



Eleventh Report of the Transport Committee: National Rail Enquiry - Amicus response to government.

Amicus is the UK's second largest trade union with over 1.3 million members. Amicus presented both written and verbal evidence to the Transport Committee ahead of their report. Amicus is deeply disappointed with the government's response to the Committee's recommendations.

The government makes specific reference to an "independent study into the competitiveness of the UK's call centers". The report¹ has a number of flaws.

1. Amicus is disappointed that the government has cited the predicted growth of 200,000 jobs in the next three years, as an example of the continuing strength of the UK's call centre industry. It is clear that even if the UK's call centre industry does gain 200,000 jobs, this growth would be greater if the many jobs currently being offshored were to stay in the UK.
2. The Committee has recognised the important role that the NRE service has to play in upholding the reputation and confidence that the consumer has in the rail industry. However, to date the government has not acknowledged the possible damage that 'offshoring' may inflict upon customer perceptions of the rail industry as a whole. Amicus notes that the government has not made specific commitments on how they will help promote the industry.
3. Amicus still has grave concerns that the 50% ceiling for overseas provision is too high. Often the judgment to offshore jobs from the UK is taken before all the implications of such a decision are considered. Amicus fully agrees with the report of the Committee that the evidence to support offshoring remains inconclusive. Our experience of the financial services sector demonstrates that a number of companies including AXA Insurance have recently brought work back from India following problems with service standards. It is essential that there is a more thought out approach to when making such a major decision.

The government does not appear to have recognized the corporate social responsibility angle of this debate. The focus on monitoring "NRES quantitative performance every four weeks" does not address many of the fundamental issues. Amicus is of the view that as a domestic service it is wholly appropriate that NRE supports the domestic economy and employment.

It is extremely concerning that the government's response makes no mention of the important role that trade unions have to play as a key stakeholder. While the important role of Regional Development Agencies is mentioned, trade unions are omitted. It is vital that employers engage in meaningful consultation with their trade union. Where Amicus is consulted we have worked successfully with companies to assess the offshoring process and ensure such a decision is supported by a clear business case. Only once trade unions are involved will the public be convinced that an organization is fulfilling their corporate social responsibility to all of their stakeholders.

David Fleming – Amicus National Secretary

¹ 'The UK Contact Centre Industry: A Study', May 2004