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Andrew Haines
Chief Executive
Network Rail

19 March 2021

Dear Andrew,

RE Civil Engineering Framework Agreement (CEFA) fragmentation

Firstly, I should like to welcome this week's news that the Eastern Region Visual Examinations and Geotechnics contracts and associated staff are to be brought in house by Network Rail. This news has been particularly welcomed by our affected CEFA members who were facing a very uncertain future.

I am now writing to urge you to immediately pause the signing of any new CEFA contract awards to allow adequate consideration of the option of insourcing the remainder of the CEFA contracts.

Our union has hailed the decisions as a "victory for common sense". I note that both the Head of HR for the Eastern Region, and the Sourcing Director of Network Rail, have each written to my union to set out the rationale for insourcing the first three visual and Geotech "lots":

"Network Rail, in accordance with good business practice, constantly keeps under review its operations in order to continuously improve the delivery of the services that it provides. The provision of Geotech services was part of the Review of all CEFA activities and as such we have determined that the interests of the users of the railway and of our business in the Eastern Region will be served best if Network Rail carries out the Geotech services."

Our members and reps who are employed on the CEFA contract have made clear that they share my belief that the best outcome for the railway would be to bring all CEFA activities into Network Rail's direct control, along with the associated staff. Doing so would offer the combined benefits of value for money, improved efficiency and job security.

Until recently, my team had understood that insourcing had been decisively ruled out by Network Rail, despite the multiple potential advantages, and that the CEFA sourcing strategy was characterised as seeking to break Amey's monopoly at all costs, even where this had the potential to drive up costs, reduce efficiency and threaten safety and performance.

Now that NR have demonstrated that insourcing specific lots is a potential, even preferred, option, I am asking that Network Rail embrace the opportunity to insource the remainder of CEFA in the ongoing review of CEFA contracts referred to in correspondence from your Sourcing and HR colleagues.

I understand that proposed extensions are under negotiation with Amey in the absence of signed contracts or confirmed start dates and work banks with new suppliers. As a matter of urgency, I seek your commitment that no contracts will be signed until a review of the potential benefits of insourcing has concluded.

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I will now share our members' experience to assist in setting out some of those benefits, and the potential risks of fragmentation.

Job security and skill retention

Many of our members face uncertainty that TUPE protections may not apply to individuals due to the complex and unclear fragmentation of activities in Eastern work banks and elsewhere in planning, management and support roles due to the fragmentation of examination activities. Highly competent, experienced and knowledgeable staff tell me that they are seriously considering career changes, retirement and taking offers from agencies and other employers rather than risk transfer to a successful CEFA contract without guarantees that the conditions required for TUPE protections will apply. Some staff have already objected to TUPE transfers on this basis. Insourcing contracts would eliminate this uncertainty and retain skills, which Network Rail have ultimately invested in, in the industry.

Local knowledge and cooperation

Competition between Detailed Examination contracts gives each employer a vested interest in obstructing the other's success to win year two work at the competitor's expense. Examiners have local knowledge built up over decades to gain access to structures via private land such as farmers' fields and controlled access gates. Fragmentation proposals mean that this information will inevitably become a protected trade secret, guarded to give a commercial edge, rather than information shared by colleagues working together. Insourcing remaining "lots" would ensure that examiners and associated staff were able to continue to work cooperatively together to ensure that structures and buildings are examined to the requirements of Network Rail engineers.

Worker Safety and job satisfaction

Prior to the reorganisations that Network Rail required of Amey to allow staff to follow their work into the fragmented contract lots, structure examiners had been working to Network Rail Standard NR/CTM/SP/017 units STE4 and BSE. Our members undertook a range of both detailed and visual examinations of structures, alternating between walking in challenging conditions in the rail cess to attend multiple visual examinations, and spending extended periods on detailed examinations of individual structures. Insourcing visuals while detailed examinations are undertaken externally would mean Network Rail bearing the liability of ill health suffered by staff who typically work alone on or near the line carrying out excessive walking on ballast between structures as they exclusively undertake high-volume short-term visual examinations. I expect this will ultimately lead to increases in chronic and acute joint problems as well as slips, trips, and falls, as well as making the role unattractive to the point where visual examiners become difficult to recruit. I understand that the walking distances of "pure" visual examiners in the rail cess would be likely to exceed those of any other workers on or near the line who typically walk in the "four foot", with associated levels of both acute and chronic soft tissue damage. Conversely, detailed examiners would presumably pass multiple structures with overdue visual examinations on their journey to a detailed examination. Bringing detailed examinations in house would allow structures examiners staff to plan and attend multiple successive structures with a range of visual examinations and more in depth detailed exams to reduce track walking and increase productive work on a typical day.

Provision of on call rapid response bridge strike capability and incident support

Until Amey's restructure to follow the fragmented lots, most structures examiners were rostered to cover on-call rosters of their local area to provide twenty-four hour, seven day rapid response bridge strikes capability. This allowed lines to be reopened at normal speed where examiners found structures to be safe,

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or for urgent defects to be identified and essential maintenance undertaken. Due to the methodology of identifying examiners to either detailed examinations or visual examinations to fulfil NR's requirements to follow the fragmentation proposed in the tendered Eastern Region contracts, there are far fewer visual examiners who will TUPE transfer to Network Rail than there are Detailed Examiners who will not be rostered to provide on call. Under current arrangements, it will not be possible for NR to cover the on-call requirements in Eastern Region, nor will there be sufficient staff to undertake the visual examinations required. If Network Rail choose not to sign contracts with new providers of the two Eastern Detailed lots and take the work in house, Eastern Region will have sufficient staff to provide on-call cover to respond to the typical average 48 call outs per period in the region as well as the benefit of multi-functional structures examiners who can be deployed to undertake a range of visual and detailed examinations of various assets including bridges, tunnels, culverts and retaining walls as required to ensure efficiency rather than wasted time where examiners from competing employers work against each other on disjointed work banks of structures.

Management costs

Initial proposals shared by potential incoming suppliers demonstrate that significant increases in the number of managers will be required to support the fragmentation of work, significantly increasing staff costs without any material benefit for passengers or the railway. Insourcing would reduce the need for increased numbers of managers and present better value for money.

Supporting resilience in the future of rail post-Covid

The aftermath of the Stonehaven tragedy and the more recent Carmont parapet collapse were supported by teams of CEFA examiners in Scotland who worked together to attend hundreds of additional examinations to provide assurance and resilience so that similar faults and defects compounded by extreme weather events and problems such as ballast damage to structures. As climate change is understood to be placing increasing strain on our civil engineering structures, reversing decisions to fragment teams and create silos of examiners would create opportunities to pull teams of examiners together to provide the resilience required by our rail network to ensure that our efforts to ensure a post-covid rail recovery is not undermined by an inability to accurately assess the condition of assets in increasingly demanding future.

I would be happy to discuss these issues directly with you.

Yours sincerely



Manuel Cortes
General Secretary.

CC: Sarah-Jayne Aldridge, Sourcing Director
John Greenwood, Head of HR, Eastern Region Executive Functions
Alex Hynes, managing director, Scotland's Railway
John Halsall, managing director, Southern
Mark Langman, managing director, Wales and Western
Rob McIntosh, managing director, Eastern
Tim Shoveller, managing director, North West and Central

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