20 per night, which they believed would assist the business in attaining volunteers to work in other locations.</p> <p>Mr McDonald explained that there was no funding in the current budget year for this, but he would to discuss this proposal as part of Productivity discussions.</p>	
<p><b><u>Breakdown &amp; Recovery Arrangements</u></b></p> <p>Mr Freebairn discussed the idea being considered in Scotland &amp; Borders for an on call roster, because of the inability of the company to get people to cover breakdown &amp; recovery.</p> <p>Council were not against discussing such arrangement but had 2 issues :-</p> <ul style="list-style-type: none"> <li>• They would not consider a compulsory arrangement</li> <li>• They would wish to discuss the payment for being on call</li> </ul> <p>Mr McDonald explained there was no change to the current arrangements – B &amp; R remained voluntary.</p>	
<p><b><u>Lifelong Learning</u></b></p> <p>Mr Rixham referred to the proposal made by CSEU for lifelong learning reps. The feedback from EWS appeared to suggest the company was not supportive of this initiative.</p> <p>Mr Taylor explained that this was not the case. The concern around the CSEU proposal was combining H&amp; S and Learning reps.</p>	<p>RT to speak to Gerry Skelton re the company view</p>
<p><b><u>Business Update</u></b></p>	

<p>Mr McDonald outlined the following key points during the business update :-</p> <ul style="list-style-type: none"> <li>• It had been a very difficult trading year for the company, especially with the 50% increase in fuel costs. However, 60% of customers had agreed to pay the fuel surcharge</li> <li>• Eurocargo had operated its first trial train in December 05. The company was now seeking licences to operate in Germany and Belgium. Class 66 Locos were now in France for testing</li> <li>• In November 05, EWS Holdings had agreed to purchase Marcroft Engineering Ltd. This was currently with the OFT for clearance</li> <li>• The Company was currently significantly adverse to budgeted profit levels. The 2 major causes of this were the increase in fuel costs and the reduced levels of cross country slab</li> <li>• In terms of Safety, the company was slightly better than target for Lost time accidents but below target on SPADS, Derailments and Collisions.</li> </ul> <p>Mr Thompson sought clarification on the impact on Temple Mills of the maintenance of the Class 59 fleet returning to Mendip. Mr McDonald explained his view that the loss of this work should not have a significant impact on Temple Mills.</p>	
<p><b><u>Compliance with Safe Systems of Work</u></b></p> <p>Mr McDonald referred to the recent serious accident that had happened at Crewe IEMD. He explained he had undertaken the investigation and had found the following :-</p> <ul style="list-style-type: none"> <li>• There were robust procedures in place, which if they had been followed, the accident would not have happened.</li> <li>• Team Leaders were aware that staff were not following these procedures but had not corrected this.</li> <li>• Only on 60% of occasions where people worked at heights, was the correct procedure followed.</li> </ul> <p>Mr McDonald urged staff side to talk to people to ensure they comply with safe systems of work.</p> <p>Council raised the following issues:-</p> <ul style="list-style-type: none"> <li>• Mr Harding raised the fact that the earthing procedures had been changed at Crewe without the involvement of the H &amp; S rep or the staff.</li> <li>• Mr Harrison raised the issue of working at heights at Toton</li> <li>• Mr Ritchie raised the issue of Maintrol putting pressure on staff to undertake tasks in the field, without a safe system of work.</li> </ul> <p>Mr McDonald made it clear that no individual should undertake any work without a safe system of work being in place. He advised council he would investigate the issues raised.</p>	<p>N McD to investigate the issues raised by staff side</p>

<p><b><u>Conduct of Business at a local Level</u></b></p> <p>Mr Taylor raised concerns regarding the functioning of the new procedure agreement at local level. His concerns surrounded :-</p> <ul style="list-style-type: none"> <li>• Council representatives attending local meetings</li> <li>• The correct procedure not being followed prior to a failure to agree being recorded at local level. In order to alleviate this point Mr Taylor agreed to distribute a copy of the procedure agreement to all councillors.</li> </ul> <p>Council raised concerns regarding the following issues :-</p> <ul style="list-style-type: none"> <li>• In certain areas, notes of local level meetings were not produced</li> <li>• It appeared that local management did not have the authority to vary proposals following counter proposals from staff side. Mr McDonald assured council that at a local level, Area engineers have the authority to make decisions.</li> </ul>	<p>RT to distribute a copy of the procedure agreement</p>
<p><b><u>Expenses Procedure</u></b></p> <p>Council expressed concern that expenses claims were going missing on a frequent basis on their way to payroll at Doncaster. Staff side expressed concern that the current process needed to be reviewed. In addition, they were concerned over the knowledge gap in payroll since Dave Brady had departed.</p> <p>Mr Taylor agreed to talk to payroll to identify if there were any changes that could be made. Longer term, electronic submission and authorisation could prove to be a great benefit.</p>	<p>RT to discuss with payroll</p>
<p><b><u>Toton Xmas Roster</u></b></p> <p>Mr Harrison expressed the following concerns :-</p> <ul style="list-style-type: none"> <li>• Every year staff were being asked to wait longer and longer to discuss their Xmas arrangements because the business plan was not complete.</li> <li>• Then when asked to work, the business plan does not look like the plan presented during discussions.</li> <li>• This year, the company had sought to change the agreed requirements in the week before Xmas. This was unacceptable</li> </ul> <p>Mr McDonald accepted there could have been improvements in the discussions surrounding the Toton Xmas requirements, but explained that EWS had moved more traffic in the period between Xmas and New Year than ever before. He also explained that the number of staff on duty had been insufficient to meet these requirements. Winterisation of the fleet had been insufficient and this had caused serious problems.</p>	

**Dates of Next Meeting**

Staff Side            24 April 2006  
Full Council        25<sup>th</sup> April 2006

## **AREA SECURITY MANAGERS**

- National Security Manager – Richard Dixon – Mob 07801 905270
- London South & Anglia - Clive Cook - Mob: 07801 906189
- South Wales and Western - Ray Smith - Mob: 07811 905502
- North West and London North - John Fitzackerly - Mob: 07799 336335
- North East and East Midlands - Theresa Cameron - Mob: 07801 906092
- Scotland & Borders - Robert Kennedy - Mob: 07801 906121