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# Review of rail industry employment costs

## A report for the Office of Rail and Road

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## Executive summary

### Introduction

In September 2021 the independent safety and economic regulator of Britain's railways, the Office of Rail and Road (ORR), commissioned Incomes Data Research (IDR) and Steer to undertake a review of rail industry employment costs to support ORR's monitoring of the efficiency of the rail industry.

### Aims

The aims of the study were to:

- Benchmark Network Rail and passenger train operating companies' employment costs for each major employee group against relevant comparators
- Provide reasons as to why employment costs are higher or lower than comparators
- Highlight any factors which are likely to affect employment costs in the future
- Suggest ways in which Network Rail and train operating companies can improve their approach in areas where employment costs are found to be inefficient.

### Methodology

Our approach involved undertaking a total reward benchmarking exercise, which compares both basic pay and the total reward<sup>1</sup> package for a range of roles at Network Rail and passenger train operating companies (TOCs), covering all the key employment groups, with that for comparable roles elsewhere in the economy. The benchmarking analysis in this study examines pay and total reward for 152 roles across Network Rail and TOCs.<sup>2</sup> The methodology involved four key steps: obtaining pay and reward data from Network Rail and

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<sup>1</sup>'Total reward' includes basic, shift and bonus pay, employer pension contributions, company car allowances, the benefit-in-kind value of private medical insurance (as stated on employees' P11D forms) and a value for paid holiday days above the statutory minimum of 28 days including bank holidays. All benchmarking comparisons reflect the cost of total reward to the employer which may differ from the value of total reward to employees, particularly where defined benefit pension schemes are considered.

<sup>2</sup>The following TOCs participated in this study: Avanti West Coast; c2c; Chiltern Railways; CrossCountry; East Midlands Railway; Govia Thameslink Railway (GTR); Great Western Railway; Greater Anglia; London Northern Eastern Railway (LNER); Northern Trains; South Western Railway; Southeastern; Transpennine Express; West Midlands Trains; Merseyrail; ScotRail. The following TOCs were invited but did not participate in this study: Arriva Rail London; MTR Corporation (Crossrail); Transport for Wales Rail.

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TOCs; analysing that data to produce medians for basic pay and total reward for each of the rail industry benchmark roles; identifying comparators and undertaking benchmarking comparisons; and identifying where, and explaining why, rail industry pay is notably different from comparators.

We identified comparators based on our knowledge of both rail industry roles and those in the wider economy. In a number of cases, particularly where roles are industry-specific, we benchmarked rail industry roles against a panel of comparators. The benchmarking analysis compares median pay for roles at Network Rail and TOCs to that for comparators employed across the wider UK economy.

Analysis of rail industry pay is based on benchmarking pay and reward for a sample of 64,459 rail industry employees, representing approximately 63%<sup>3</sup> of all people directly employed by Network Rail and participating TOCs. Network Rail data is for the period April 2020 to March 2021 and TOC data is for the calendar year 2021. Salary data for comparators used in the benchmarking analysis is taken from a live database and effective dates vary by firm, ranging from July 2020 to December 2021.

Variations within a range of +10% to -10% are regarded as being 'in line with market', those greater than +10% are regarded as being 'above market' and those greater than -10% are regarded as being 'below market'. Figures in this report provide results for each analysis category and the number in brackets denotes the number of rail employees included in the sample for calculating median rail pay. Our presentation and discussion of the results focuses on comparisons of total reward.

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<sup>3</sup>Based on a total workforce headcount of 45,755 employees at Network Rail and a combined FTE workforce of 56,492 at the 16 participating TOCs.



### Key benchmarking results

#### Industry-wide benchmarking results

As well as producing benchmarking results for Network Rail and TOCs separately, ORR requested that we produce aggregate industry-wide results. To do this we allocated Network Rail and TOC roles to one of the following categories for the purpose of producing employee-weighted aggregate cross-industry benchmarking results:<sup>4</sup>

- ‘Head office’ covers a range of management and non-management roles at head offices and across Network Rail’s regional routes
- ‘Operations (safety critical)’ covers operational roles in safety critical roles that are essential to the safe running of the railway, such as signallers, controllers, drivers, guards, and maintenance engineers<sup>5</sup>
- ‘Operations (non-safety critical)’ covers operational staff in non-safety critical roles, including ticketing and catering staff
- ‘Maintenance’ covers infrastructure maintenance workers employed only at Network Rail.

**Aggregate industry-level results indicate that total reward for rail industry roles covered by this study is in line with that for comparable roles employed elsewhere in the economy, although at +9% the variance is close to the cut-off point (+10%) for an ‘above market’ assessment. Median total reward for rail industry roles is £45,172.**

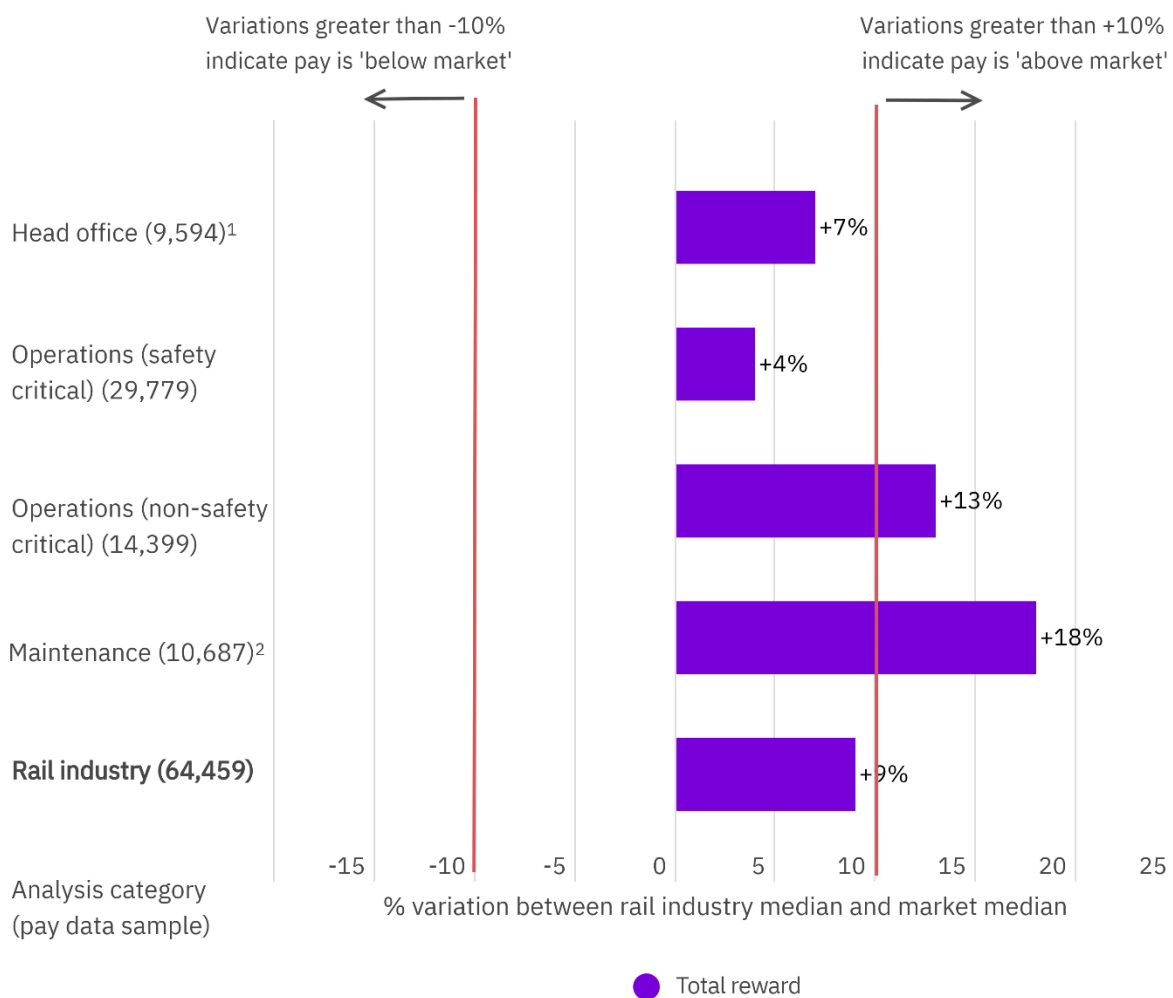
Aggregate results by broad function indicate that total reward for head office and safety critical operational roles is broadly in line with that for comparators, while total reward for non-safety critical operational and maintenance roles is above market. There are also significant variations in the benchmarking results for different roles and we recommend that these are reviewed alongside the headline findings for context.

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<sup>4</sup>The categorisation into broad groups is approximate as often roles fall into more than one category.

<sup>5</sup>The full list of jobs is as follows: Train Driver, Train Guard, Depot Driver/Shunter, Train Maintenance Engineer, Traincrew Trainer/Inspector, Engineering Supervisor, Station Train Dispatch, Crossing Keeper, Platform Assistant, Signaller, Route/Incident Controllers, Electrical Control Room Operator, Mobile Operations Manager, Operations Manager, Level Crossing Manager.

Figure 1 Rail industry benchmarking results



<sup>1</sup>Head office' at Network Rail includes both staff at the head-office in Milton Keynes, as well as those based across regional routes.

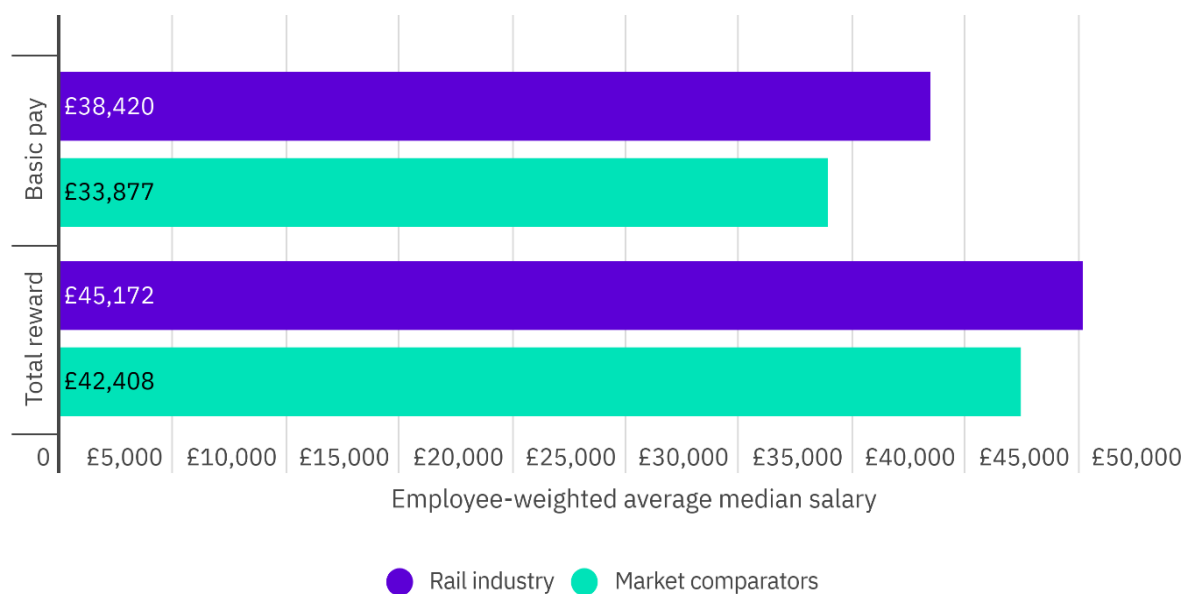
<sup>2</sup>Due to issues with data supplied by Network Rail the estimate of shift pay included in the total reward calculation is based on data for a sample of 3,294 maintenance workers. See Appendix 1 for further details.

## Rail Industry Employment Costs Review

Median basic pay for rail industry workers is £38,420 and median total reward for rail industry roles is £45,172. Full results of the industry-wide benchmarking analysis appear in chapter 2 of this report.

The difference between rail industry and the comparator total reward shown in figure 2 will not reconcile to the market variances shown in figure 1. This is because the two charts are calculated on a different basis. The chart below shows the average weighted percentage variation to market and figure 1 shows the average weighted total reward in pound sterling. The methodology for these calculations appears in appendix 1.

Figure 2 Median pay for rail industry workers versus market comparators



### Network Rail benchmarking results

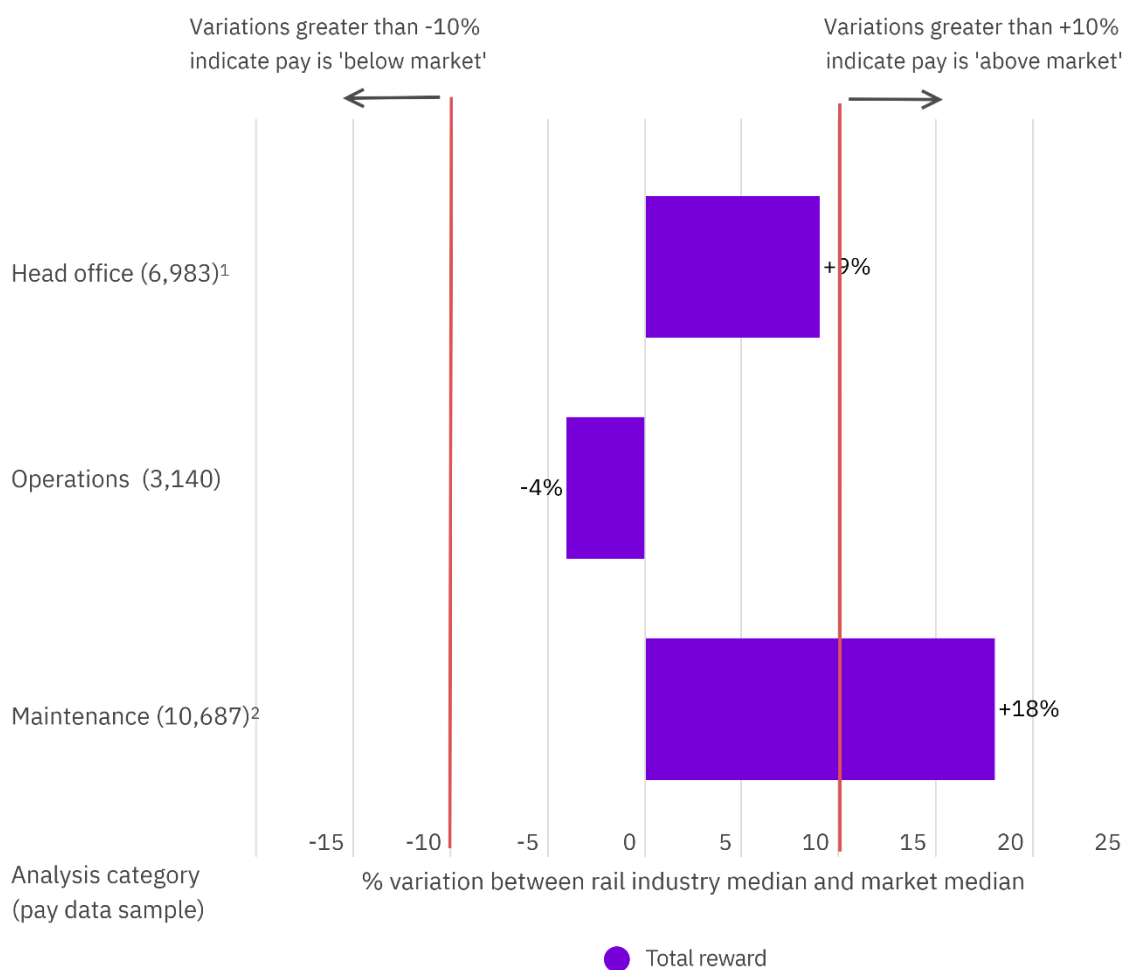
The benchmarking analysis of pay and reward at Network Rail examines pay for 108 key benchmark roles which we allocated to one of the following categories for the purpose of producing employee-weighted aggregate benchmarking results:

- 'Head office' covers head office and regional routes staff, operational managers and station staff employed on centrally determined terms and conditions
- 'Operations' covers signallers, controllers, electrical control room operators employed on centrally determined terms and conditions
- 'Maintenance' covers maintenance staff who are employed under a range of local terms and conditions which are protected following transfer from infrastructure maintenance companies to Network Rail.

As Figure 3 shows, the aggregate benchmarking results vary for different employee groups as follows:

- Total reward for Network Rail head office and regional routes roles is in line with the market, although at +9% the variance is close to the cut-off point (+10%) for an 'above market' assessment
- Total reward for operations roles at Network Rail is comparable to that for roles employed elsewhere in the economy
- Total reward for maintenance roles at Network Rail is significantly above market, with a variation of 18% above median total reward for comparators outside the rail industry.

Figure 3 Network Rail benchmarking results



<sup>1</sup>'Head office' at Network Rail includes both staff at the head-office in Milton Keynes, as well as those based across regional routes.

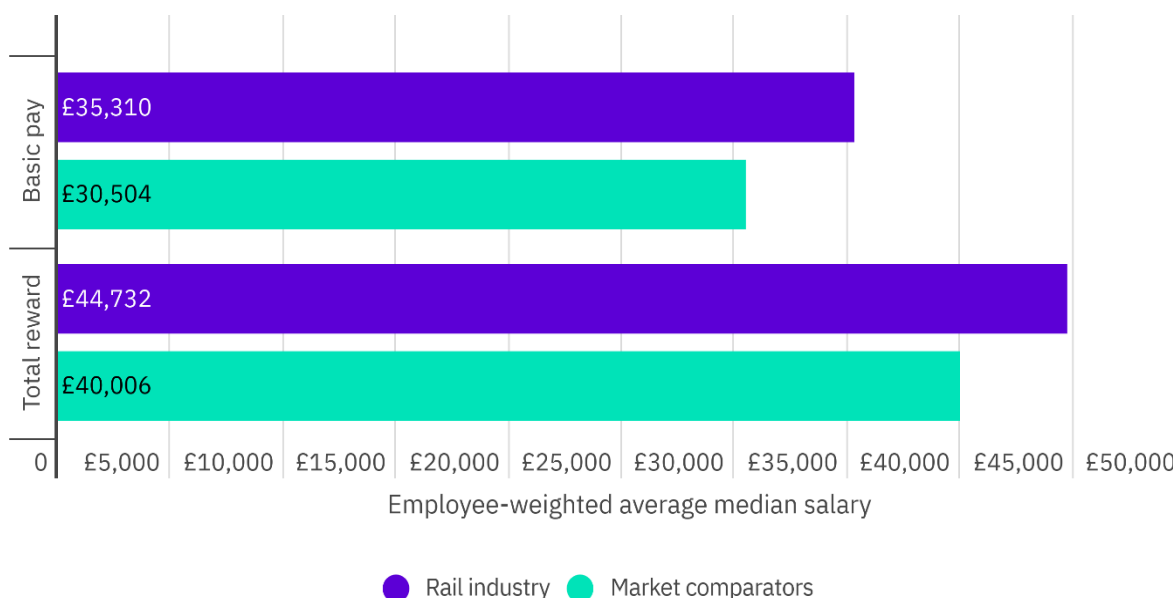
<sup>2</sup>Due to issues with Network Rail data the estimate of shift pay included in the total reward calculation is based on data for a sample of 3,294 maintenance workers. See Appendix 1 for further details.

## Rail Industry Employment Costs Review

Median basic pay for maintenance workers at Network Rail is £35,310 and median total reward is £44,732. The detailed benchmarking analysis of pay and reward at Network Rail appears in chapter 2 of this report.

The difference between maintenance rail workers and the comparator total reward shown in figure 4 will not reconcile to the market variances shown in figure 3. This is because the two charts are calculated on a different basis. The chart below shows the average weighted percentage variation to market and figure 4 shows the average weighted total reward in pound sterling. The methodology for these calculations appears in appendix 1.

Figure 4 Median pay for maintenance rail workers versus market comparators

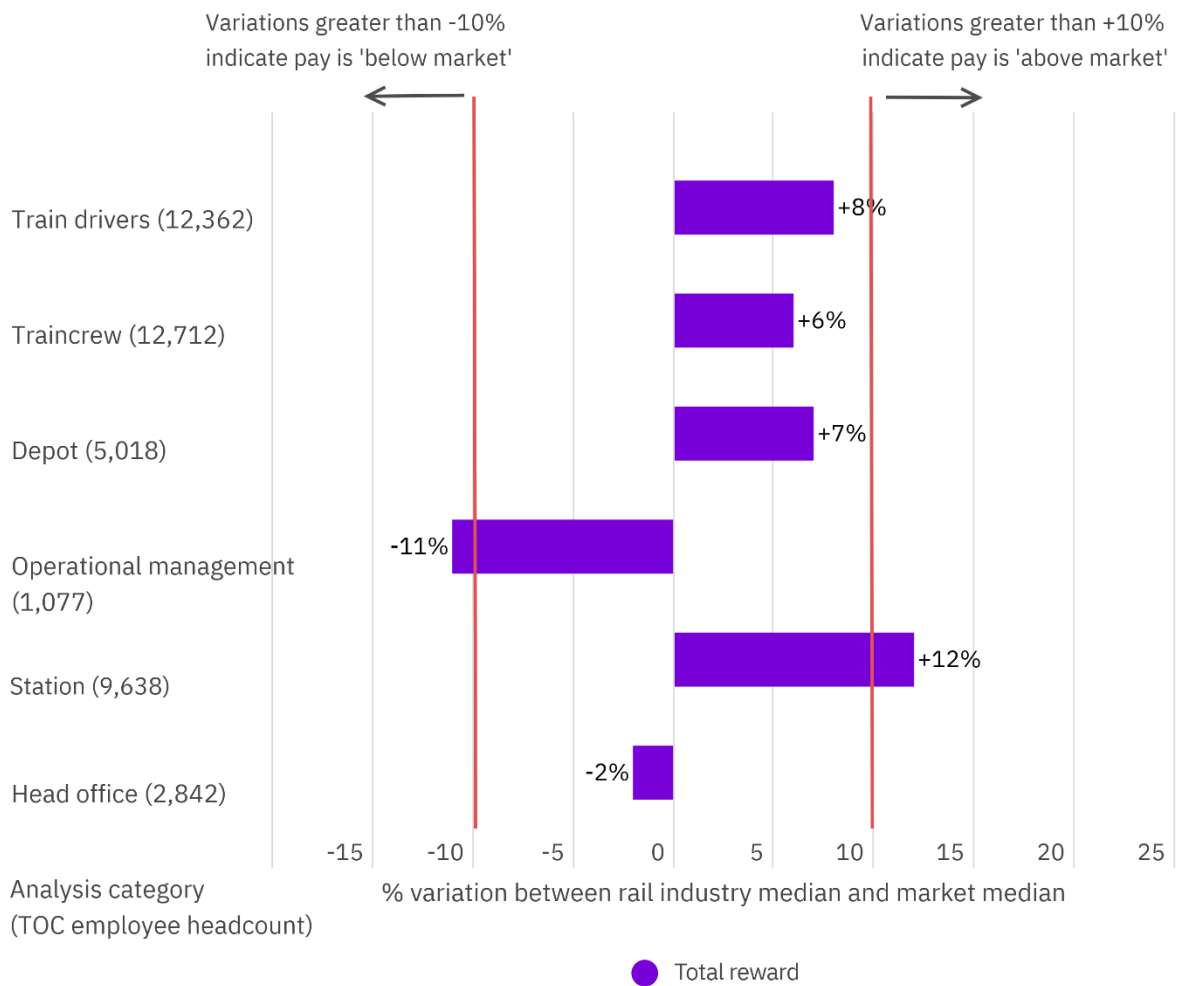


Train operating companies' benchmarking results

The analysis of pay and reward for directly employed TOC staff covers 44 roles. We allocated these roles to each of the categories detailed in Figure 5 as appropriate for the purpose of producing employee-weighted aggregate benchmarking results.

The benchmarking results show that total reward for most analysis categories is in line with that for comparators, with the exception of station staff which is above market and operational management where total reward is below market.

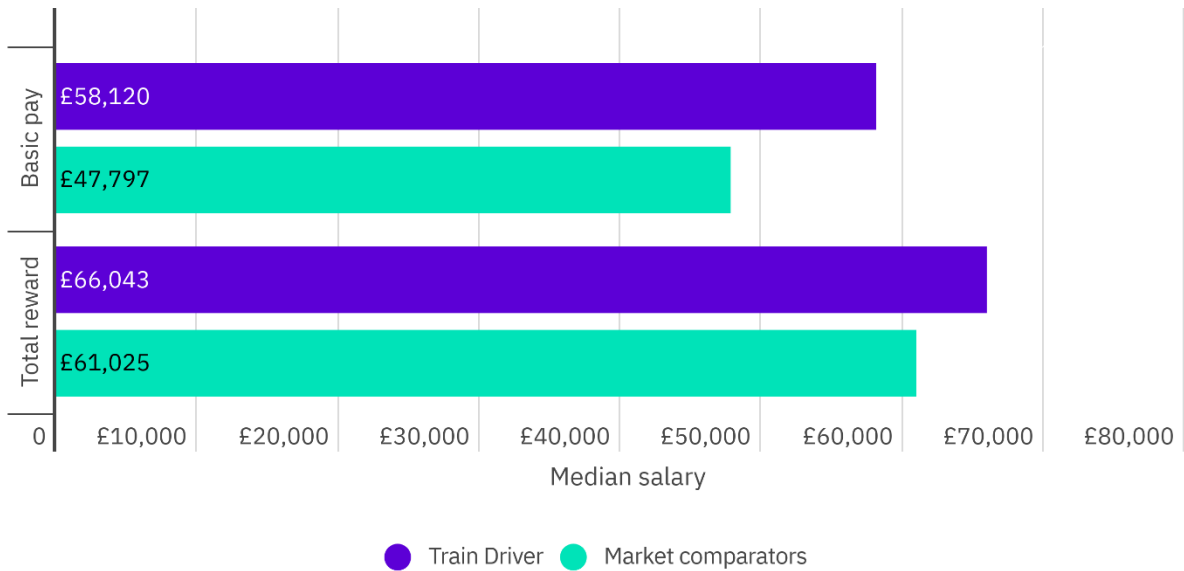
Figure 5 TOC benchmarking results



## Rail Industry Employment Costs Review

Median basic pay for train drivers is £58,120 and median total reward is £66,043. The detailed benchmarking analysis of pay and reward appears in chapter 2 of this report.

Figure 6 Median pay for train drivers versus market comparators





### Key findings on rail industry pay arrangements

- In the rail industry employee terms and conditions, some of which reflect arrangements inherited from the formerly nationalised British Rail, generally compare favourably with those in the rest of the private sector with lower weekly contracted hours and more generous pension, annual leave and sick pay entitlements. Rail industry employees also receive travel-to-work benefit in the form of free or subsidised rail travel, which is an industry specific benefit.
- Prior to 2020 rail industry basic pay rises were generally above those elsewhere in the economy but recent rises have been lower than in other sectors owing to the Government's policy of pay freezes or pay restraint for most public sector groups, which was extended to rail industry employees. Elsewhere in the economy, most employers continued to award pay rises after 2020, although many were lower than in the pre-pandemic period. Pay rises in the rest of the economy have since recovered and moved higher than pre-pandemic levels.<sup>6</sup>
- Pay progression refers to the ways in which employees in specific roles move through a pay range or gain consolidated pay increases while they remain in role. In the rail industry the use of spot rates and the resulting absence of in-role progression has implications for the retention of key roles, many of which are critical to the safe running of the railway.

### Recommendations

This study outlines a number of areas where total reward for rail employees is above that for comparators in the wider market and has identified a number of ways in which efficiencies could be delivered:

- Rail employers need access to accurate pay and reward data in order to model any proposed changes to pay and reward. In undertaking this study we identified a number of issues relating to human resources reporting systems at both Network Rail and TOCs and these require improvements to allow for detailed analysis of shift and other payments when exploring the impact of possible changes to terms and conditions
- The use of job evaluation to determine grades is not universal across the rail industry and we suggest that this is addressed to support future studies of employment costs by

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<sup>6</sup>The IDR median pay rise for 2022 is currently 3.8% having been 2.0% in 2021. Source: [IDR Pay Benchmarker](#).

establishing the relative size of each role. Job evaluation can also provide a basis for ensuring that an organisation's pay and grading structure presents fewer risks in respect of equal pay legislation

- One strategy to improve efficiency in the rail industry would be for employers to reduce the number of separate terms and conditions through which staff are contracted (this issue is especially prevalent for Network Rail maintenance staff). Development of a 'model contract' for new recruits could be a useful starting point
- A further potential development that should be considered is a national pay structure for those maintenance staff who have electrical skills. If, as currently planned, more of the rail network is electrified, then it is likely that a larger workforce with these skills will be required, and Network Rail will need to ensure it can attract staff in this area. Having a single national pay structure for all staff with skills in this area would greatly assist in recruitment and retention
- Rail employers should consider undertaking a review of pay structures based on spot rates, most of which cover strategically important and safety critical roles. In conducting this study we learned from discussions with industry figures there are already pressures at the top of Network Rail's spot grade structures where employees feel that pay does not adequately reflect the technological requirements of the most skilled aspects of the work or reflect increases in the size, scope and complexity of operations
- Pay structures based on broad-banded salaries may require review since these can be associated with a lack of cost control (because the ceiling for pay (ie the maximums) is much higher than for narrower bands), as Network Rail's experience shows. Broad bands can also limit promotions and raise equality issues
- Employers should undertake a review of bonus and commission schemes, reviewing both their purposes as well as mechanisms, and examining both the criteria for payments and maximum payment levels
- The benchmarking identifies that a number of roles in the rail industry are paid significantly 'above market' compared to comparator roles in other industries; similarly, a number are paid below market. The industry should investigate the reason for these pay variations, to understand the reason for the differences, and to inform future rail industry pay and rewards strategy.

### Conclusions

This study provides clarity on the relative costs of employment within NR and the train operators against those of comparators and identifies opportunities to deliver efficiencies in the rail industry. The new insights offered by the study are a reflection of the transparency and willingness to provide information demonstrated by both Network Rail and the train operating companies. While the data set available to us, and hence the analysis we were able to undertake, was limited, we nevertheless consider that the study represents an important step towards achieving a much greater understanding of industry pay levels and the factors that drive them.

The study takes place at a time when the rail industry is planning significant reform, including the creation of a new rail body, Great British Railways (GBR), simplifying decision-making and ensuring a single point of accountability for publicly funded passenger service delivery as well as network asset management. The extent to which cost savings through reform of pay and working practices can be realised will depend on a number of factors, not least resolution of the ongoing issues surrounding industrial relations as well as progress towards industry reform. However, we anticipate that the industry will continue to face strong pressures to contain and reduce costs in the short, medium and long term, with reform expected to unlock savings hitherto unavailable. Against this background, the opportunities highlighted could provide a useful agenda for GBR, both during its transition phase and subsequently, helping it identify areas for further consideration as part of a broader plan for cost reduction. Accordingly, ORR may wish to review progress in all of the areas we have identified, including both Network Rail and train operator opportunities, noting that GBR's scope for delivering them should increase as it becomes established as the guiding mind for the industry.

# 1 Introduction

In September 2021 the independent safety and economic regulator of Britain’s railways, the Office of Rail and Road (ORR), commissioned Incomes Data Research (IDR) and Steer to undertake a review of rail industry employment costs at Network Rail and passenger train operators.

The study takes place at a time when the rail industry is planning significant reform, including the creation of a new rail body, Great British Railways (GBR). Emerging plans indicate that GBR will combine the infrastructure management functions of Network Rail and the rail service procurement responsibilities of the Department for Transport (DfT), simplifying decision-making and ensuring a single point of accountability for publicly funded passenger service delivery as well as network asset management. Reform will also seek to deliver the objectives set out in the Williams-Shapps Plan for Rail (the White Paper).<sup>7</sup>

The outputs of our study support the ORR’s current and future role in monitoring efficiency of the industry under the Government’s plan to reform the railways in Britain, in addition to forming part of the ORR’s five-yearly Periodic Review of Network Rail concluding in 2023 (PR23).

Employment costs, defined as ‘all costs incurred by employers in employing staff, including pay, allowances, pensions and other financial benefits’, account for 31% (£6.2bn in 2020/21) of the total cost base of the rail industry in Britain.<sup>8</sup> This study presents benchmarking analysis of these costs for staff directly employed by Network Rail and passenger train operating companies (TOCs) based on comparisons with equivalent costs incurred in other, similar industries, and an explanation of the key differences. It also explores how these costs may change in the future and makes recommendations on how the industry could achieve efficiencies (in terms of the costs per employee) in employment costs.

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<sup>7</sup>[Great British Railways: Williams-Shapps plan for rail - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/great-british-railways-williams-shapps-plan-for-rail)

<sup>8</sup>ORR Data Portal: Franchised Operators Costs £10.3bn excluding payments to Network Rail. Network Rail costs £10bn.

### 1.1 Aims

The aims of the study were to:

- Benchmark Network Rail's employment costs, and those of TOCs, for each major employee group and against relevant comparators
- Provide reasons for why employment costs are higher or lower than comparators
- Highlight any factors which are likely to affect employment costs in the future
- Suggest ways in which Network Rail and TOCs could deliver efficiencies in staff costs.

### 1.2 Methodology

We conducted a total reward benchmarking exercise, comparing basic pay and the total reward package – including taxable benefits, pensions and annual leave – against relevant market comparators. The following section provides an overview of our methodology, further technical details are provided in Appendix 1.

The methodology involved four key steps:

- i. Obtaining employment costs data from the rail industry employers covering both quantitative and qualitative information on pay, reward and employment approaches
- ii. Interrogation and analysis of data provided by Network Rail and TOCs to produce medians for both basic pay and the total reward package for each role
- iii. Identifying market comparators outside the rail industry and undertaking benchmarking comparisons
- iv. Identifying whether rail industry pay is notably different from comparators, and if this is the case, proposing reasons why.

The ORR provided us with contact details for Network Rail and for train operators with contracts not let or managed by DfT<sup>9</sup> to approach for participation in the study. For operators

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<sup>9</sup>Operators in scope for this project in this category were as follows: London Overground; Merseyrail; MTR Corporation (Crossrail); ScotRail; Transport for Wales Rail. London Overground, MTR Corporation (Crossrail) and Transport for Wales Rail declined to participate.

with contracts that are managed by the DfT,<sup>10</sup> the DfT sent a letter of introduction to managing directors at each TOC.

We undertook discussions with HR and reward professionals at Network Rail and each TOC regarding data requirements and the data collection process. Network Rail provided a dataset of anonymised payroll records, from which we calculated averages for use in the pay comparisons. It was not possible to collect payroll data from TOCs due to the time and resource required to prepare multiple payroll datasets for analysis. TOCs were therefore asked to provide data on pay averages broken down by specific elements, in addition to completing a pay and reward questionnaire.

We reviewed a wide range of materials relating to both Network Rail and TOC pay, reward and employment practices, in order to obtain robust data and a detailed understanding of the data before commencing our analysis. This included information on pay structures, grading and job evaluation outcomes (where available), collective pay agreements, HR policies relating to the provision and operation of employee benefits, pay data, workforce profile data and job descriptions for a sample of roles. We also engaged extensively with relevant personnel at Network Rail and TOCs in relation to queries regarding the data provided.

Network Rail data is for the period April 2020 to March 2021 and TOC data is for the calendar year 2021. Salary data for comparators used in the benchmarking analysis is taken from a live database and effective dates vary by firm, ranging from July 2020 to December 2021.

We identified comparators based on our knowledge of both rail industry roles and roles in the wider economy. This was supported by:

- Network Rail's evaluations of job size – to which we were able to apply our expertise to determine a read-across from Network Rail's job score to the job-sizing

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<sup>10</sup>Operators in scope for this project in this category were as follows: Avanti West Coast; c2c; Chiltern Railways; CrossCountry; East Midlands Railway; Govia Thameslink Railway (GTR); Great Western Railway; Greater Anglia; London Northern Eastern Railway (LNER); Northern Trains; South Western Railways; Southeastern; Transpennine Express; West Midlands Trains.

methodology used in the IDR salary database to ensure roles were benchmarked on a like-for-like basis (see Appendix 2)

- Job descriptions provided by Network Rail for roles where we sought further information regarding responsibilities of the role
- TOCs' matching of their roles to the role descriptors used as part of the data collection exercise (see Appendix 3).

In a number of cases, we benchmarked rail industry roles against a panel of comparators. Appendix 4 provides examples of comparators used in the benchmarking.

The benchmarking analysis compares rail industry pay to that for comparators in the wider market (UK economy). Benchmarking comparisons examine basic pay and total reward (definitions are provided at the start of Chapter 2).

The benchmarking comparisons draw on the following sources of market salary data:

- IDR's database of salary levels collected by IDR for publication, which currently holds around 7,000 pay records from 968 organisations in total<sup>11</sup>
- Data collected by IDR specifically for the purpose of this study
- The National Agreement for the Engineering Construction Industry (NAECI), which sets comprehensive terms and conditions of employment for hourly-paid engineering construction workers on major and basic engineering construction projects, repair and maintenance sites and incidents throughout the UK
- Hays Construction Salary Guide 2022 and Robert Walters Salary Survey 2022, which are based on analysis of recruitment salaries.

### 1.3 Rail industry pay samples

In conducting this study we collected and analysed data on pay and total reward for roles in the rail industry for use in the benchmarking comparisons. The benchmarking analysis is

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<sup>11</sup>Note this is salary data per role and not individual employee data.

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based on pay and reward data for a sample of 64,459 rail industry employees representing approximately 63% of all workers employed by Network Rail and participating TOCs.<sup>12</sup>

The Network Rail analysis examines pay for 108 key benchmark roles and is based on a sample of pay and reward data for 20,810 employees (equivalent to 48% of its 43,256 permanent workforce as at March 2021). Network Rail excluded a number of employees from the payroll data supplied due to a range of reasons.<sup>13</sup> In response to a request from ORR, Network Rail undertook an assessment of the salaries of their head office staff, which included those omitted from our analysis, and concluded that this study overstates Network Rail Head office basic pay by 1%. We therefore consider that our analysis is not materially affected.

The benchmarking analysis of pay and reward at TOCs covers 44 roles, covering 43,649 employees in total (representing approximately 77% of the 16 participating TOCs' combined workforce).<sup>14</sup> We conducted tests on our analysis of TOC pay levels using published data on staff costs. This indicates that our figures are a reasonable estimate of pay for the roles covered by the benchmarking.

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<sup>12</sup>Based on a total workforce headcount of 45,755 at Network Rail employees and a combined FTE workforce of 56,492 at the 16 participating TOCs.

<sup>13</sup>For more details see Appendix 1.

<sup>14</sup>The benchmarking analysis is based on data for 43,649 employees since we were not able to identify suitable market comparators for two additional roles, for which we collected pay and reward data. All 46 roles are detailed in Appendix 6.



## 2 Rail industry benchmarking results

In this chapter of the report, we present results from the pay benchmarking analysis which compares median rail industry pay to that for comparators across the wider UK economy.

The benchmarking comparisons examine both basic pay and total reward.<sup>15</sup> These are defined as follows:

- **Basic pay** – the regular guaranteed monthly salary for normal contracted hours, excluding any additions
- **Total reward** – basic pay, shift pay, employer pension contributions, the benefit-in-kind value of private medical insurance (as stated on employees' P11D forms), bonuses and company cars. It also includes a value for paid holiday days above the statutory minimum of 28 days including bank holidays.

The terminology for describing the position of rail pay relative to that for comparators is as follows:

- Variations of greater than +10% are regarded as being 'above market'
- Variations of greater than -10% are regarded as being 'below market'
- Variations within +/-10% are regarded as being 'in line with market'.

Our discussion of the results focuses on comparisons of total reward since these provide the most complete picture of the reward package and overall cost. But, where appropriate, we also discuss elements of the reward package, including basic pay.

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<sup>15</sup>The total reward benchmarking model only includes elements where a monetary value can be quantified. All benchmarking comparisons reflect the cost of total reward to the employer which may differ from the value of total reward to employees, particularly where defined benefit pension schemes are considered.

### 2.1 Industry-wide benchmarking results

As well as producing results for Network Rail and TOCs separately, ORR requested that we produce aggregate industry-wide results. To do this we allocated Network Rail and TOC roles to one of the following categories for the purpose of producing employee-weighted aggregate cross-industry benchmarking results:<sup>16</sup>

- ‘Head office’ covers a range of management and non-management roles at head offices and across Network Rail’s regional routes
- ‘Operations (safety critical)’ covers operational roles in safety critical roles that are essential to the safe running of the railway, such as signallers, controllers, drivers, guards, and maintenance engineers<sup>17</sup>
- ‘Operations (non-safety critical)’ covers operational staff in non-safety critical roles, including ticketing and catering staff
- ‘Maintenance’ covers infrastructure maintenance workers employed only at Network Rail.

**Aggregate industry-level results indicate that total reward for rail industry roles covered by this study is in line with that for comparable roles employed elsewhere in the economy, although at +9% the variance is close to the cut-off point (+10%) for an ‘above market’ assessment. Median total reward for rail industry roles is £45,172.**

Aggregate results by broad function indicate that total reward for head office and safety critical operational roles is broadly in line with that for comparators, while total reward for non-safety critical operational and maintenance roles is above market. There are also significant variations in the benchmarking results for different roles and we recommend that these are reviewed alongside the headline findings for context.

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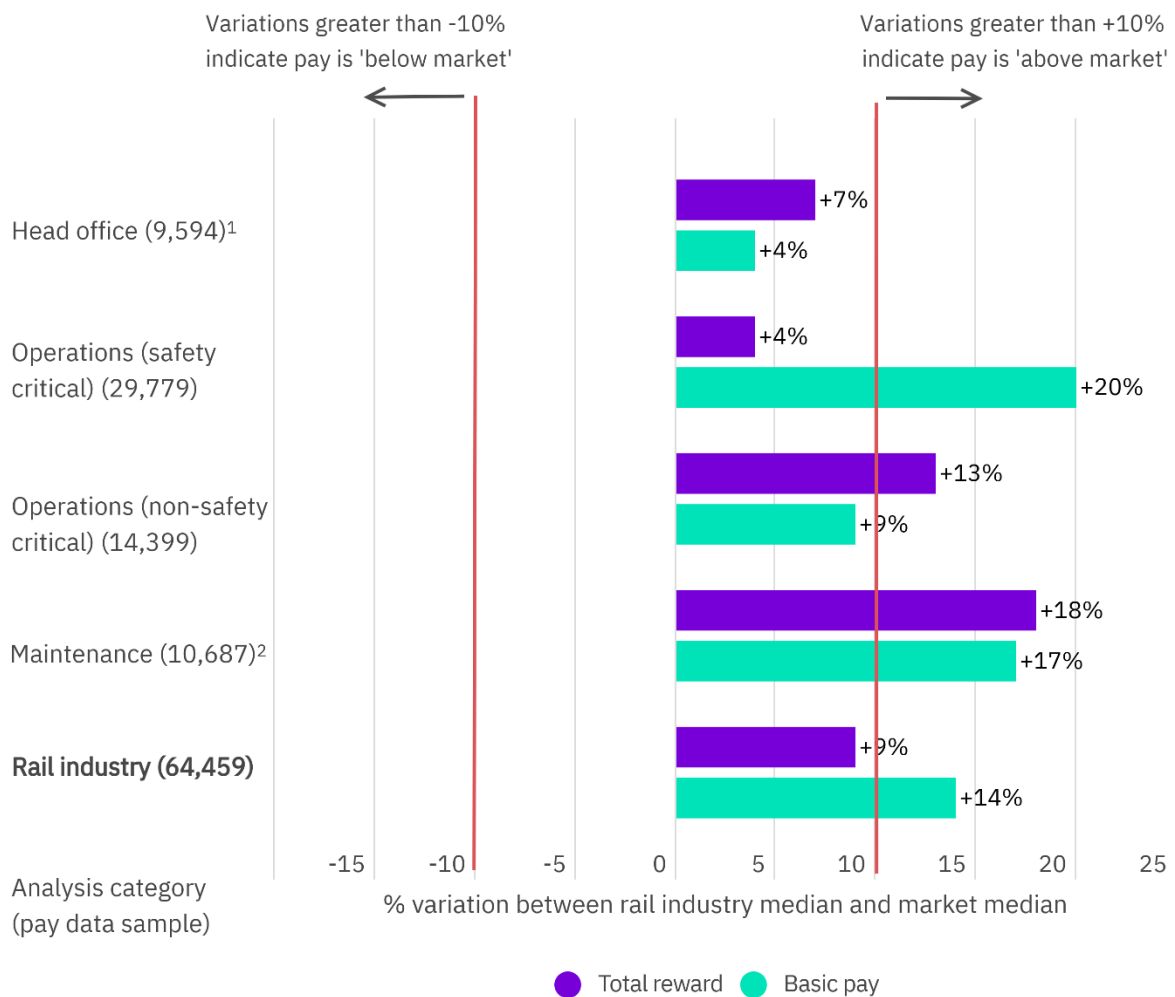
<sup>16</sup>Note the categorisation of roles into broad groups is only approximate as often roles fall into more than one category.

<sup>17</sup>The full list of jobs is as follows: Train Driver, Train Guard, Depot Driver/Shunter, Train Maintenance Engineer, Traincrew Trainer/Inspector, Engineering Supervisor, Station Train Dispatch, Crossing Keeper, Platform Assistant, Signaller, Route/Incident Controllers, Electrical Control Room Operator, Mobile Operations Manager, Operations Manager, Level Crossing Manager.

Since results are weighted by employee numbers and safety critical roles make up the largest employee group, variations for this group affect the industry-wide results by bringing down the overall cross-industry total reward variation.

The difference in variances for safety critical roles when we compare basic pay (+20%) and total reward (+4%) is primarily due to consolidation of shift pay (either fully or in part) into basic salary for some roles in the rail industry, which results in higher basic pay relative to comparators.

Figure 2-1 Industry-wide benchmarking results



<sup>1</sup>'Head office' at Network Rail includes both staff at the head-office in Milton Keynes, as well as those based across regional routes.

<sup>2</sup>Due to issues with data supplied by Network Rail the estimate of shift pay included in the total reward calculation is based on data for a sample of 3,294 maintenance workers. See Appendix 1 for further details.

## 2.2 Benchmarking results for Network Rail

The benchmarking analysis of pay and reward at Network Rail examines pay for 108 key benchmark roles which we allocated to one of the following categories for the purpose of producing employee-weighted aggregate benchmarking results:

- ‘Head office’ covers head office and regional routes staff, operational managers and station staff employed on centrally determined terms and conditions
- ‘Operations’ covers signallers, controllers, electrical control room operators employed on centrally determined terms and conditions
- ‘Maintenance’ covers maintenance staff who are employed under a range of local terms and conditions which are protected following transfer from infrastructure maintenance companies to Network Rail.

**The benchmarking results indicate that total reward for Network Rail head office roles is in line with the market, although at +9% the variance is close to the cut-off point (+10%) for an ‘above market’ assessment. Median total reward for Network Rail staff in this category ranges from £18,732 for apprentices in Band 8 to £147,414 for IT directors in Band 1C.**

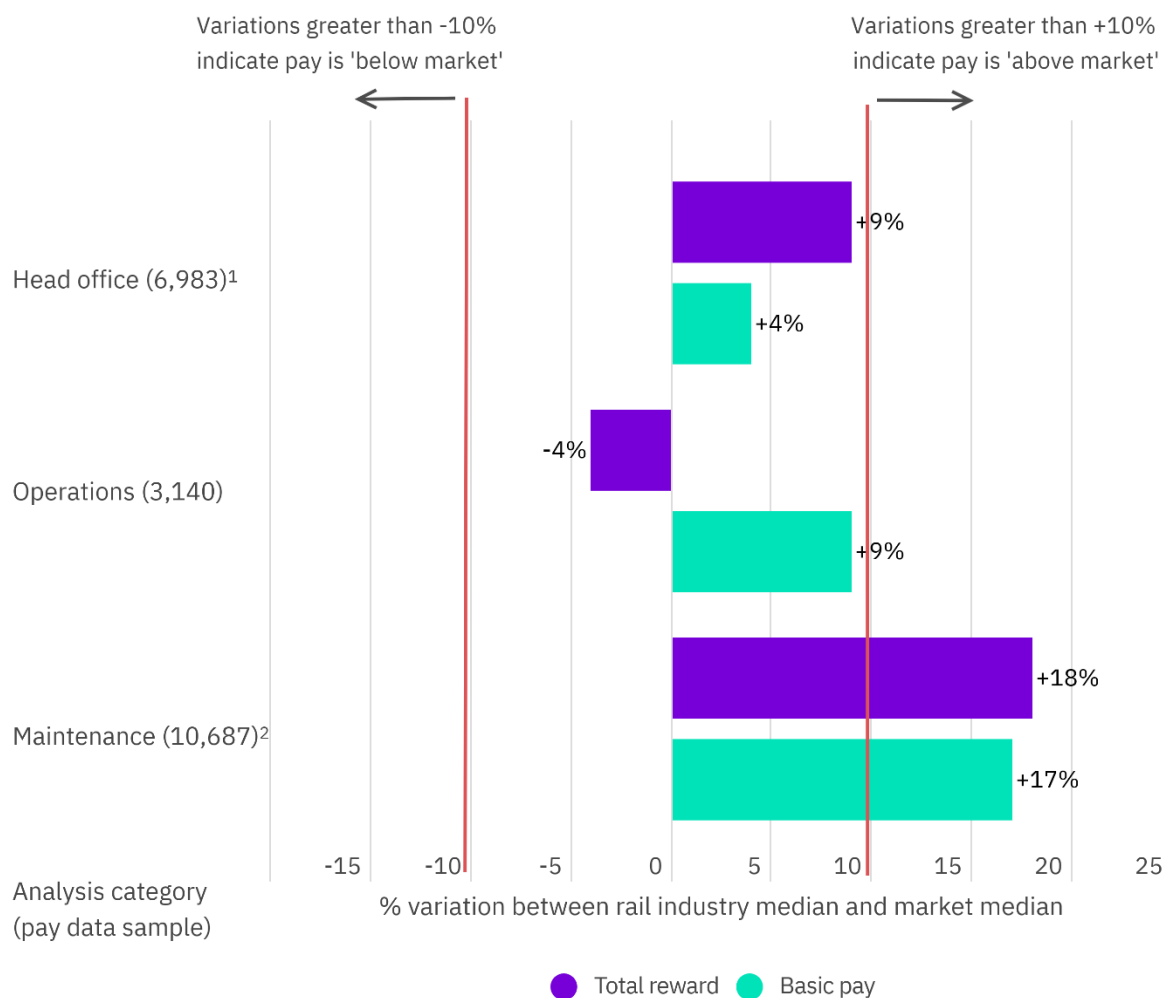
Total reward for operations roles at Network Rail is comparable to that for roles employed elsewhere in the economy. Median total reward for Network Rail staff in this category ranges from £31,994 for platform assistants in grades SIG1-2 to £73,797 for electrical control room operators in grades ECO5-7.

Total reward for maintenance roles at Network Rail is significantly above market, with a variation of 18% above median total reward for comparators outside the rail industry. Median total reward for maintenance workers at Network Rail is £44,732.<sup>18</sup>

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<sup>18</sup>Note this figure relates to the employee-weighted estimated median salary.

Figure 2-2 Benchmarking results for Network Rail



<sup>1</sup>'Head office' at Network Rail includes both staff at the head-office in Milton Keynes, as well as those based across regional routes.

<sup>2</sup>Due to issues with Network Rail data the estimate of shift pay included in the total reward calculation is based on data for a sample of 3,294 maintenance workers. See Appendix 1 for further details.

### 2.2.1 Head office

This group covers managerial and non-managerial head office staff on national broad-banded salary ranges employed at Network Rail's head office in Milton Keynes, as well as those based across regional routes. Results are presented by broad functional category, which combine results for a number of different benchmark roles. Detailed results for each of the 63 benchmark roles are provided in Tables A9-1 and A9-2 in Appendix 9.

Total reward for the majority of the head office analysis categories is in line with that for comparable roles employed elsewhere in the economy, with the exceptions of administration, engineers, health and safety and legal staff.

Figure 2-3 Benchmarking results for Network Rail head office roles

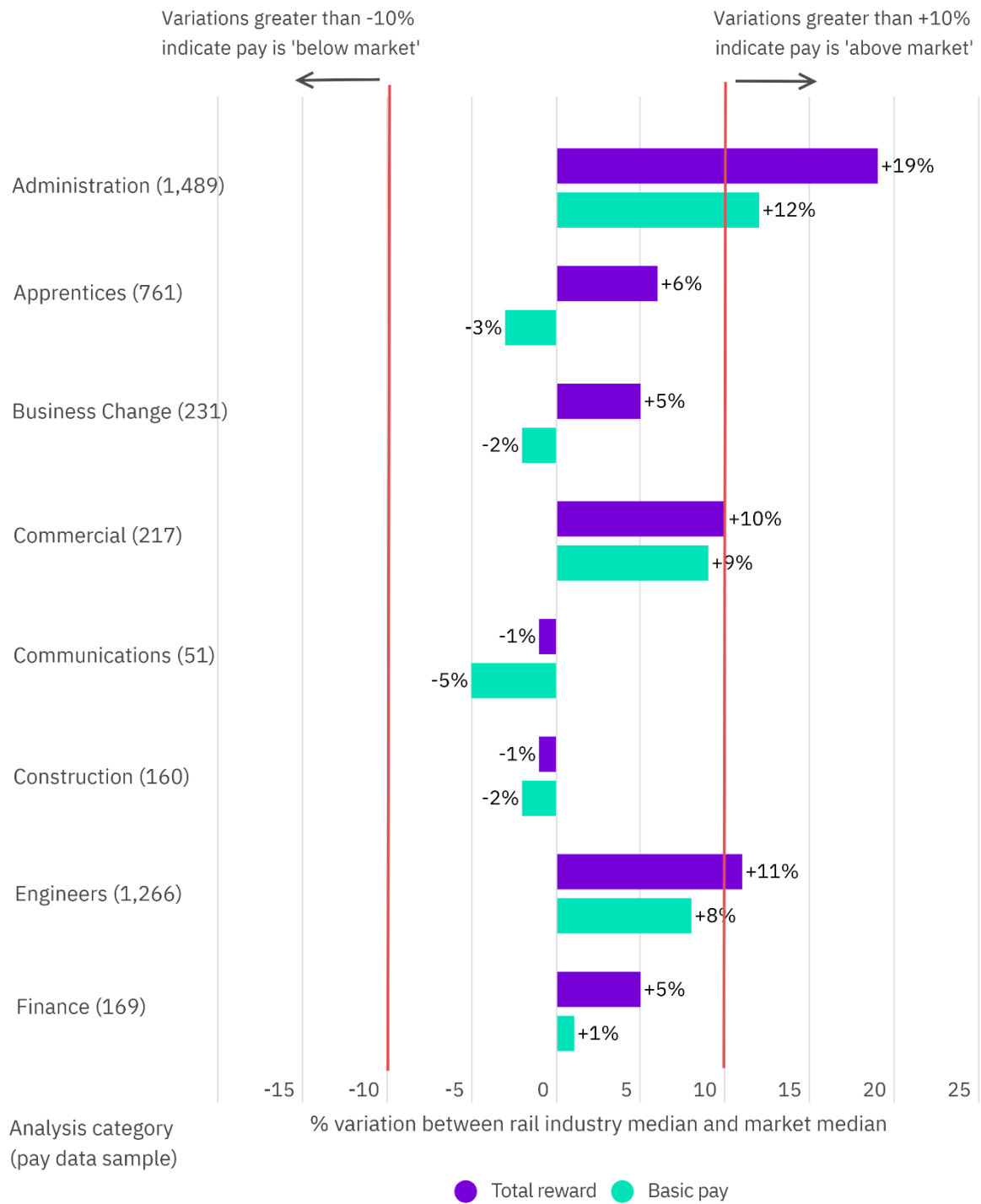
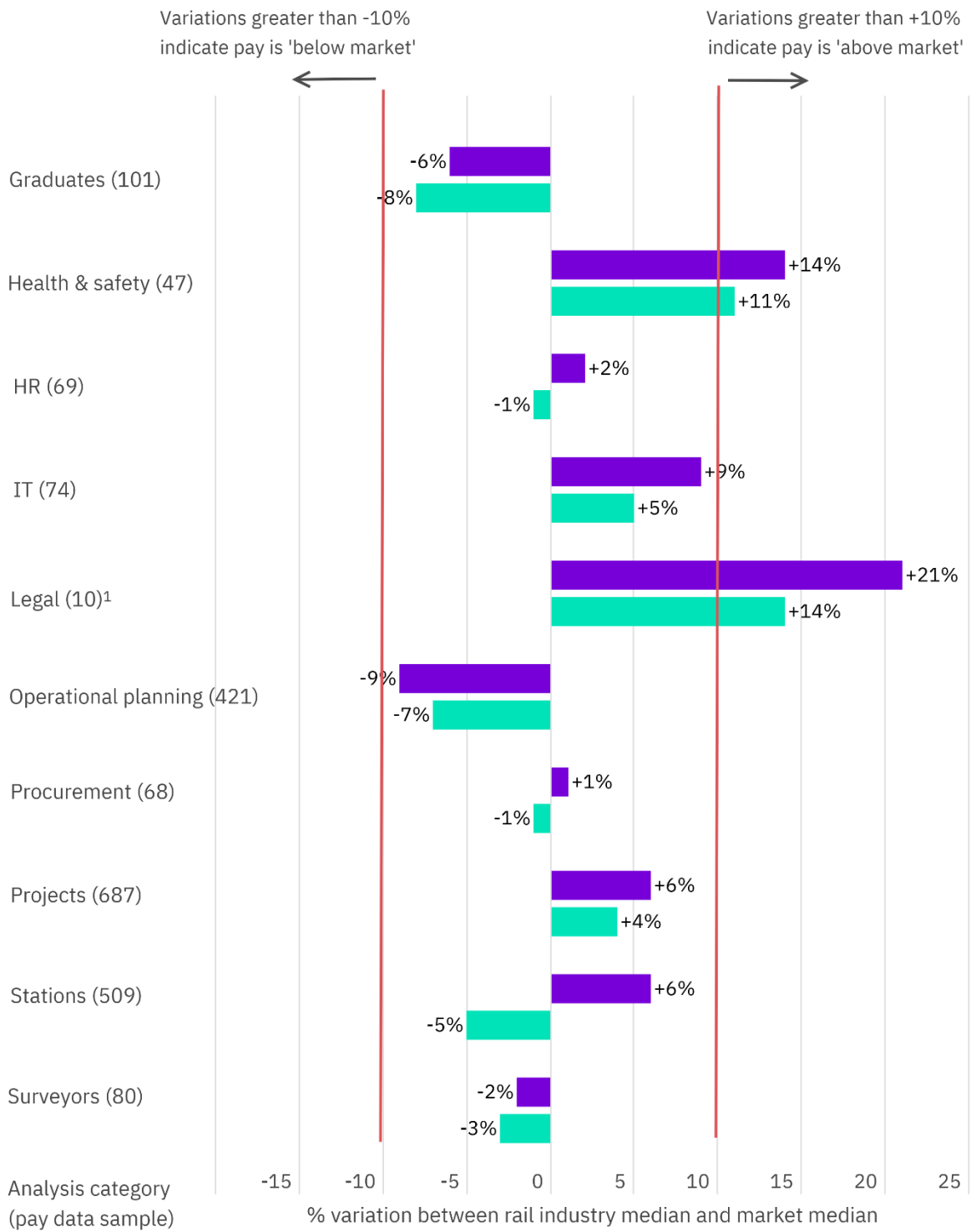


Figure 2-4 Benchmarking results for Network Rail head office roles



● Total reward ● Basic pay

<sup>1</sup>Please note analysis of pay and reward for Network Rail legal staff is based on a small sample.

Our discussion of the results focuses on explaining differences for those job categories with the largest variations.

**Administration:** the benchmarking results indicate that both basic pay and total reward for Network Rail administrative staff is above market. Roles in this analysis category are Team Administrator (Band 7), Administrator (Band 6) and Administrator/Coordinator (Band 5), covering three levels of responsibility. The benchmarking results show that while total reward for all three roles is above market, that for the most junior roles (Team Administrator Band 7) is furthest ahead. Median total reward for Network Rail in these roles ranges from £29,928 for team administrators in Band 7 to £34,712 for administrator/coordinators in Band 5.

**Commercial:** total reward for commercial roles at Network Rail is comparable to that for roles employed elsewhere in the economy, although at +10% the variance is at the cut-off point for an 'above market' assessment. Looking in more detail at the benchmarking results for each role in this category, which are Analyst (4B), Senior Service Analyst (4C), Senior Business Analyst (3B) and Senior Commercial Manager (3C), the results show that total reward for both the junior (4B) and senior (3C) roles is significantly above market, while total reward for the other two roles is in line with that for comparators. Median total reward for Network Rail in these roles ranges from £42,368 for analysts in Band 4B to £67,261 for senior commercial managers in Band 3C.

**Engineers:** total reward for engineers at Network Rail is above market (+11%) and the variation on basic pay, while nominally within the market, is close to indicating an 'above market' assessment. This category includes four levels of Engineer: Junior (Band 5), Competent (Band 4C), Senior (Band 3C) and Principal (2C) and the benchmarking results show that total reward for junior (+17%) and principal engineers (+17%) is significantly above market, while that for engineers (+8%) and senior engineers (+13%) is closer to that for our selected comparators of engineers at civil engineering and utilities companies.

Competition for scarce skills is likely to play a role in Network Rail's pay positioning for these roles. This is likely to be because Network Rail's pay positioning is aimed at trying to ensure



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it wins the 'war for talent'. These roles require staff with a number of years' experience in specialised rail technical skills, and therefore competitive salaries are required to secure a relatively limited supply of labour. Furthermore, these staff are likely to have greater safety responsibilities than some of the comparators used, which may justify their pay lead. Median total reward for engineers at Network Rail ranges from £40,270 for staff in Band 5 to £95,305 for those in Band 2C.

**Health & safety:** roles covered are HSE Advisor (Band 4B) and HSE Manager (Band 3B) and results vary significantly by role, with total reward for advisors significantly ahead of the market (+23%), while that for managers is in line with comparators (-4%). Median total reward for HSE advisors (Band 4B) at Network Rail is £46,904 and for HSE managers (Band 3B) it is £54,404.

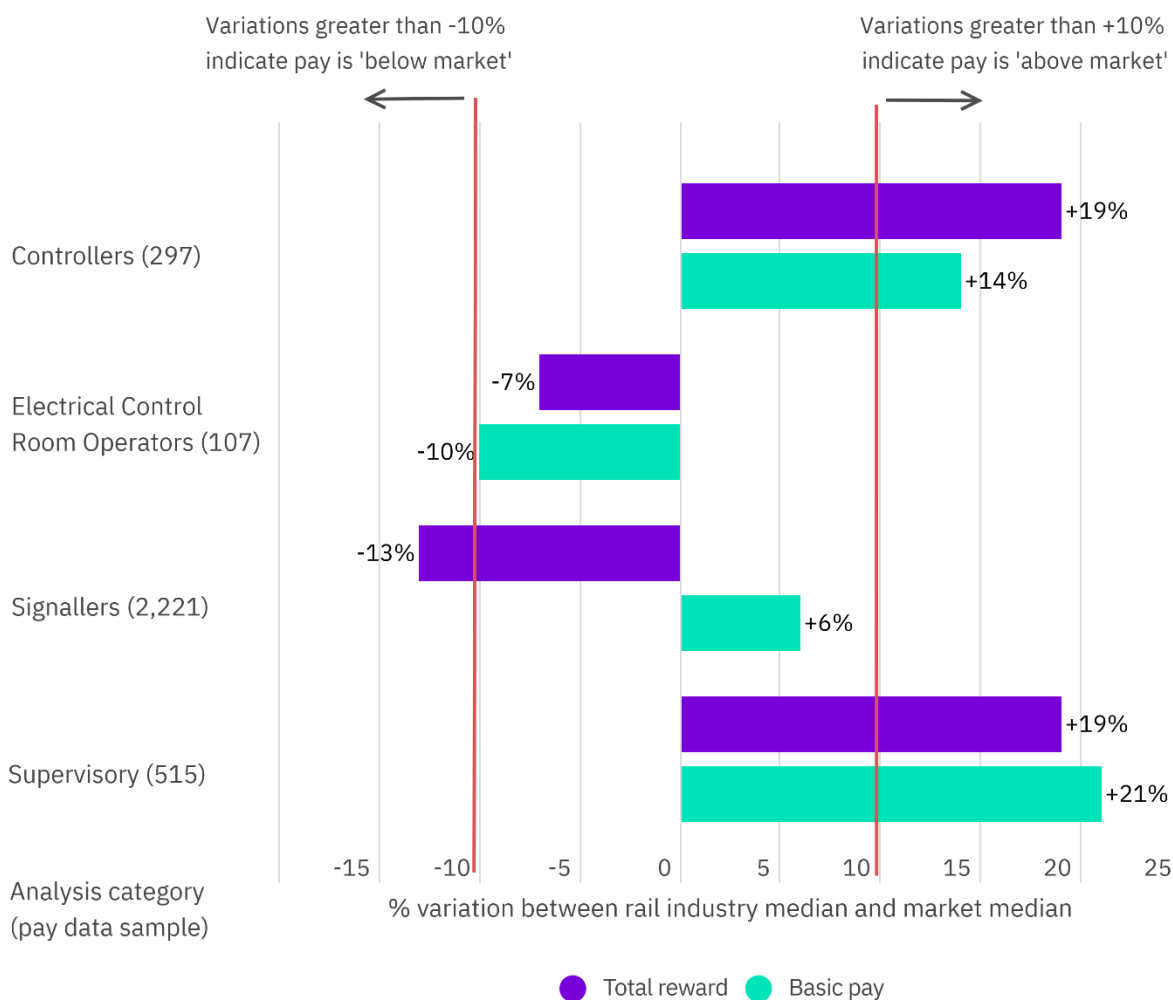
**Legal:** this category covers just one role, that of Legal Advisor (Band 3C) for which pay reflects that of only 10 employees in the data sample. The benchmarking results show that total reward (and basic pay) is above market with a variation of +21%. Median total reward for Network Rail staff in this role is £68,120.

### 2.2.2 Operations

This category covers signallers, controllers, electrical control room operators and supervisory grade staff, the majority of which are safety critical roles. Results are presented by broad functional category, which combine results for a number of different benchmark roles. Detailed results for individual benchmark roles are provided in Table A9-3 and A9-4 at Appendix 9.

**Total reward for roles in Supervisory and Controller grades is above market (both at +19%). Signallers' total reward is below the market (-13%). The results for electrical control room operators indicate that total reward is close to being below market at -7%.**

Figure 2-5 Benchmarking results for Network Rail operations roles



**Controller grades:** the benchmarking analysis indicates that both basic pay and total reward for controllers is above the market median for comparators. However, there are differences in the results for controllers at different levels (Tables A9-3 and A9-4 at Appendix 9), with the junior grade (CON3) sitting significantly above market (+23% on total reward and +18% on basic pay), while the senior grade (CON2) is above market when we compare total reward (+15%) but nominally within the market on basic pay although close to being above (with a variation of +10%). Median total reward is £66,935 for Network Rail controllers in grade 3 and £69,417 for controllers in grade 2.

**Electrical Control Room Operator grades:** the benchmarking analysis for electrical control room operators indicates that variations in total reward and basic pay are close to being below market (at -7% and -10% respectively). The selected comparator is Electrical Control

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Engineer and because the salary data mainly covers roles at electrical supply companies, this is likely to explain a reasonable portion of the variance since this is a generally higher-paying industry compared to other sectors, including rail. Median total reward for Network Rail staff in ECO grades 5-7 is £73,797.

**Signaller grades:** the total reward comparison for this analysis category shows a much lower position (-13%) than for basic pay (+6%). This is because shift pay is lower at Network Rail than for comparable roles elsewhere. This category includes four benchmark roles, covering crossing keepers (SIG1-2), platform assistants (SIG1-2), signallers (SIG5-7) and senior signallers (SIG8-9). Comparators are general workers for the former two roles and underground service controllers for the latter. The results show that total reward for the two junior roles is significantly above market, while that for signallers is below (-18% for SIG5-7; -16% for SIG8-9). Median total reward for Network Rail staff in this analysis category ranges from £31,994 for platform assistants to £58,647 for senior signallers.

**Supervisory (SUP) grades:** the benchmarking results indicate that both total reward (+19%) and basic pay (+21%) are significantly above market, although results vary significantly for each of the two job roles within this category (Mobile Operations Manager (MOM) and Signaller Shift Manager), as shown in Tables A9-3 and A9-4 at Appendix 9.

Mobile operations managers (MOMs) are the first responders to operating incidents and accidents on the railway. The benchmarking results for this role show that total reward for MOMs is 29% above the market median for comparable roles (including construction labourer foremen with safety credentials, eg Site Supervisory Safety Training Scheme (SSTS) qualification or Blue (Craft)/Gold (Supervisory) CSCS card) and median basic pay is 26% above market. The main factor in this lead is likely to be the safety aspect of the role since MOMs assume command structure roles to take control of an incident site, undertake immediate investigation of incidents and may secure evidence. They have safety responsibilities for themselves and for operation of the network and often work alone, in hazardous environments. MOMs also have a range of specialist technical competencies.

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Signaller shift managers are highly qualified signallers, with management experience, who work on a shift basis. They typically work in large signalling centres, supervising signallers and providing advice to signallers when operational incidents occur. The main comparator role is an underground service controller, and the results show that while basic pay is in line with that for the comparator, total reward is significantly below (-24%) due to a combination of lower employer pension contributions and shift pay in the rail industry. Median total reward for MOMs at Network Rail is £52,441 and for signaller shift managers it is £60,907.

### 2.2.3 Maintenance

This analysis category covers maintenance staff who are mainly on spot rates and are employed under a range of local terms and conditions.

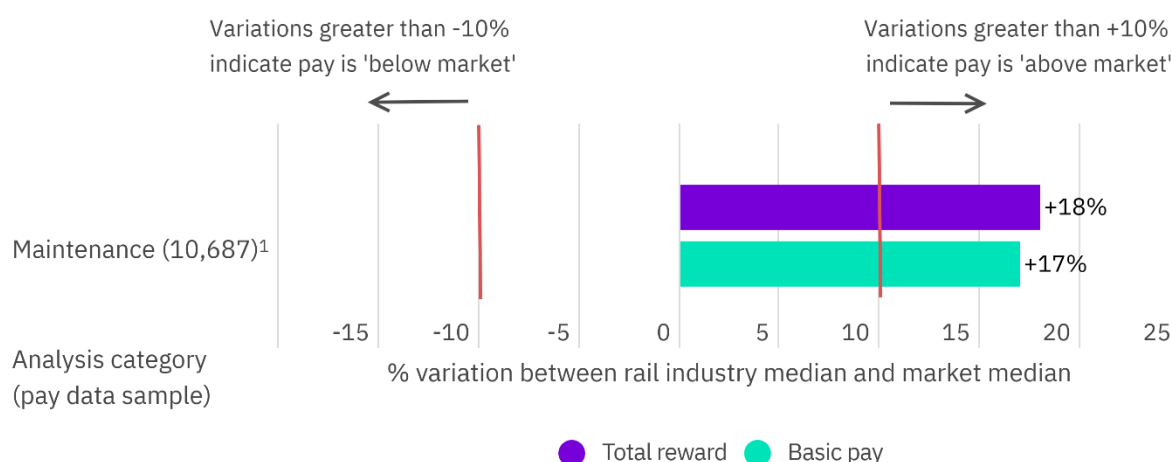
As outlined previously, the benchmarking analysis shows that both total reward and basic pay for maintenance workers is significantly above that for comparators outside the rail sector. The relative position on basic pay is driven by higher basic pay in the rail industry, partly due to consolidation of shift pay into base pay for some roles. Total reward for rail industry maintenance workers remains ahead despite the payment of additional allowances to comparators in the market, mainly due to higher employer pension contributions for rail industry roles compared to comparators elsewhere. Median total reward for maintenance workers at Network Rail is £44,732.<sup>19</sup>

Detailed results for individual benchmark roles are provided in Tables A9-3 and A9-4 at Appendix 9.

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<sup>19</sup>Note this figure relates to the employee-weighted estimated median salary.

Figure 2-6 Benchmarking results for Network Rail maintenance roles



<sup>1</sup>Due to issues with data supplied by Network Rail the estimate of shift pay included in the total reward calculation is based on data for a sample of 3,294 maintenance workers. See Appendix 1 for further details.

## 2.3 Benchmarking results for train operating companies

Benchmarking analysis for roles employed by franchised TOCs are presented by six broad functions as follows:

1. Train drivers
2. Traincrew (including trainee train drivers)
3. Depot
4. Station
5. Operational management
6. Head office

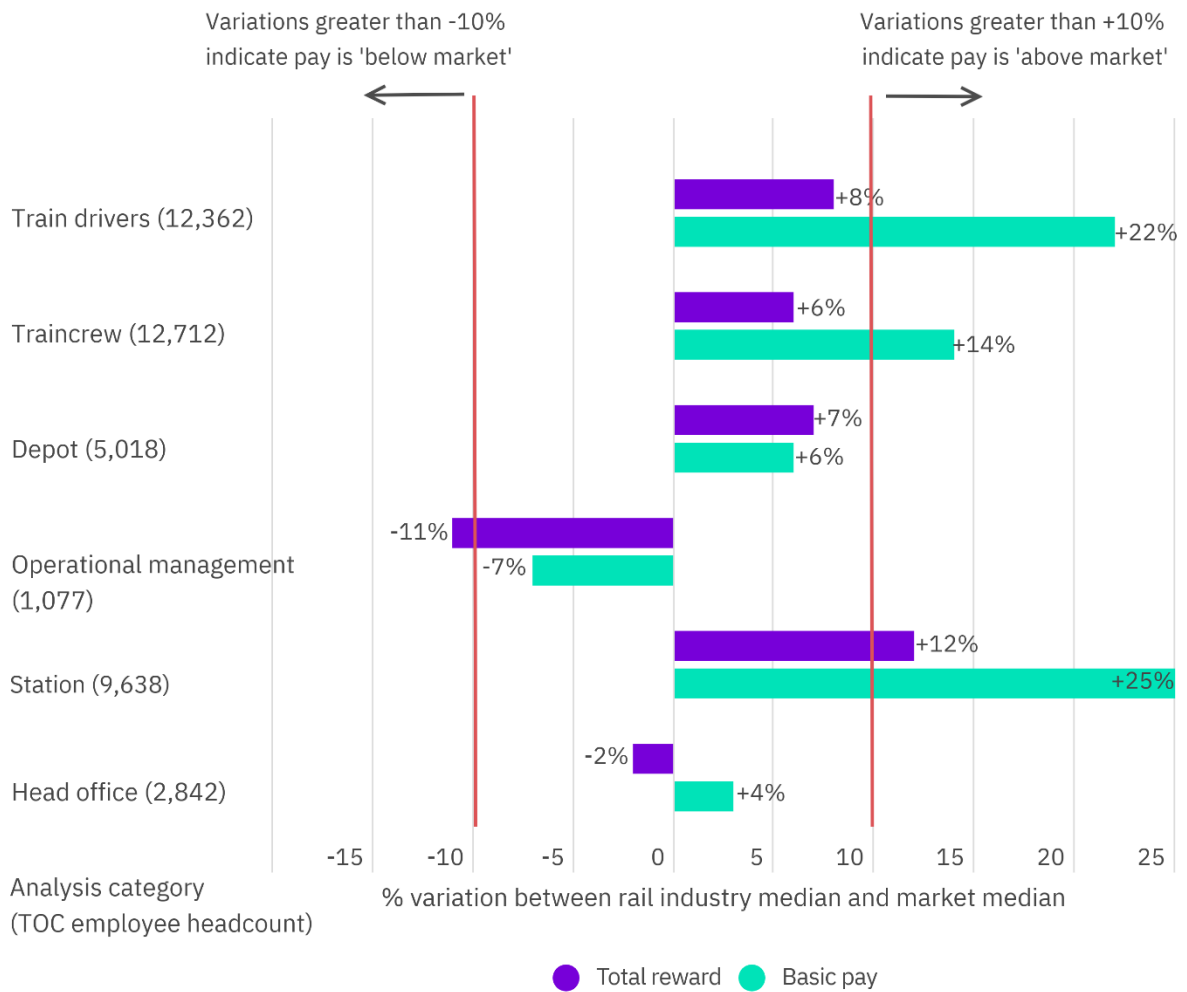
The benchmarking results combine results for a number of different benchmark roles. Aggregate results by broad function are weighted by the number of employees in each of the job roles included in the category. The number in brackets shown in the figures denotes the total number of employees in each category. Detailed results for each benchmark role are provided at Appendix 10.

The aggregate results show that total reward for most categories is in line with that for comparators, with the exception of station staff which is above market and operational management where total reward is below market. However, there are notable variations by role.

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The variations between the total reward and basic pay benchmarking results for certain categories reflects differences in both the composition of reward packages and the respective values of each component. The difference in benchmarking results when we compare total reward (+12%) and basic pay (+25%) for station staff is mainly driven by results for a single role (Train Dispatcher), for whom the comparator's pay (Flight Attendant) is structured differently, with 'basic pay' topped up with a range of allowances.

Figure 2-7 Benchmarking results for TOC roles



### 2.3.1 Train drivers

Train drivers are a key employee group, both in terms of the volume of staff in the industry<sup>20</sup> and because they account for a significant proportion of industry staff costs. Drivers play a core role in the provision of train services and are key to any benchmarking exercise. However, they are also among those key employee groups for whom it is particularly challenging to identify appropriate comparators.

The accuracy of any benchmarking exercise depends on the use of a fair method of comparison between jobs. This is relatively straightforward in most cases but more challenging for 'unique' jobs or those where special working conditions mean it is difficult to identify suitable direct comparators. The situation is often made more difficult where roles have typically not been formally job evaluated by their employing organisations, and train drivers are an example of this.

Views on suitable comparators for train drivers vary significantly, from bus and lorry drivers through to commercial airline pilot captains. For this study we considered a range of different job roles as possible comparators based on suggestions from IDR, Steer and key stakeholders.

As a starting point for all roles covered by the benchmarking in this study IDR considered the likely job level of each role, based on our experience of examining a wide range of job roles across the economy. This involved assessing the IDR Job Level for each of the rail industry roles, including that of Train Driver, before seeking suitable market data at a comparable level.

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<sup>20</sup>For those TOCs included in the study, train drivers account for a fifth (median 21%; average 17%) of the total TOC workforce Source ORR Data Portal Table 2233).

Table 2-1 Extract of the IDR Job Levels matrix

IDR Job Level	Description
3	Work requires specific administrative, practical, craft or technical skills gained by previous experience and qualifications to carry out a range of less routine work and to provide specialist support, and could include closer contact with the public/customers
4	Work requires broad and deep administrative, technical or craft skills and experience to carry out a wider range of activities including staff supervision, undertaking specialist routines and procedures and providing some advice
5	Work requires detailed experience and possibly some level of vocational qualification to be able to oversee the operation of an important procedure or to provide specialist advice and services, involving applied knowledge of internal systems and procedures
6	Work requires a vocational qualification and sufficient relevant specialist experience to be able to manage a section or operate with self-contained expertise in a specialist discipline or activity
7	Work is concerned with the provision of professional services and requires an experienced and qualified professional to provide expertise and advice and operate independently. Also includes operational managers responsible for service delivery
8	Work requires deep professional experience and qualifications in a specific discipline to be able to carry out a range of specialist technical or scientific activities, which may include the management of a team or services. May also include specialist management roles responsible for delivery of a major service

Our assessment of the Train Driver role indicates that it is broadly equivalent to an IDR job level 5, with recently qualified drivers equivalent to an upper 4 and the most experienced intercity drivers a low 6. Table 2-2 outlines our assessments of the IDR job level for a range of suggested comparators and shows that these operate at a range of levels, some higher and some lower than a Train Driver.

Table 2-2 IDR assessments of the job levels for potential Train Driver comparators

Potential Train Driver comparator	IDR Job Level
HGV Driver	3
Bus Driver	3
Tube Driver	4/5
Fire Crew Team Leader	5
Engineer/Technician	5
Regional Air Traffic Controller	5/6
First Officer Pilot	7
Pilot Captain	8
<b>Train Driver</b>	<b>5</b>



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As well as considering the job level, our approach also involved identifying core features of the Train Driver role and assessing how similar these features are in the proposed comparators. The features we identified were: length of training and experience required to practice, levels of responsibility for passenger/public safety, and the extent of self-regulation or sole operation.

Our assessment concluded that:

- The level of skills, experience and qualifications required by HGV and bus drivers is lower than that for train drivers and for first officers and airline pilots it is much higher.
- HGV and bus drivers and engineers/technicians are likely to have less responsibility for passenger/public safety than train drivers. For other comparators the level is similar or higher than train drivers.
- With the exception of fire crew team leaders, all roles include a significant level of self-regulation or sole operation.

The following roles have therefore been selected to form part of the panel of comparators for train drivers:

- Regional Air Traffic Controller
- Tube Driver
- Engineer/Technician
- Fire Crew Team Leader

The headline analysis shows that at the median total reward for train drivers is broadly in line with the median for the comparators, although at +8% the variance is close to the cut-off (+10%) for an 'above market' assessment. Basic pay for train drivers is significantly above that for comparators (+22%). Median total reward for TOC train drivers is £66,043.

Figure 2-8 TOC benchmarking results for train drivers

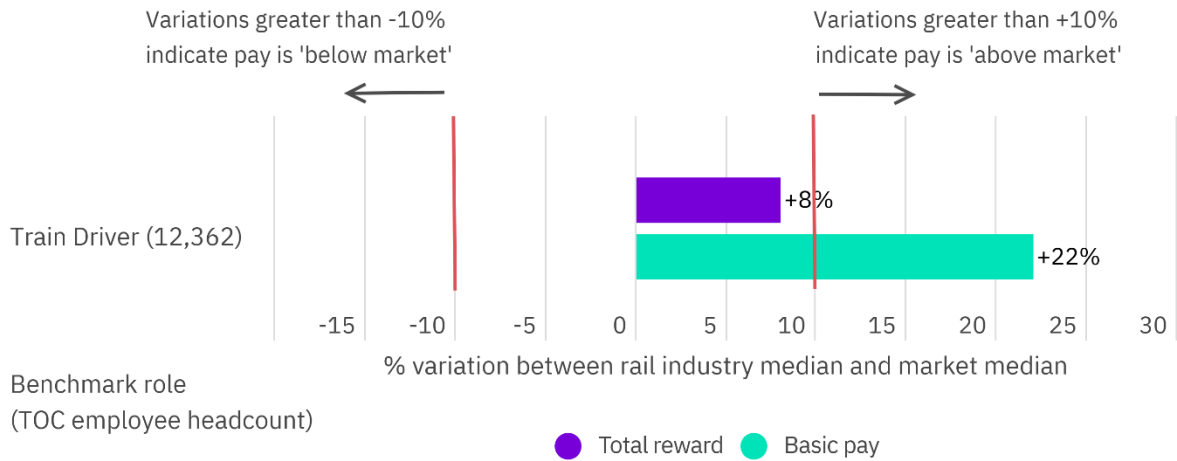
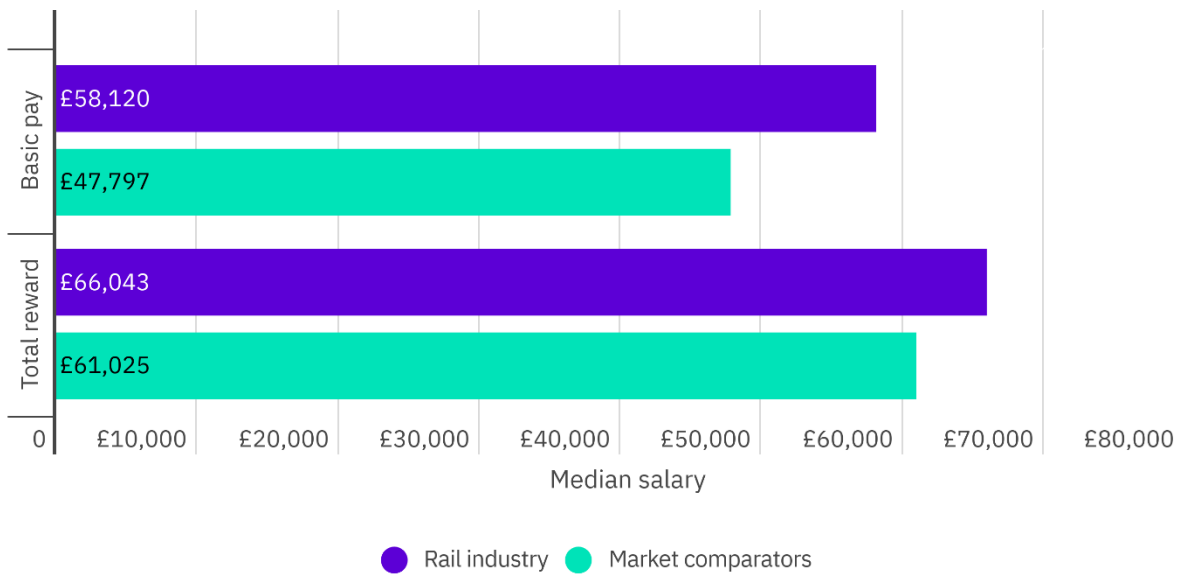
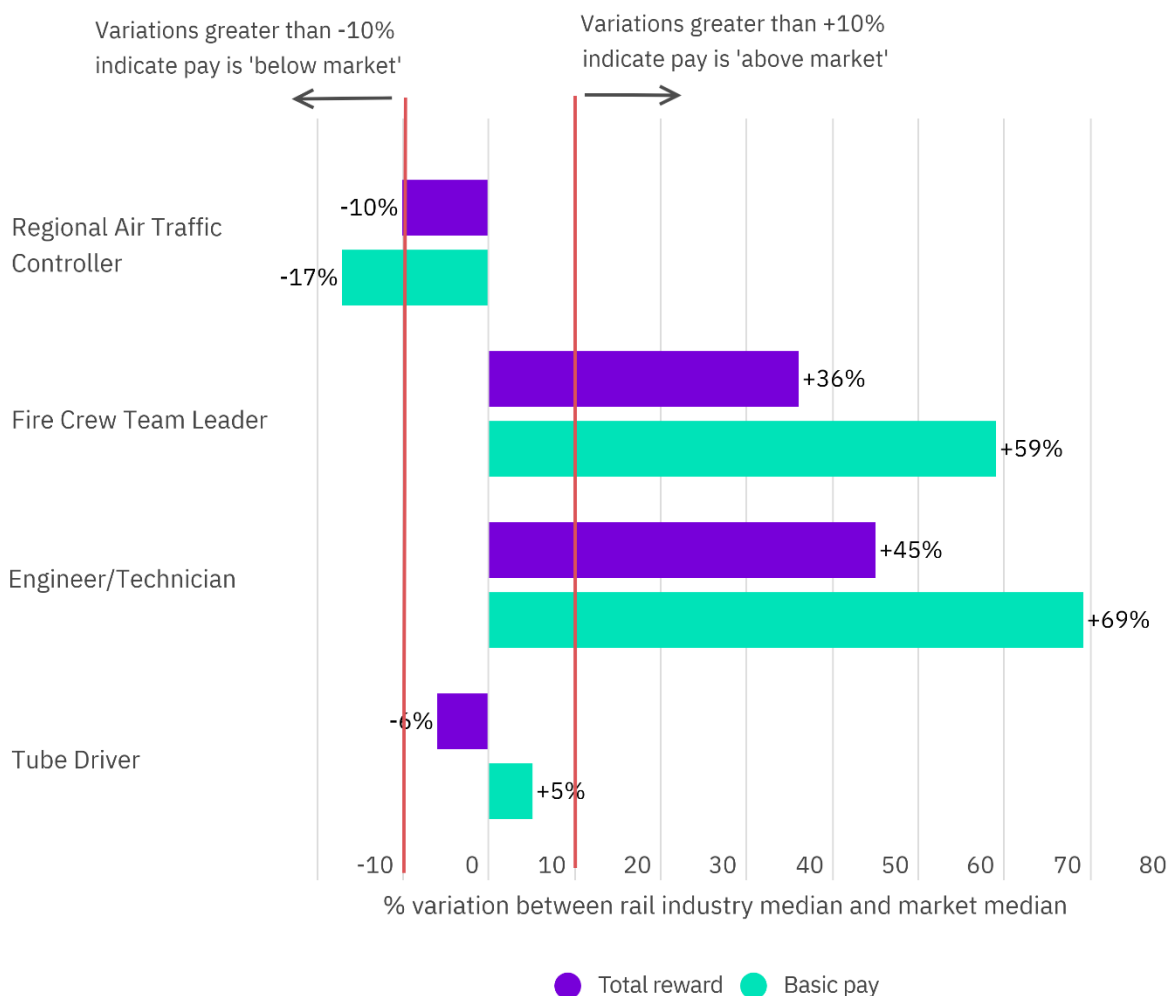


Figure 2-9 Median reward levels for train drivers and market comparators



A closer look at comparisons with each comparator in the panel shows that total reward for train drivers is broadly in line with that for regional air traffic controllers and tube drivers but significantly ahead of median total reward for fire crew team leaders (+36%) and engineers/technicians (+45%).

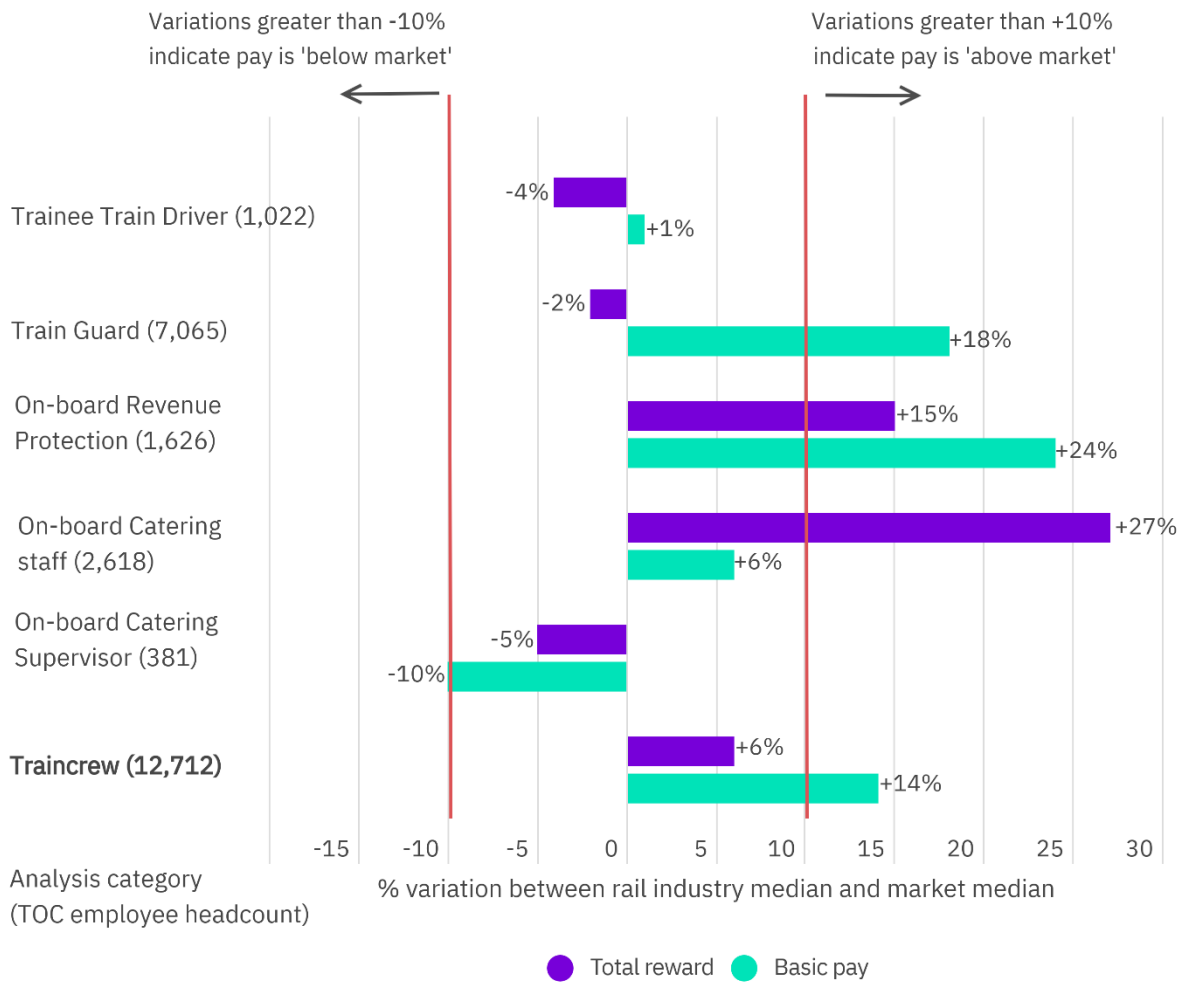
Figure 2-10 Analysis comparing Train Drivers' pay with comparators



### 2.3.2 Traincrew

This category covers trainee train drivers, train guards, on-board catering and revenue protection staff. Our analysis shows that traincrew total reward is in line with market, however the benchmarking of individual roles within this category shows that total reward for on-board catering and revenue staff roles is above the market. Results for each role are described in the following sections.

Figure 2-11 TOC benchmarking results for traincrew staff



**Trainee Train Driver:** the training period for new train driver recruits with no previous experience is approximately 18 months to two years, which includes classroom, simulator, and in-cab training. The market comparators for trainee train drivers are HGV drivers and tram drivers as transport operatives that work at a similar skill level. The results show that total reward for trainee train drivers is in line with market (with a variation of -4%).<sup>21</sup> Median total reward for trainee train drivers is £36,605.

<sup>21</sup>TOC pay averages for this category includes both externally recruited trainees and trainees who have made an internal transfer from their existing roles in the TOC. The latter group will remain on their original salaries (if higher) while training. This implies that total reward for externally recruited Trainee Train Drivers could be lower than -4% below the market median.

**Train Guard:** train guards have a responsibility to provide information and assistance to passengers and are responsible for passenger safety on the train (with the risk of custodial sentences if it is found that their negligence contributed to a serious safety incident). Their other duties vary according to the type of service and explain the considerable pay range of guards in the industry (there is a 35% difference in pay between the lower and upper total reward quartiles, with the highest total reward on offer to those on intercity services).

On intercity services, the train guard role is usually called ‘Train Manager’ and these staff will manage a team including catering and on-board cleaning staff. Unless trains are operated wholly by the Train Driver (DOO or ‘driver only operation’), train guards (including train managers) will be responsible for communicating with the train driver (and platform staff, where applicable) to confirm that it is safe for train doors to close and for the train to depart. On many routes guards are also responsible for checking tickets and selling tickets on-board and will therefore require knowledge of the ticket restrictions and the retailing systems.

The main comparator role for train guards is in-flight supervisors in the aviation industry. These staff have responsibility for passengers in the cabin. The market data covers pay for both in-flight supervisors and cabin managers, although the latter are generally employed on long-haul routes only and therefore only make up a small number in the sample. As such, the market median is more reflective of pay for in-flight supervisors on short-haul routes.

Total reward for train guards is in line with market (2% lower than comparator roles). Their significantly higher basic pay (+18% from the market median) is due to the comparators being in the aviation industry, where most firms operate pay structures with low basic pay but with significant allowances which are paid in addition to basic pay. Median total reward for train guards at TOCs is £37,540.

**On-Board Revenue Protection:** the primary responsibility for on-board revenue protection officers is to check that passengers’ tickets are valid, and if not, issue correct tickets or penalty fares. On some train services, mainly those in London and the South East, they are the only on-board staff (with the exception of the Train Driver) and may therefore be required to provide information and support to customers and respond to anti-social behaviour.

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The market comparators for this role include corporate fraud officers, security enforcement officers, transport enforcement officers and prison officers since these roles have similar responsibilities in respect of checking, enforcement and interpersonal skills. The benchmarking analysis shows that total reward for on-board revenue protection inspectors (RPIs) is above the market. This is likely to reflect the importance of the role to TOCs' income from fares. Furthermore, we understand from discussions with the industry that staff turnover rates for RPIs are relatively high, which is likely to place upward pressure on pay. Median total reward for TOC on-board revenue protection staff is £35,888.

**On-Board Catering:** analysis of pay for on-board catering staff covers only those employed directly by TOCs and this category includes a variety of roles, from chefs on intercity services who often prepare meals from ingredients (and are likely to be paid at the higher end of the range) to staff who sell pre-packed snacks and tea/coffee from a trolley. The comparators for this role aim to reflect this range and are restaurant and bar staff, kitchen and catering assistants and restaurant managers.

The market analysis shows that total reward for on-board catering staff is significantly (27%) above the market median. Contributory factors to this are likely to be the considerable variations in shift times (from before 5am until after midnight) and the need to have sufficient staff available (on some services there are as many as eight catering staff on a single train). On-board catering staff generally receive premium pay for these shifts, unlike most staff in catering/restaurants outside the rail industry where premiums for unsocial hours working have been eroded. Median total reward for TOC on-board catering staff is £31,133 and for on-board catering supervisors it is £29,628.<sup>22</sup>

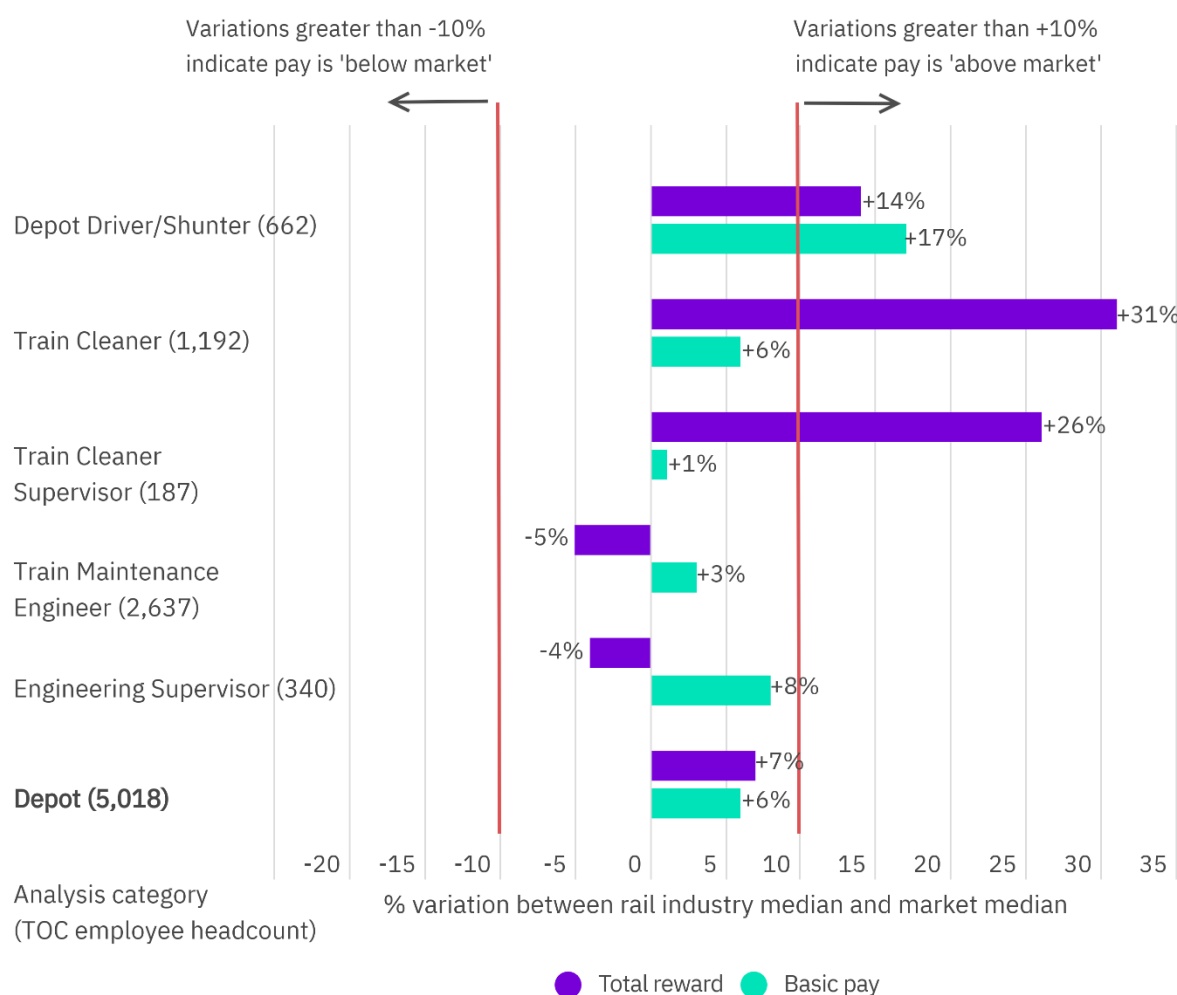
### 2.3.3 Depot

Roles in this analysis category are Depot Driver/Shunter, Train Cleaner, Train Cleaning Supervisor, Train Maintenance Engineer and Engineering Supervisor. The benchmarking analysis shows that total reward for depot staff is in line with that for comparators, however there is a certain amount of variation by role.

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<sup>22</sup>Note the sample for on-board catering supervisors is notably smaller (381) than for on-board catering staff (2,618). Not all TOCs employ this role.

Figure 2-12 TOC benchmarking results for depot



**Depot Driver/Shunter:** depot drivers are responsible for driving trains in depots (and sometimes the short distance to the local station where the service starts). The benchmarking analysis compares pay for depot drivers/shunters with that for HGV drivers (which we also use as a comparator for trainee train driver, alongside tram drivers) and shows that total reward for this role is above that for the comparators (+14% above the market median). In some cases, this role is undertaken by qualified train drivers removed from the main line, for example for medical reasons. In these cases, staff remain on train driver pay scales, which has the effect of raising median rail pay and could partly explain the variation. Median total reward for TOC depot drivers/shunters is £40,514.

**Train Cleaner and Cleaning Supervisor:** total reward for train cleaning staff at TOCs is significantly above the market (at +31% for train cleaners and +26% for supervisors). The

reason for this is that in the rest of the economy cleaners' pay is low (and heavily influenced by the statutory minimum), premiums for unsocial hours working have been reduced or removed, and the wider reward package is minimal often only providing statutory minimum entitlements. Median total reward for train cleaning staff at TOCs is £28,488 and for train cleaning supervisors it is £31,310.

**Train Maintenance Engineer:** the benchmarking comparators selected for this role are senior technicians who will have completed apprenticeships or received on-the-job training and will hold either a Higher National Certificate (HNC) or Higher National Diploma (HND) qualification as a minimum (or have equivalent experience) on the one hand, and licensed aircraft engineers on the other hand. The results indicate that total reward is in line with market. Median total reward for train maintenance engineers at TOCs is £48,474.

**Engineering Supervisor:** the benchmarking analysis shows that total reward for engineering supervisors is in line with market. Total reward for TOC engineering supervisors is £59,869.

### 2.3.4 Station

Station staff account for nearly a quarter of TOCs' combined workforce. Roles in this analysis category are Ticket Office Customer Adviser, Ticket Office Team Leader, Train Dispatcher, Gateline/Revenue Protection, Customer Information Assistant and Station Handyperson.<sup>23</sup>

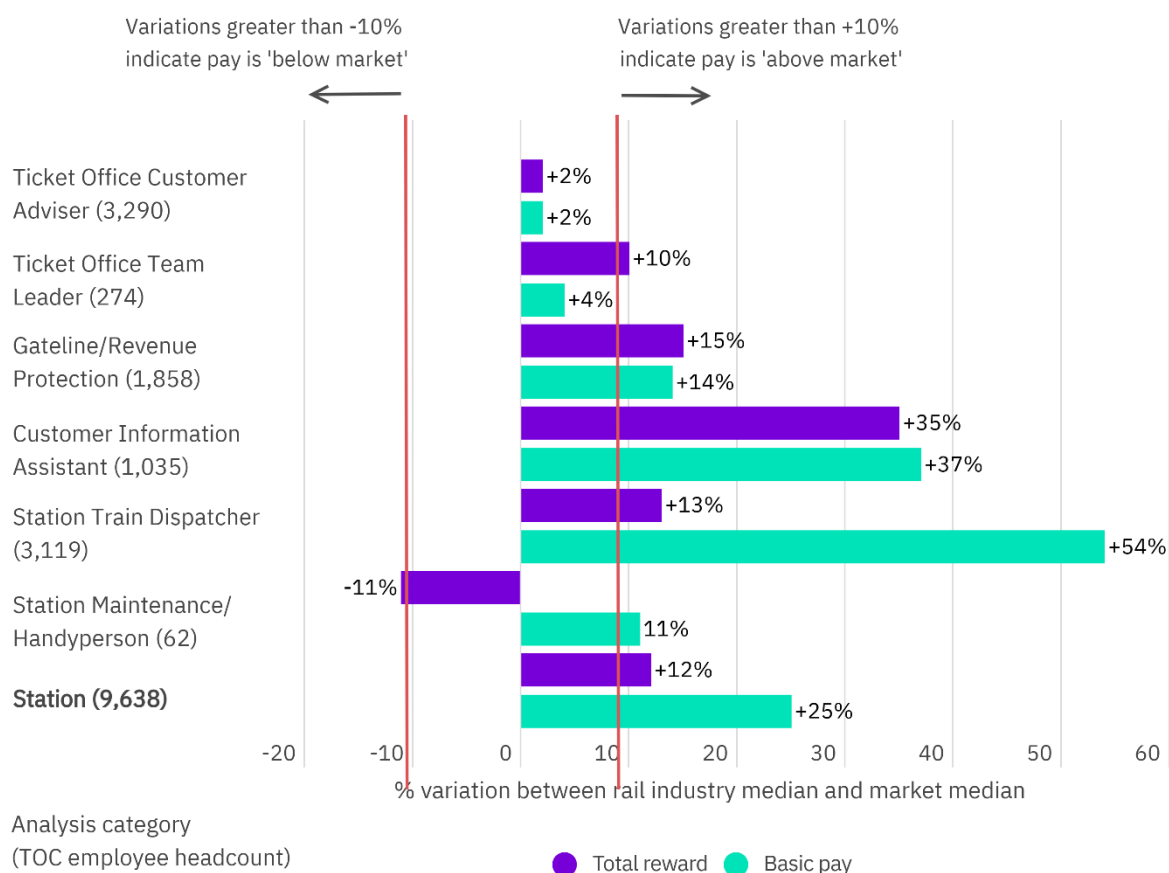
The benchmarking analysis shows that total reward for station staff is above the market, although results vary by role and the aggregate result for this category is influenced by the benchmarking result for Customer Information Assistant which is significantly above market.

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<sup>23</sup>TOCs also supplied pay and reward data for station cleaners however, the sample of TOCs providing data for this role (3) was too small for inclusion in this study due to the terms of our confidentiality agreements with TOCs. The reader should note that this role is commonly outsourced in the rail industry.



Figure 2-13 TOC benchmarking results for station staff



**Ticket Office Customer Adviser:** the benchmarking analysis shows that total reward for ticket office customer advisers is within the market. Ticket office customer advisers are responsible for selling tickets to customers (usually in station ticket offices) and providing information and advice to customers. These staff need to understand the industry’s complex ticketing system (including time of day restrictions and multiple route opportunities) and have good numeracy. While computer systems help with some complexities of the fares system, they do not account for all of these and informed staff are required to interpret customers’ requests and ensure that an appropriate ticket (especially for complex journeys, and time of day/route restrictions) is provided.

Many ticket offices are only staffed by one person at any one time (and at some stations they may be the only member of staff at the station) and this level of responsibility has been reflected in the selection of specialist customer advisers as the market comparator. These roles include specialist advise

## Rail Industry Employment Costs Review

rs in call centres that deal with complaints or are authorised to make small refunds and specialist call handlers with detailed knowledge of the service provided. The benchmarking analysis shows that total reward for ticket office customer advisers is within the market. Total reward for TOC ticket office customer advisers is £31,167.

**Ticket Office Team Leader:** the benchmarking analysis shows that total reward for ticket office team leaders is in line with the market. Total reward for TOC ticket office team leaders is £38,200.

**Gateline/Revenue Protection:** gateline staff are required at stations where a ticket gateline is operational. They are responsible for providing customer assistance (both in respect of use of the ticket gates and providing information to passengers) and rectifying minor ticket gate issues. They also have to intervene if passengers misuse the gates and provide a security presence, responding to anti-social behaviour and liaising with police when required. At some stations they may also help other station staff if the station becomes overcrowded, or in the event of emergencies. The benchmarking compares pay for gateline/revenue protection staff with that for security workers and retail supervisors and shows that total reward is above market (+15%). This is primarily due to higher shift pay in the rail industry. Median total reward for gateline/revenue protection staff at TOCs is £27,921.

**Customer Information Assistant:** in the rail industry customer information staff are usually seen as the 'front desk' of the TOC and are predominantly located at large stations. People skills and an understanding of the train services and operation of the station are essential in this role, and it is often seen as a 'step up' from other, lower-skilled station roles. Staff in this role work shifts, including early mornings and late evenings. The market comparator selected for this category is Customer Service Adviser in the wider economy at both entry and experienced level. The benchmarking analysis shows that TOC customer information assistants are paid significantly above the market (+35% above the total reward market median; +37% on basic pay) and this is driven mainly by higher base pay than for comparators. Median total reward for TOC staff in this role is £31,057.

**Station Train Dispatcher:** station train dispatchers communicate with traincrew to confirm when it is safe for train doors to close and for the train to depart the station. Staff will also provide information and assistance to customers, monitor and help manage the operation of the platform (including crowding on platforms and potential/actual safety issues) and may make announcements and undertake some light cleaning. The safety critical nature of their role influences their pay, as do shift patterns and the premiums the role attracts (station train dispatchers work early, late and weekend shifts).

The market comparator for Train Dispatcher is Flight Attendant, which also has a safety critical element. However, during the majority of their working hours flight attendants are required to serve refreshments and provide other assistance to passengers (although their responsibilities also include flight safety demonstrations and providing first aid) and therefore the role is possibly not as safety focused as train dispatchers.

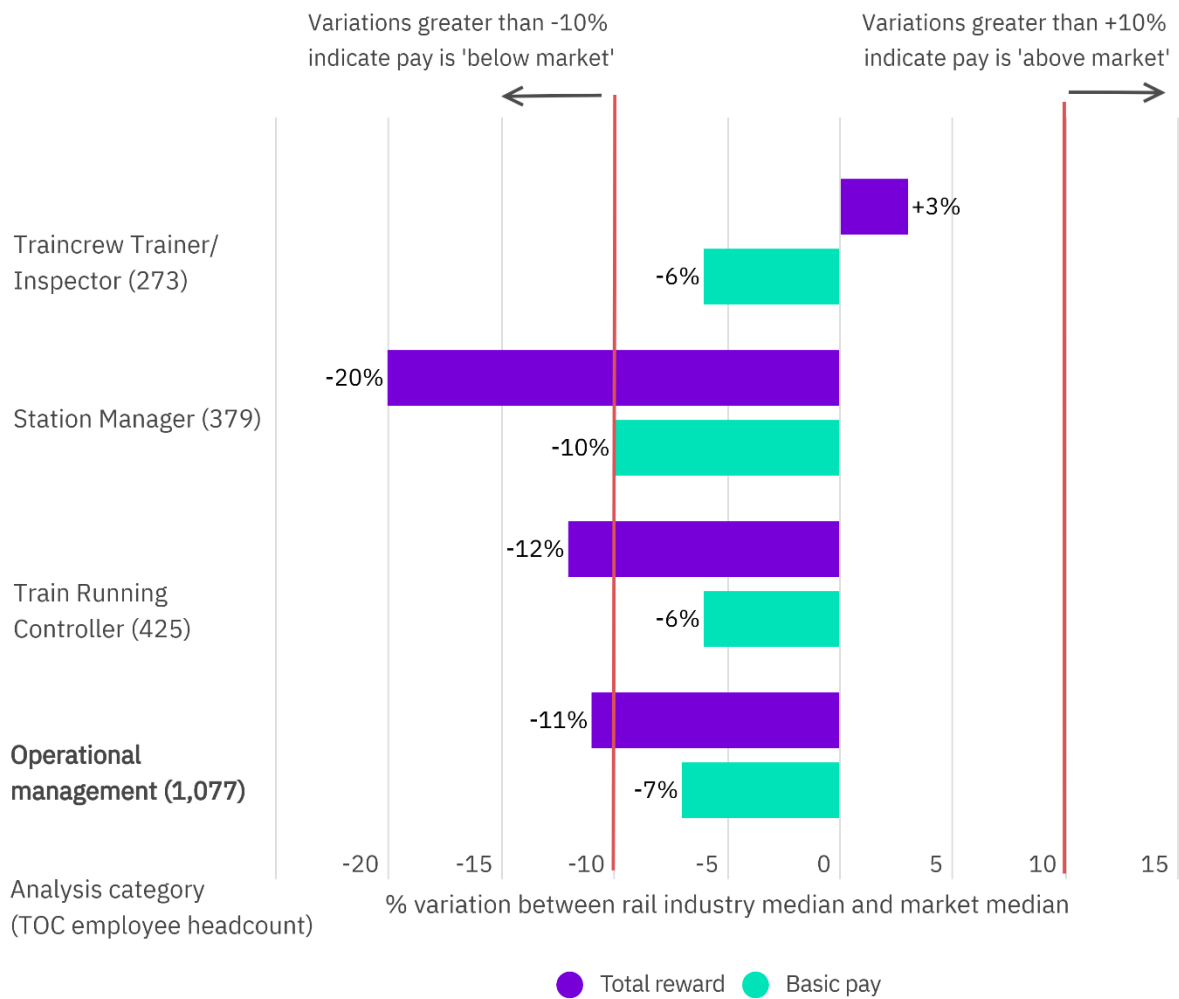
Station train dispatchers' total reward is above market at +13% and basic pay is significantly above that for comparators since basic pay for flight attendants is typically low as it is topped up with a wide range of allowances. Median total reward for TOC staff in this role is £29,270.

**Station Maintenance/Handyperson:** the benchmarking results show that basic pay for station handypersons (covering only 62 people in the industry) is above that for comparators, while total reward is below (mainly due to higher pension contributions in the rail industry). Median total reward for TOC staff in this role is £30,631.

### 2.3.5 Operational management

Roles in this category are traincrew trainers, train running controllers and station managers. Across the category total reward is below the market median for comparators, with a variation of -11%.

Figure 2-14 TOC benchmarking results by benchmark role for operational management



**Traincrew Trainer/Inspector:** our selected comparators for this role are HGV instructors and driving instructors (adjusted to take account of the more complex nature of train versus car driving). The benchmarking analysis shows that total reward is in line with market. Median total reward for TOC traincrew trainers/inspectors is £67,166.

**Station Manager:** TOC station managers are usually responsible for a group of stations on the network. They manage the station staff (and ensure they have the appropriate training)

## Rail Industry Employment Costs Review

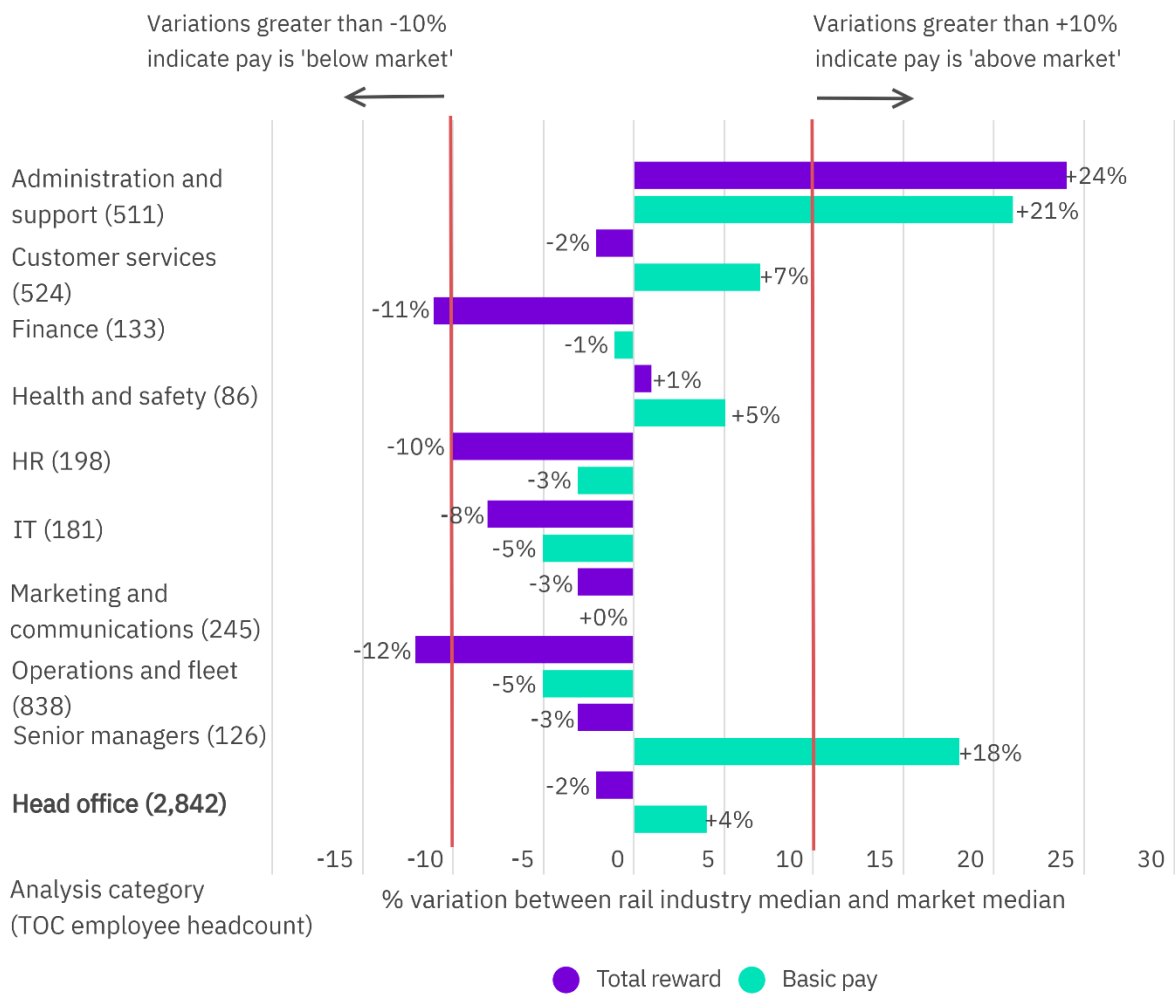
and ensure that the stations operate safely. They liaise with the TOC headquarters and Network Rail with regards to the station facilities and assets. In the event of an incident, station managers work with Network Rail mobile operations managers to plan how to direct station users. The benchmarking analysis compares pay for station managers with that for operations managers in the wider economy and shows that total reward for station managers is below market (with a variation of -20%), mainly due to lower bonus and health care benefit in the rail industry. Median total reward for TOC station managers is £45,200.

**Train Running Controller:** train running controllers are responsible for overseeing the performance of train services in real time and managing the implementation of cancellations or other changes to the service. Total reward for train running controllers is below the market. The comparator is Senior Shift/Duty/Operations Manager across the wider economy and the variance is mainly due to lower shift and bonus pay in the rail industry. Median total reward for TOC train running controllers is £51,313.

### 2.3.6 Head office

This analysis category covers a range of managerial and non-managerial head office staff. Results are presented by broad functional category, which combine results for a number of different benchmark roles. Detailed results for each benchmark role are provided in Tables A10-1 and A10-2 in Appendix 10. Overall total reward for head office roles is in line with that for comparators, however there are variations by function.

Figure 2-15 TOC benchmarking results by broad head office function



**Administration and support:** roles in this category are General Administrator and Board PA and the benchmarking analysis shows that total reward for TOC staff is significantly above the market median, with a variation of +24%. Median total reward for staff in administrative and support roles at TOCs is £32,829 for general administrators and £42,947 for board PAs.

**Customer services:** roles in this category are Customer Service Adviser and Customer Service Centre Manager and the benchmarking analysis shows that total reward for customer services roles is in line with market (with a variation of -2% from the market median). Median total reward for TOC staff is £28,542 for customer service advisers and £45,542 for customer service centre managers.

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**Finance:** this category includes Finance Business Analyst and Financial Manager/Management Accountant at TOCs and selected comparators for these roles are Senior Accountant, Finance Manager and Finance Analyst/Manager in the private sector. The benchmarking analysis shows that overall total reward for TOC head office finance staff is below the market, and this is driven by results for Finance Business Analyst where total reward is -19% due to lower bonuses and car allowances in the rail industry. Median total reward for TOC staff is £46,022 for financial business analysts and £61,018 for financial managers/management accountants.

**Health & safety:** the benchmarking for this category compares pay for health and safety managers and shows that total reward is in line with market. Median total reward for TOC staff in this role is £60,759.

**HR:** the benchmarking results show that total reward for HR is close to being below market (-10%). The three roles to which TOCs allocated their jobs were HR Adviser/Officer, Regional HR Manager/HR Business Partner and Payroll Manager. The benchmarking analysis by role shows that while total reward for HR Adviser/Officer (+10%) and Payroll Manager (+6%) is within the market, the median total reward for the Regional HR Manager/HR Business Partner category, which includes jobs such as Head of HR, HR Manager and Head of Employee Relations, is 26% below the market due to comparatively lower bonus pay, car allowances and health benefit in the rail industry. Median total reward for staff in HR roles at TOCs ranges from £36,636 for HR advisers/officers to £54,686 for regional HR managers/business partners.

**IT:** this category covers a variety of IT roles and overall the benchmarking results show that both basic pay and total reward is in line with that for comparators. There are differences in results for each role. For example, total reward for IT analysts and IT data architects is below market, with variations of -15% and -14% respectively due to both higher basic and bonus pay for comparators. Median total reward for staff in IT roles at TOCs ranges from £37,364 for helpdesk advisers to £71,806 for senior project/programme managers.

**Marketing and communications:** this category covers a variety of marketing and communications roles and overall the benchmarking results shows that total reward is in line with that for comparators. Median total reward for TOC staff ranges from £43,431 for management information analysts to £82,300 for PR/marketing heads.

**Operations and fleet:** roles in this category are Engineering Manager, Rostering and Resource Planners and Train Planner. Engineering managers typically manage engineering contracts – rather than manage depot staff – and hence they tend to be located at the TOC head office. Rostering and resource planners and train planners are generally head office roles as these staff plan rosters/rolling stock diagrams for the entire TOC network. Overall total reward for this category is below market. Total reward for all roles was found to be below market but the variation is most significant for Engineering Manager (-20%). Median total reward for TOC staff in operations and fleet roles ranges from £39,763 for train planners to £65,984 for engineering managers.

Job titles allocated by TOCs to the **Engineering Manager** role include Fleet Manager, Engineering Manager, Depot Manager and Engineering Supervisor. This is a mixture of depot roles (some of whom are relatively junior) and head office roles (more qualified and probably more senior) – and this may have influenced median rail pay and therefore explain, or at least partly explain, why total reward is 20% below the market.

**Senior managers:** TOCs allocated chief operating officers and directors (including commercial, engineering, fleet, finance and HR directors to this category). Basic pay is above that for market comparators (which is the role of Senior Director in the manufacturing and primary sectors) but total reward is in line. This is partly because directors in other sectors received higher bonuses (note most rail bonus schemes were suspended or partly suspended in 2021). Median total reward for senior managers at TOCs is £149,934.



## 3 Rail industry pay arrangements

In this chapter we summarise current rail industry pay arrangements and make broad comparisons with typical practice elsewhere in the economy.

### 3.1 Pay and progression

Network Rail operates six main pay structures<sup>24</sup>, while TOCs commonly operate between two and five separate pay and grading structures (although one has seven and another has 18).

The use of spot rates is fairly common across the rail industry, with large numbers of staff at both Network Rail and TOCs on spot rates, which is a single rate of pay for a job or grade. This includes signallers, controllers, electrical control room operators, train drivers, conductors, station and retail grades. In contrast, head office and management roles are generally paid on salary ranges.

The type of pay system operated dictates the prevalence of progression. For those on spot rates, there is no within-grade progression and pay only moves in line with the annual pay rise or following a promotion. Certain rail staff on spot rates, including train drivers, conductors, station and retail grades, typically have an entry/trainee rate, with subsequent incremental progression for between 18 months and three years while training, depending on role/grade, before reaching the fully qualified rate for the role. Thereafter there is no progression and pay only moves in line with the general pay rise. Meanwhile, progression for those on salary ranges is usually linked to individual appraisal ratings.

### 3.2 Job evaluation

Job evaluation is a systematic way of analysing and assessing jobs to determine their size or weight relative to that for other jobs in an organisation. There are a number of different job evaluation schemes and Network Rail uses the Korn Ferry (Hay) job evaluation scheme to evaluate the majority of jobs and place them into pay bands and grades. Network Rail uses a slightly different in-house approach for electrical control room operators which considers

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<sup>24</sup>Maintenance staff at Network Rail are employed on a range of terms and conditions, mainly due to TUPE arrangements covering former employees of Infrastructure Maintenance Companies (IMCs).

job-specific factors. Jobs in each of the 14 control rooms across the network are evaluated using a points-based formula that considers the following: the number of operable points; track coverage in kilometres; and power consumption.

A number of TOCs (nine) report that they operate a formal system of job evaluation to determine grades. One is currently in the process of implementing an 'off the shelf' job evaluation scheme and another is planning to introduce a bespoke scheme.

### 3.3 Annual pay reviews

The rail industry has established collective bargaining arrangements for determining annual pay awards. At Network Rail there are two separate bargaining groups. The first group covers management grade employees<sup>25</sup> and the second, referred to as 'General Grades', covers non-management, operational and maintenance staff.<sup>26</sup> Pay talks are conducted with the Transport Salaried Staffs' Association (TSSA) for management staff and with the Rail, Maritime and Transport union (RMT) for all other employees in the General Grades bargaining groups. Approximately 30% of management grade employees are members of a union, compared to 63% of the General Grades population.

For TOC employees' pay, the majority of staff are covered by negotiations with trade union/s and the average level of union membership is 79% of all employees.<sup>27</sup> Annual pay reviews take place at different points of the year, although January and April are key months for general staff and July is common for managers. Like Network Rail, many TOCs conduct separate reviews for staff in different bargaining groups. IDR's monitoring of pay reviews across the economy shows that it is commonplace for firms to have separate pay review arrangements for staff in different employee groups.

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<sup>25</sup>Management staff on Bands 1 to 4.

<sup>26</sup>Non-management staff on Bands 5 to 8, signallers, controllers, electrical control operators and supervisory (SUP) grades and maintenance staff.

<sup>27</sup>Nine of the 16 TOCs were able to provide information on the extent of trade union membership amongst their employees. The remaining TOCs state they are unable to supply this data as it is not collected centrally.

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The majority of rail industry employees receive a general ‘cost-of-living’ pay rise that applies to all employees irrespective of grade or performance. The exception is head office staff at Network Rail where staff receive increases to basic pay based on their appraisal rating. For managerial grades, position in the salary range is also taken into account, with larger increases for those lower in the salary band.

**Table 3-1 Network Rail non-managerial head office staff pay rises 2018**

Outstanding	Exceeded	Good	Partially achieved	SPIR
Individual salary increase, %				
2.0	2.3	2.2	0.5	0.0

SPIR = significant performance improvement required.

Source: Network Rail.

**Table 3-2 Network Rail managerial head office staff pay rises 2019**

Pay band	Pay Zone <sup>1</sup>	Outstanding	Exceeded	Good	Partially achieved	SPIR
		Individual salary increase, %				
Band 4	Zone 1	9.3	4.7	3.5	1.4	0.0
	Zone 2	7.0	3.5	2.8	0.9	0.0
	Zone 3	4.7	2.8	2.5	0.7	0.0
	>Zone 3	0.0	0.0	0.0	0.0	0.0
Band 3	Zone 1	8.0	4.0	3.0	1.2	0.0
	Zone 2	6.0	3.0	2.4	0.8	0.0
	Zone 3	4.0	2.4	2.1	0.6	0.0
	>Zone 3	0.0	0.0	0.0	0.0	0.0
Band 2	Zone 1	6.7	3.4	2.5	1.0	0.0
	Zone 2	5.0	2.5	2.0	0.7	0.0
	Zone 3	3.4	2.0	1.8	0.5	0.0
	>Zone 3	0.0	0.0	0.0	0.0	0.0
Band 1	Zone 1	5.3	2.7	2.0	0.8	0.0
	Zone 2	4.0	2.0	1.6	0.5	0.0
	Zone 3	2.7	1.6	1.4	0.4	0.0
	>Zone 3	0.0	0.0	0.0	0.0	0.0

<sup>1</sup>Pay bands for management grade staff consist of three pay ranges to which roles are allocated. Within each pay range there are three zones, with Zone 1 accommodating new entrants or internal moves within Network Rail; and Zones 2 and 3 supporting recruitment at higher rates.

SPIR = significant performance improvement required.

Source: Network Rail.

Historically, the Retail Prices Index (RPI) measure of inflation has been a key factor in determining the level of pay rises in the rail industry. This is partly due to the bargaining position of the trade unions, who – prior to the pandemic anyway – had been successful in

arguing that this should be the case, mainly on the basis of their view that RPI accurately reflects changes in the cost of living.

Table 3-3 provides a summary of recent pay review outcomes in the rail industry and shows how these compare to pay review outcomes across the rest of the economy. The figures refer to pay rises resulting from Network Rail’s pay reviews, with increases for management staff in Bands 1 to 4 relating to the budgets for individual performance-related pay rises. TOC figures relate to the median pay review outcome across our sample of TOCs. Economy-wide data is based on the median pay rise across the whole economy and its main sectors, as monitored by IDR.

Prior to 2020 rail industry basic pay rises were generally above those elsewhere in the economy but recent rises have been lower than in other sectors owing to the Government’s policy of pay freezes and pay restraint for most public sector groups, which was extended to rail industry employees. Elsewhere in the economy, most employers continued to award pay rises after 2020, although many were lower than in the pre-pandemic period. Pay rises in the rest of the economy have since recovered (the IDR whole-economy median pay rise so far in 2022 is currently 3.8%, having been 2.0% in 2021)<sup>28</sup>.

**Table 3-3 Rail industry pay reviews versus those across the economy 2019-2021**

	Network Rail		TOC median	IDR median			
	General Grades	Management Grades		Whole economy	Manuf. & production	Private services	Public sector
2019	3.2%*	2.0-3.5%**	3.0%***	2.5%	2.7%	2.5%	2.0%
2020	2.2%****	Pay freeze	Pay freeze	2.3%	2.3%	2.2%	2.5%
2021	Pay freeze	Pay freeze	Pay freeze	2.0%	2.0%	2.1%	1.0%

Source: Network Rail, participating TOCs and [IDR Pay Benchmark](#).

\*Paid in the 1<sup>st</sup> year of a 2-year inflation-linked pay deal, subject to a minimum increase of £555.

\*\*Pay award allocations varied: Band 1, 2.0%; Band 2, 2.5%; Band 3, 3.0%, Band 4, 3.5%. Overall budget was approximately 3.0%.

\*\*\*Median pay rise across all employee groups and TOCs.

\*\*\*\*Paid in the 2<sup>nd</sup> year of a 2-year inflation-linked pay deal, based on the November 2019 RPI and subject to a minimum increase of £575.

<sup>28</sup>Source: [IDR Pay Benchmark](#).

### 3.4 Incentive pay

Incentive pay in one form or another is common in the rail industry, with Network Rail operating separate performance pay schemes for managerial and non-managerial staff and TOCs operating a variety of incentive pay schemes.

At Network Rail the Annual Performance-Related Pay (APRP) bonus scheme covers management grade employees (in Bands 1 to 4) and executives. A quarter of the payment is determined by individual performance ratings and the remainder is linked to passenger satisfaction, financial performance, efficiency and safety. Whilst maximum potential bonuses range from 100% of salary for Executives or 60% for Band 1 senior managers, down to 10% for Band 4 junior managers (capped at £3,000 for some roles), schemes generally pay out at around half this level. The APRP mechanism is, however, under review and proposed changes are currently under consideration. Proposals have been submitted to government that would see a significant reduction in payouts to management grades.

The General Performance-Related Pay (GPRP) bonus scheme covers non-management, operational and maintenance employees (in Bands 5 to 8, as well as signallers, controllers, electrical control room operators, supervisory grade (SUP) employees and maintenance employees on local terms not covered by any other scheme). The GPRP scheme is only linked to achievement of national and, where appropriate, regional targets and there is no link to individual performance. The target award for this scheme in 2019/20 was £750 with a maximum performance award of £1,500.

Incentive pay schemes at TOCs vary by employee group and include performance bonuses, sales commission, attendance bonuses and discretionary schemes linked to company performance and personal objectives. Payments are based on either individual or company performance (or both) and just one TOC reports that bonus payments are based on team performance (in retail). Typically, bonus payments are not pensionable. TOCs report that bonuses (particularly for management) were not paid in 2021, although commission and attendance schemes continued.

Table 3-4 Types of incentive pay schemes at TOCs

Incentive	Eligible employee groups
Annual bonus (individual/company)	Executives/Directors/Senior Managers/Management grades
Commission	Conductors/On-board staff/Train Managers/Guards/Catering
Attendance bonus <sup>1</sup>	Drivers/Commercial
Gainshare <sup>2</sup>	All employees
Other bonuses	Drivers (eco-driving; rest-day working)

<sup>1</sup>Attendance bonuses are used by employers to improve attendance rates, with employees receiving a bonus if they have no (or few) sick days during the relevant period. These tend to be relatively common in the manufacturing industries.

<sup>2</sup>Bonus schemes whereby employees gain financially from business improvement.

### 3.5 Pensions

The majority of rail industry employees are members of the industry-wide Railway Pension Scheme (RPS) defined benefit (DB) scheme that replaced the British Rail Pension Scheme (BRPS) following the privatisation of British Rail in the 1990s. Network Rail and most TOCs operate an alternative defined contribution (DC) pension scheme. The vast majority of TOC employees are members of a DB scheme (median proportion 96%), while at Network Rail the largest proportion (33%) of employees are members of the DC scheme to which all new employees are automatically enrolled. However new employees can apply to join the Network Rail CARE Pension Scheme – a defined benefit pension plan based on career average revalued earnings – from the beginning of employment, or the RPS65 scheme after five years’ continuous service.

Table 3-5 Key statistics for Network Rail pension schemes

Scheme	Number of active NR members	Members as % of workforce*	Employee contribution % rate	Employer contribution % rate
DC	14,301	32.6	Up to 4.0	3.0 to 7.0
CARE	5,447	12.4	7.24 <sup>1</sup>	10.86 <sup>2</sup>
RPS65	9,856	22.5	7.0 [new joiners]	9.3
RPS60 (closed to new members)	14,297	32.6	8.8 (protected) 9.36 (non-protected)	13.2 (protected) 8.96 (non-protected)

\*Based on total active Network Rail employees at 31/12/2020: 43,855.

<sup>1</sup>Increased from 5.5% in April 2021. <sup>2</sup>Increased from 8.8% in April 2021.

Source: Network Rail.

Table 3-6 Key statistics for TOC pension schemes

Scheme	Members as % of workforce (median) <sup>1</sup>	Employee contribution % rate (median)	Employer contribution % rate (median)
DB	95.5	7.0	10.8
DC*	2.0	5.0	5.8

<sup>1</sup>Figures do not total 100% since they relate to the median proportion of staff in each case.

\*Figures should be treated as illustrative as based on a small sample of data.


Source: IDR based on data provided by participating TOCs.

### 3.6 Employee benefits

Rail organisations’ pay and employment arrangements are complex, with varying terms for different groups of employees. This study has obtained a broad overview of typical employee benefit provisions at Network Rail and TOCs and we summarise these along with typical provision elsewhere in the economy in Table 3-7. Overall, we find that rail industry employee benefits compare favourably against the market (in the private services and manufacturing and primary sectors, and in many cases also against the public sector).

Table 3-7 Rail industry employee benefits comparison

Rail industry	Private services	Manufacturing & primary	Public sector
<b>Contracted hours</b>			
Rail employees largely work a 35-hour week which is shorter than elsewhere.	Average contracted weekly hours are higher at 37.8 for non-management staff and 38.2 for management staff.	Average contracted weekly hours are higher at 37.8 for non-management staff and 37.7 for management staff.	Average contracted weekly hours are higher at 36.8 for non-management staff and 36.9 for management staff.
<b>Company cars</b>			
Managerial staff are typically eligible for a car allowance. Car allowances are generally more generous.  At Network Rail the value is either £6,000 or £8,000pa depending on grade. The median TOC car allowance is: £7,042 (min), £10,000 (max).	Company car or allowance is offered by 69% of private services firms in our sample. Typical values vary with seniority and by reason (user-need or job-status), as follows: <ul style="list-style-type: none"> <li>• Median allowances for non-managers: £5,003 (user-need) and £6,009 (job-status)</li> <li>• Median allowances for managers: £6,009 (user-need) and £6,163 (job-status).</li> </ul>	Company car or allowance is offered by 88% of manufacturing and primary firms in our sample. Typical values vary with seniority and by reason (user-need or job-status), as follows: <ul style="list-style-type: none"> <li>• Median allowances for non-managers: £5,140 (user-need) and £7,293 (job-status)</li> <li>• Median allowances for managers: £5,649 (user-need) and £6,779 (job-status).</li> </ul>	Company cars are not a common benefit in the public sector.

Rail industry	Private services	Manufacturing & primary	Public sector																								
<b>Private medical insurance (PMI)</b>																											
PMI is common for senior management and above only. Private-sector employers commonly provide at least employee-only PMI cover to managerial staff.	Just under two-fifths (39%) of firms offer PMI to non-management staff (24% employee-only and 15% family cover). This increases to 84% of firms offering PMI to managers (43% employee-only, 5% employee + partner and 36% family cover).	Two-fifths (40%) of manufacturing and primary firms offer PMI to non-management staff (31% employee-only and 9% family cover). This increases to 100% of firms offering PMI to managers (31% employee-only, 17% employee + partner and 51% family cover).	PMI is not a common benefit for non-management staff in the public sector, with just 8% of employers making such provision (4% employee-only cover and 4% family cover). For managers 8% offer employee-only cover and 4% offer family cover.																								
<b>London allowance</b>																											
<p>London allowances are typically higher elsewhere in the economy, particularly in sectors employing comparable roles.</p> <p>Unlike the rest of the economy, London allowances are not applied uniformly, applying only to certain roles in particular locations.</p>	<p>There are notable variations by sector with higher allowances in engineering, energy and water, and transport sectors. Public sector London allowances are also typically higher.</p>  <table border="1"> <caption>Median London Allowances by Sector</caption> <thead> <tr> <th>Sector</th> <th>Inner London (median)</th> <th>Outer London (median)</th> </tr> </thead> <tbody> <tr> <td>Network Rail</td> <td>£3,235</td> <td>£1,921</td> </tr> <tr> <td>TOCs</td> <td>£2,549</td> <td>£1,112</td> </tr> <tr> <td>Public sector</td> <td>£4,250</td> <td>£2,560</td> </tr> <tr> <td>Private sector</td> <td>£3,100</td> <td>£2,000</td> </tr> <tr> <td>Engineering</td> <td>£3,090</td> <td>£2,490</td> </tr> <tr> <td>Transport</td> <td>£3,300</td> <td>£2,333</td> </tr> <tr> <td>Utilities</td> <td>£4,541</td> <td>£3,953</td> </tr> </tbody> </table> <p>Source: IDR</p>			Sector	Inner London (median)	Outer London (median)	Network Rail	£3,235	£1,921	TOCs	£2,549	£1,112	Public sector	£4,250	£2,560	Private sector	£3,100	£2,000	Engineering	£3,090	£2,490	Transport	£3,300	£2,333	Utilities	£4,541	£3,953
Sector	Inner London (median)	Outer London (median)																									
Network Rail	£3,235	£1,921																									
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Transport	£3,300	£2,333																									
Utilities	£4,541	£3,953																									
<b>South East allowance</b>																											
Where paid, South East allowances are lower compared to the public sector and broadly in line with the private sector.	<p>The median South East allowance elsewhere in the economy is:</p> <ul style="list-style-type: none"> <li>£768, private sector</li> <li>£2,000, public sector.</li> </ul>																										



Rail industry	Private services	Manufacturing & primary	Public sector
<b>Annual leave (including eight bank holidays†)</b>			
Annual holiday entitlement at Network Rail is generally more generous at 36 days (34 or 35 days is common for maintenance staff), while typical annual entitlement of 31 days at TOCs is marginally lower.	Average entitlement for non-managers is 31.5 days including bank holidays after 1 year, rising to 33.4 days after 5 years' service.	Average entitlement is 32.9 days including bank holidays after 1 year, rising to 33.2 days after 5 years' service.	Average entitlement is 34.1 days including bank holidays after 1 year, rising to 37.9 days after 5 years' service.
†Note there is no automatic right to time off for bank holidays and many workers both inside and outside the rail industry work these dates.			
<b>Travel benefits</b>			
Free or subsidised rail travel is an industry-specific benefit. At Network Rail the benefit is worth up to a maximum of £2,750. At TOCs the benefit is typically a 75% discount on rail travel.	Season-ticket loans are offered by just over half (53%) of private services firms in our sample.  Just over three-fifths (63%) of private services firms operate a cycle-to-work scheme.	Season-ticket loans are offered by just over a fifth (22%) of employers we surveyed from the manufacturing and primary sector. This could reflect the typical location of such businesses.  Two-thirds (67%) of employers in this sector operate a cycle-to-work scheme.	Well over two-thirds (70%) of public-sector employers in our sample offer season-ticket loans.  Almost all (93%) operate a cycle-to-work scheme.
<b>Employee Assistance Programme (EAP)</b>			
Network Rail and all 16 TOCs provide an EAP scheme.	Almost three-quarters (73%) of private services employers offer staff an EAP.	All the manufacturing and primary employers in our sample offer staff an EAP.	Almost all (89%) the public-sector employers in our sample offer staff an EAP.

Rail industry	Private services	Manufacturing & primary	Public sector
<b>Pensions</b>			
<p>Pension provision is more generous since the majority of rail workers are members of the RPS DB pension scheme, which remains open to new joiners. The median minimum employer contribution to the DB scheme is 9.3% at Network Rail and 10.8% in TOCs.</p>	<p>Defined-benefit schemes that remain open to new members are usually only evident in the public sector, with a few found within private services but mainly covering senior staff.</p> <p>For defined-contribution schemes, IDR research shows that minimum employer contributions within private services range from 3.0% to 6.0%.</p>	<p>No manufacturing firms in our sample offer a defined benefit scheme that is open to new members.</p> <p>Within our sample of manufacturing and primary firms, minimum employer contributions to defined-contribution schemes range from 3.0% to 7.5%.</p>	<p>Defined-benefit pension schemes are common in the public sector, with 88% of our sample offering such a scheme.</p> <p>Within our sample of public-sector organisations, the median minimum employer contribution is 18.7% of salary (with a median maximum of 21.2% of salary).</p> <p>Median, minimum and maximum employee contributions are 5.5% and 7.5% respectively.</p>
<b>Incentive pay</b>			
<p>There are a variety of incentive pay schemes in operation, which vary by employee group. Payments are generally based on company or individual performance (or both). Most schemes have been suspended or partly suspended in the recent period.</p>	<p>According to IDR's latest survey of pay and conditions in engineering, three-fifths of employers operate a bonus scheme for employees, with schemes varying by staff seniority.</p> <p>Most respondents report bonus payments as a percentage of salary and within this sample, 'on-target' bonuses were worth 12%, with a maximum potential payout of 20%, while actual last payouts were worth 8% at the median.</p> <p>Nearly three-fifths (59%) of schemes use company performance as a factor to determine bonuses, with 38% of these using this as the only measure for performance. Six employers vary the measure depending on the job type or level and just four use individual employee performance as the only criterion for bonus payments. A small number of employers also measure department performance.</p>	<p>Bonuses are not a typical feature of public-sector reward packages.</p>	

Rail industry	Private services	Manufacturing & primary	Public sector
<b>Sick pay</b>			
<p>Sick pay provision in the rail industry is typically more generous, at 9 full-week equivalents (FWEs)<sup>29</sup> in first year, 24 (NR) or 19 (TOCs) FWEs between 1 and 5 years' service, and 39 after 5 years' service.</p>	<p>The vast majority of private-sector employers provide some form of company sick pay above and beyond statutory sick pay and provision often increases with service.</p> <p>Typical values (full weeks or full-week equivalents) are as follows:</p> <ul style="list-style-type: none"> <li>• Less than a year's service: 0 weeks</li> <li>• 1 to 2 years: 8 weeks</li> <li>• 2 to 3 years: 12 weeks</li> <li>• 3 to 4 years: 13 weeks</li> <li>• 4 to 5 years: 14.8 weeks</li> <li>• 5 years +: 24 weeks.</li> </ul>	<p>Typical values (full weeks or full-week equivalents) are as follows:</p> <ul style="list-style-type: none"> <li>• Less than a year's service: 6 weeks</li> <li>• 1 to 2 years: 12 weeks</li> <li>• 2 to 3 years: 24 weeks</li> <li>• 3 to 4 years: 26 weeks</li> <li>• 4 to 5 years: 30 weeks</li> <li>• 5 years +: 36 weeks.</li> </ul>	
<b>Shift premia</b>			
<p>Shift pay is generally lower in the rail industry, partly due to consolidation into base pay. Analysis indicates that the rail industry night premium is typically worth 10% and the Sunday premium is typically worth 50%.</p>	<p>It is usual practice to compensate staff for working the unsocial hours entailed by shifts; research by IDR<sup>30</sup> shows that the minority of organisations operating shifts (that do not pay an additional premium) have generally consolidated this into basic pay instead. Premiums vary considerably by role and working pattern.</p> <p>Paying premiums for shift working is commonplace in both the manufacturing and transport and distribution sectors. The median premium for night shifts, those typically worked from 10pm until 6am, is 30%. Weekend working is usually compensated as part of a continuous shift pattern premium.</p> <p>If Saturdays are worked as overtime, hours typically attract a premium of 50%, while Sunday overtime typically attracts a premium of between 75-100%.</p>		

<sup>29</sup>Full-week equivalents are based on the number of weeks at full pay plus half the number of weeks at half pay.

<sup>30</sup>Shift Patterns and Premia, IDR, February 2018.

Rail industry	Private services	Manufacturing & primary	Public sector
<b>Family-friendly benefits</b>			
<p>Network Rail’s maternity policy provides for 26 weeks’ full pay for all staff with at least 26 weeks’ service by the qualifying week. This is well ahead of the typical offering in all other comparator sectors, especially private services.</p> <p>The paternity policy provides for full pay for up to two weeks.</p> <p>Network Rail continues to offer a childcare voucher scheme for those who were enrolled before such schemes closed to new entrants. The terms are in line with typical provision elsewhere.</p> <p>(No data was collected on family-friendly benefits in TOCs.)</p>	<p>Around a fifth (19%) of private services firms offer enhanced maternity pay to staff on entry, rising to 53% of employers after a year’s service.</p> <p>The median value of an enhanced maternity package within private services is 11.5 weeks’ full pay (for policies that pay a number of weeks at full pay, followed by statutory maternity pay). Where companies offer a combination of weeks at full and then half pay, the median value is 12 ‘full-week equivalents’.</p> <p>A similar proportion (21%) offer enhanced paternity pay to staff on entry, rising to just under half (49%) after a year’s service.</p> <p>Childcare vouchers are offered to eligible staff by 81% of private services firms in the sample.</p>	<p>Enhanced maternity pay is offered to staff on entry at 16% of manufacturing and primary firms, rising to 71% of employers after a year’s service.</p> <p>The median value of an enhanced maternity package within manufacturing is 19 weeks’ full pay (for policies that pay a number of weeks at full pay, followed by statutory maternity pay). Where companies offer a combination of weeks at full and then half pay, the median value is 19.5 ‘full-week equivalents’.</p> <p>Just over a fifth (22%) offer enhanced paternity pay to staff on entry, rising to around three-quarters (74%) after a year.</p> <p>Childcare vouchers are offered to eligible staff by almost all (92%) manufacturing and primary firms in the sample.</p>	<p>More than a quarter (27%) of public-sector employers in our sample offer enhanced maternity pay on entry, rising to 88% of employers after a year’s service.</p> <p>The median value of an enhanced maternity package within the public sector is 18 weeks’ full pay (in the case of both policies that pay a number of weeks at full pay, followed by statutory maternity pay, and those for which we calculated ‘full-week equivalents’).</p> <p>Around a quarter (23%) offer enhanced paternity pay to staff on entry, rising to 68% after a year.</p> <p>Childcare vouchers are offered to eligible staff by almost all (89%) public-sector employers in the sample.</p>

Source: IDR.

## 4 How rail industry employment costs could change

In this chapter we discuss a range of factors likely to impact Network Rail and TOCs' employment costs (in terms of costs per employee) in the future. The industry is under pressure to deliver significant efficiencies to reduce government financial support (which increased from £4.5bn in 2018/19 to £16.9bn in 2020/21<sup>31</sup> as a result of the reduction in passenger revenue during the Covid-19 pandemic).

The Williams-Shapps Plan for Rail (Plan for Rail) published in May 2021 set out ambitions to deliver efficiencies in the industry, reducing its reliance on government subsidy. The Plan states that in the five years after rail industry reform 'substantial annual cost savings could be achieved, equivalent to a further £1.5 billion a year, on top of existing efficiency programmes'. Given that over 30% of total rail costs in 2020/21<sup>32</sup> were staff costs, initiatives to deliver a more cost-effective railway are likely to include a number that are focused on workforce reform and curbing wage inflation.

This chapter describes how industry employment costs could change in the future, reflecting:

- Economic and social factors, not specific to the rail industry, that have implications for the remuneration of staff at Network Rail and TOCs
- Cost-saving initiatives currently being pursued by Network Rail and TOCs
- Technological developments which may impact staff costs
- Opportunities arising from industry reform
- Financial risks arising from the industry's defined benefit pension scheme.

Given the scope of industry reform and the uncertainty surrounding the current economic climate, it is not possible to draw firm conclusions on whether the impact of the factors discussed will be an increase or a decrease in employment costs, however, they should be taken into account in considering the scope for potential industry efficiencies, an issue considered in Chapter 5.

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<sup>31</sup>ORR Rail industry finance (UK): <https://dataportal.orr.gov.uk/statistics/finance/rail-industry-finance-and-network-rail-infrastructure-limited-regulatory-financial-statement-2020-21>.

<sup>32</sup>Williams-Shapps White Paper.

### 4.1 Economic and social factors

The key driver of employment costs in the rail industry, as in the rest of the economy, is the rate of inflation. Prior to pay freezes during the pandemic, Network Rail pay rises were directly linked to the RPI measure of inflation (see section 3.3) and pay rises for TOC employees has tended to track the same measure. Recent and projected increases in the cost of living, reflected in higher inflation rates, is likely to lead to employee pressure for higher annual pay rises for both Network Rail and TOC staff.

In addition, the current high levels of employment in the UK labour market means that employers are competing for scarce labour resources. This is likely to drive up salaries and total reward packages across the economy, to which the rail industry will need to respond to, and which will further increase rail industry employment costs.

The increase in the statutory National Living Wage (NLW) is likely to have an impact on employment costs for the lowest-paid rail staff, whose pay will have to be at least the new level of the NLW, while pay for other staff may also increase to maintain pay differentials and ensure comparability with similar roles. However, the impact on overall staff costs is likely to be small. At Network Rail, although the minimum of the salary range for Bands 6 to 8 is close to the NLW, it is likely that few Network Rail staff are paid at the minimum. Meanwhile data collected from TOCs shows that roles most likely to be covered by the NLW, such as cleaners and catering staff, are either outsourced or are paid above this level.

### 4.2 Network Rail and train operating company initiatives

The rail industry is currently developing and/or leveraging several specific initiatives designed to reduce costs and deliver efficiencies, including offering a Special Voluntary Severance Scheme (SVSS), proposed changes to the Network Rail management bonus scheme, alignment of station staff grades, identifying and addressing duplication of activities, and investment in research and innovation. These initiatives could result in a reduction in the number of industry employees, upskilling of many staff and changes in median pay for a number of roles. As an illustration of the potential impacts of these

initiatives, we provide further information on the proposed changes to the Network management bonus scheme and the SVSS further on.

The Network Rail bonus scheme for managers (Annual Performance Related Pay) is under review at the time of preparing this report. We are not aware of any planned structural changes to the other bonus scheme (General Performance Related Pay), for which a wide range of staff are eligible, although we note that the bonuses available under the scheme are relatively small at a maximum of £1,500. The payments to staff from both bonus schemes for 2021/22 are currently under review.

In 2021, the SVSS was opened for Network Rail and TOC employees<sup>33</sup>. Network Rail is seeking to reduce its workforce, focusing initially on head office staff, operational managers and station staff in Bands 1-8. Under the SVSS, Network Rail can reject an application for voluntary severance, and there are targets for departmental budget savings (as distinct from headcount targets) to ensure that savings are not focused entirely on the lower grades. The effect on pay costs is unclear, as it depends on which staff choose to take voluntary severance but, by way of example, if a majority of those choosing it have been employed by Network Rail for a substantial period of time, this could reduce median pay for certain groups such as administrative staff. For TOCs the SVSS has been focused on non-core operational roles (eg on-board catering) and head office staff.

Network Rail's Regional Efficiency Boards (REBs) are assessing the feasibility of further initiatives to reduce costs in Control Period 7 (CP7) and beyond. These include identifying duplication of activities (by Network Rail and TOCs) and preparing plans to operate the railway to remove this duplication. REBs are also looking at other areas of costs such as Network Rail's property portfolio to determine where buildings can be released to save money, for example through business rates and utility costs.

Following the onset of the pandemic, DfT-managed contracts (under which most operators managed both cost and revenue risk), were replaced with, successively, Emergency

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<sup>33</sup>With the exception of Scotrail and Transport for Wales (both service contracts managed by devolved governments) and Southeastern (which at the time was transferring to the Operator of Last Resort).

Measures Agreements (EMAs), Emergency Recovery Measures Agreements (ERMAs) and National Rail Contracts (NRCs). Under these contracts DfT bore the financial risk for revenue and operating costs, but (for ERMA, and NRC contracts) required operators to submit annual business plans setting out their forecast costs for the forthcoming year and to include measures to reduce costs. These measures are likely to result in cost efficiencies being identified and realised over the next few years. Over the pandemic adjustments in train services have delivered some reductions in costs, although these are likely to be marginal in terms of their impact on staff costs. Additionally, there is a risk that the resulting annual business planning process is too short-term to plan and deliver staff cost efficiencies.

### 4.3 Technological change

Technological change, for example, the automation of tasks and a greater degree of digitisation, will have an impact on employment costs in the future, for example by eliminating the need for certain activities or by improving staff productivity (with activities requiring fewer, more highly skilled staff). Network Rail is investing in intelligent, automated track fault detection systems which are likely to increase the need for staff who are skilled in using and interpreting the data generated by such systems on the one hand, while reducing the number of lower-skilled, manual fault detection jobs on the other. While the overall impact depends on the balance of increases and decreases in staff, given the large number of lower-skilled staff and the nature of the activities they carry out (for example inspecting the railway to identify issues, such as encroaching trees), we would expect the new technology to lead to cost savings, albeit with a greater proportion of skilled staff on higher pay. In addition, more frequent/effective monitoring of infrastructure could lead to more optimised maintenance regimes and a lower requirement for emergency repairs, saving further costs.

Advances in technology also enable TOCs to reduce costs. Automated reporting of rolling stock faults is already streamlining fault investigation and depots could be expected to enable further productivity improvements. Furthermore, the integration of track initiatives with rolling stock could, under GBR, permit train-based monitoring to collect significantly more up to date data on track conditions.



### 4.4 Rail industry reform

The Williams-Shapps Plan for Rail sets out the creation of a new body called Great British Railways (GBR) to act as ‘a single guiding mind’ for the industry (carrying out the infrastructure management functions of Network Rail, the operator procurement and management functions currently carried out by the Department for Transport, and many of the commercial functions previously allocated to TOCs).

The Plan specifically notes both that ‘working practices have remained largely unchanged for decades’ and that ‘under the existing structure of the industry some staff resources are not efficiently deployed’. Industry reform is therefore also likely to include workforce reform including initiatives to modernise employment terms and conditions, to improve the flexibility and productivity of the workforce. However, industry experience has shown that in order to change terms and conditions, under pressure from the workforce and trade unions, employers have to ‘buy-out’ those terms and conditions that were favourable to employees – this offsets some of the financial benefits of any productivity gains. Furthermore, sometimes there is no mechanism to confirm whether the expected efficiencies, ‘bought’ through increased rewards are achieved and secured in the long-term.

The creation of a ‘single guiding mind’ for the industry will bring together functions, like timetable preparation and therefore enable the industry to deploy staff more efficiently. For example, it is expected that timetable preparation will mainly be the responsibility of GBR (as opposed to the current industry structure where it is shared between Network Rail and TOCs) to avoid duplication. This may reduce the number of train planning staff who, under the existing process of procuring TOCs, were periodically employed by multiple bidders for train service contracts to prepare timetables independently. However, it is likely that the new focus for the industry will be ensuring the deliverability of timetables, and timetables will change more frequently<sup>34</sup>, creating some ongoing work for train planning staff employed by

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<sup>34</sup>Network Rail’s [Network Statement 2024 consultation](#) states that: ‘The Better Timetables for Passenger and Freight (BTPF) Programme is looking to move the industry towards three opportunities per annum to make co-ordinated changes to the Working Timetables’. Historically there has tended to only be two industry-wide timetable changes each year.

TOCs. As a result of these factors, demand for train planning skills, a relatively scarce resource within the industry, can be expected to remain strong, although a greater proportion of these staff will be employed by GBR rather than TOCs.

Industry reform includes the redesign of the future contractual terms under which TOCs will provide train services. As part of the broader reform programme initiated by the Plan, DfT is developing a new template Passenger Service Contract (PSC) that will replace ERMAs and NRCs and provide the basis for the future competitive procurement of rail services. Under emerging industry plans for PSCs, operators will manage cost risk, while, in the majority of cases, GBR will retain revenue risk. Bidders for new contracts will have an incentive to identify cost efficiencies that contribute to a competitive price offer, subject to ensuring that they can deliver the specified train service and meet operational performance and service quality targets and standards. It is currently anticipated that over the life of a PSC the TOC will be incentivised to introduce further efficiencies.

It is anticipated that GBR will be responsible for making decisions informed by a 'single industry balance sheet' and, if responsible for passenger revenue risk, will be able to make more informed decisions on allowing Network Rail to undertake maintenance and renewals more efficiently by closing sections of the railway for longer (for example, longer overnight possessions) which could reduce employment costs. However, safety will continue to be a high priority for the industry and there is less of a safety risk when infrastructure maintenance is undertaken when lines are closed. This will mean that there are likely to be changes in the times at which engineering works are undertaken, if more work is undertaken during evenings and weekends this would increase employment costs due to the unsocial hours supplement that is usually paid for working at these times.

In the future GBR may evaluate proposals for more efficient deployment of ticket office staff and Driver Only Operation (resulting in a change in the role of train guards). However, it will be important to ensure that this does not result in a greater variety of terms and conditions and a mismatch between pay and role responsibilities.

### 4.5 Rail industry pension scheme

As described previously, from the perspective of industry employees the rail industry defined benefit pensions scheme is an attractive element of the reward package. However, recent valuations show that the scheme is in financial deficit (although the exact size of the deficit is uncertain),<sup>35</sup> and it is not clear where the funding needed to return it to surplus will be obtained. In principle, funding could be secured through any one, or a combination, of the following:

- Government financial support provided directly to the pension scheme
- Network Rail and train operator companies increasing employer contributions to the scheme (which would result in increased costs to government)
- Increased employee pension contributions (which would reduce the take-home pay of industry employees and hence the attractiveness of industry employment opportunities and could result in further industrial action).

Given the recent increase in the cost of living, addressing the pensions deficit through increasing employee pension contributions would be very challenging to introduce and therefore the bulk of the burden will be likely to fall on the industry.

### 4.6 Other factors

In the near future wider competition to retain and attract skilled employees may also put upward pressure on rates of pay. This issue is likely to be exacerbated by several factors that are not specific to the rail industry:

- **Recent pay awards** – the level of pay awards elsewhere has been rising under the twin impacts of higher inflation and labour market pressures. The IDR whole-economy median pay rise so far in 2022 is currently 3.8%, having been 2.0% in 2021. The median has risen as employers reacted to various upward pressures on pay by offering higher awards than in 2021. A third of all pay awards are worth 5% or more so far in 2022, compared to just

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<sup>35</sup>A [letter](#) from the Chairman of the Work and Pensions Committee to the Chief Executive of The Pensions Regulator dated 12 April 2019 stated ‘rail firms [are] now facing significant deficits’, there is no published response to this letter but we understand that a response was given as part of oral evidence to the Work and Pensions Committee.

6% at or above this level in 2021.<sup>36</sup> This affects the context in which Network Rail and the TOCs operate and is of particular significance against the background of recent pay freezes (see section 3.3) and industrial action by both the RMT (representing both Network Rail and TOC staff) and ASLEF (representing drivers employed by TOCs)

- **Pay for hard to recruit/retain roles** – there is evidence that pay is rising at more rapid rates across the economy for roles that are difficult to attract and keep. Network Rail has a number of these roles, including signallers, controllers and those with key electrical skills. For TOCs, we understand that the role of on-board revenue protection inspectors is affected by a high staff turnover rate
- **Staff morale** – pay (and its real-terms value, after taking account of a substantially higher cost of living) and role responsibilities are important influences on staff motivation, especially in the wake of the pandemic and its impact on the industry, as well as in the light of forthcoming industry changes anticipated as part of the reform programme. For roles which have a relatively long training period for new recruits eg train drivers, train guards, signallers, controllers and electrical control room staff – many of whom have a one-month notice period – this is particularly important as leavers from the industry cannot quickly be replaced
- **Brexit** – Network Rail and TOCs, like many other employers across the economy, have been affected by European workers returning to their home countries (the effect of which has been magnified by the Covid-19 pandemic) and restrictions on those seeking to enter the UK to work. The UK hospitality sector has been particularly affected by a scarcity of labour, and this is also likely to have an impact on the ability of TOCs to recruit on-board catering staff, again resulting in upward pressure on pay
- **Competition from construction programmes** – such programmes (eg construction of HS2 and house building) require similar skills to those required by Network Rail, generating additional demand for resources that are in limited supply across the UK.

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<sup>36</sup>Source: [IDR Pay Benchmarker](#).

## 5 Improving efficiency: areas for consideration

In Chapter 4 we described factors which are likely to affect employment costs in the future. In this chapter, reflecting on our findings from the benchmarking analysis, we have identified a number of opportunities for improving efficiency in the industry through reducing employment costs, both across the industry as a whole, and specifically at Network Rail and TOCs.

### **Below market pay and reward**

The study has identified that the median pay for some jobs in the rail industry is lower than that of comparators, and this may impact on staff motivation, job satisfaction and thus efficiency. The Plan for Rail notes that the industry should “reward people appropriately for helping to improve productivity and customer service”. In developing both its workforce strategy and plans to improve passenger satisfaction, GBR should consider the competitiveness of industry pay and total reward packages.

### **Annual pay rises**

Prior to the pandemic both Network Rail and TOC employee pay rises were linked to the Retail Prices Index (RPI) measure of inflation (and were higher than those typically observed across the rest of the economy). However, basic pay was frozen for Network Rail management staff in 2020, and for all Network Rail and most TOC staff in 2021. While a pay freeze can reduce wage costs in the short term, extending the freeze would be extremely challenging for industrial relations at a time when inflation is high and rising and a tight labour market is exerting further upward pressure on pay.

IDR research indicates that a significant proportion of UK employers now link/align wage increases to the Consumer Prices Index measure of inflation (CPI) rather than RPI. This is mainly because CPI is usually lower than RPI, but also because of the status of the CPI as the Bank of England’s target for macroeconomic management (although a different measure, the CPIH, is in fact the Office for National Statistics’ headline measure of inflation). A move to industry pay rises aligned to CPI would mirror the approach in other industries and could improve employment cost efficiency.

Risks to this include the fact that the RPI continues to be referenced in pay setting, despite it no longer having ‘national statistic’ status. This is because many independent statisticians associated with the Royal Statistical Society still regard it as a credible measure of the cost of living<sup>37</sup>, mainly because it includes a measure of house prices and mortgage interest rate payments, elements which are missing from both the CPI and CPIH.<sup>38</sup> And in the rail industry context, RPI is generally used for setting ticket prices and therefore raising revenue. As long as this is the case, it will remain a key reference point for the trade unions.

### **Incentive pay**

We outlined in Chapter 4 that the Network Rail management bonus scheme is currently under review and we recommend that if these changes are approved, the outcome is monitored to assess the impact on costs savings and on staff recruitment and retention. Furthermore, we recommend that rail employers undertake a review of all bonus and commission schemes, reviewing both their purpose as well as mechanisms for payments, to improve consistency and value for money. Our analysis identified a number of different incentive schemes in place across the industry, some of which may no longer be appropriate or consistent with the industry’s objective of improving efficiency.

### **Employee benefits**

Overall, we find that rail industry employee benefits compare favourably against the market (in the private services and manufacturing and primary sectors, and in many cases also against the public sector). As described earlier in this report, the defined benefit pension scheme offered to rail industry employees is an important part of their reward package and is more attractive than those for many comparator jobs. In addition, our review of other employee benefits (eg rail travel benefits, private health insurance, annual leave, car allowances etc) indicates that, in most cases, these are generous when compared to those offered in comparable jobs. Emphasising these parts of the reward package could be used to offset changes to other elements of the reward package, for example bonuses.

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<sup>37</sup>See [RSS - RSS ‘strongly disagrees’ with changes to key inflation index](#)

<sup>38</sup>The CPIH includes a measure of housing costs which is based on an estimate of private rents but not house prices.

### Harmonisation of employment terms and conditions

Within the rail industry there are many different sets of terms and conditions for different types of staff (eg train drivers or track maintenance staff). This is a result of the rail industry having many companies that carry out the same functions, for example TOCs and the 20 infrastructure maintenance contracts which were brought back in-house by Network Rail in the early 2000s. In addition, within each TOC there are sometimes multiple terms and conditions for key staff groups (including drivers, conductors and station staff), a legacy of the changing geographic areas covered by rail franchises. These impede the industry's ability to undertake activities efficiently and we recommend that steps are taken to reduce the number of different sets of terms and conditions (referred to as harmonisation). There may be some 'quick wins' here, as follows:

- We found that a significant number of Network Rail maintenance staff contracts have very few staff employed on them therefore it would be relatively easy to harmonise these groups' terms with those for other groups
- Our analysis indicates that for some contracts, when the different base rates and varying premiums for working different hours of the day, or for different days of the week, are applied to a given pattern of working hours, the outcomes in total cash salaries are not significantly different – and therefore the challenge of agreeing harmonisation of these contracts with the trade unions may not be as major as assumed
- Development of a 'model contract' for new recruits in maintenance could be a useful starting point for harmonisation of terms for these roles across NR's operations.

However, there are a number of risks associated with harmonisation of terms and conditions. The first is that often when harmonising T&Cs, the approach is to move staff up to the highest level of pay and rewards, and this increase in costs may outweigh the savings from harmonisation. Network Rail have noted that this has been an issue when they have considered harmonisation in the past. Secondly, when T&Cs are harmonised, the efficiencies that might be expected to be delivered, for instance in terms of greater flexibility of deployment of the workforce (eg geography, shift pattern etc), are not guaranteed to be realised.

### **Staff career progression**

A number of roles within the rail industry are paid on spot rates and also have limited opportunities for promotion (eg drivers, signallers and controllers). This means that the only opportunity for increases in pay for most of these staff is the annual pay rise (which until the recent pay freeze was often linked to RPI inflation). The lack of flexibility on pay rates within this system means that the rail industry is not able to effectively adjust its pay to reflect changes in market conditions and this could impact recruitment and retention for some critical roles (eg signallers and electrical control room operators).

In conducting this study we learned from discussions with industry figures that currently grades at the top of spot range structures do not reflect increases in the size, scope and complexity of operations and that those in the top grades feel that pay does not adequately reflect the technological requirements of the most skilled aspects of the work. We therefore recommend that employers consider undertaking a review of pay structures based on spot rates, most of which cover strategically important and safety critical roles.

Meanwhile, pay structures based on broad-banded salary ranges also require review since these can be associated with a lack of cost control (because the ceiling for pay (ie the maximums) is much higher than for narrower bands). Broad bands can also limit promotions and may raise equality issues.

### **Collection and use of employee data**

We have identified a number of issues relating to human resources reporting systems at both Network Rail and TOCs. These require improvements to allow for detailed analysis of shift and other payments when exploring the impact of possible changes to terms and conditions. Rail employers need access to accurate pay and reward data in order to model any proposed changes to pay and reward and to obtain a detailed understanding of employment costs within their own organisations, which, in turn, could allow the industry to identify opportunities for improving efficiency.



### Staff rostering processes

There is scope for the rail industry to achieve greater efficiency in the rostering of its staff. At Network Rail, the rostering of maintenance, signalling and operational staff is undertaken at a local level, which means there is no uniform rostering method/system used across the organisation. However, rostering at local level does ensure that rostering takes account of differences in staff terms and conditions in addition to train services and the resulting impact on Network Rail's access to the track to undertake works within each area. It is unclear whether any work is being undertaken centrally to compare the efficiency of the different local arrangements, but we recommend that this is done, and that Network Rail examines the potential for making the process more efficient.

We note that radical changes to rostering arrangements for staff in the rail industry are likely to have implications for terms and conditions, which would most likely need to be negotiated.

### 5.1 Potential efficiencies at Network Rail

Detailed pay and reward information provided by Network Rail allows us to provide more specific views on potential efficiencies in labour costs for selected Network Rail key employee groups which are outlined in the following paragraphs.

#### Head office

Although the current pay structure and progression policy for employees in Bands 1 to 4, covering management, is more transparent and allows somewhat easier management of costs compared to the previous broad pay bands, some of the disadvantages associated with those bands have remained enshrined in the current structure, allowing pay to drift beyond the market range for the job. As an example, staff can move between pay zones without the requirement to meet any additional criteria, which, combined with long service among staff, has led to an increasing number of staff being paid beyond the recruiting pay zone.

We suggest that the current zone-based pay structure for Bands 1 to 4 could be improved by adopting specific pay points for Entry, Competent and Expert/Enhanced levels within the current Zone 1 parameters of each grade. Zones 2 and 3 could then be used exclusively for 'hard to recruit' and 'very hard to recruit' market supplements. However, Network Rail would

need to establish detailed criteria for Zones 2 and 3 to provide robust justification for any supplements and ensure that both the supplements and criteria were regularly assessed. Criteria could include, for example, market salary data identifying whether and where Network Rail pay is below the typical market salary for that job, the rate of staff turnover, and the time taken to fill vacancies.

Bands 5 to 8 cover staff in both support and operational roles and a greater separation between the two, distinguishing particularly between those who work typical office-based hours and those who regularly work outside these hours, would allow the development of a more coherent structure or structures that took account of different working patterns. The operational grouping could potentially have either different base salaries to recognise the unsocial pattern of hours for these roles or a separate supplement to take account of different working patterns.

### **Operations**

Operational staff on nationally agreed terms and conditions largely comprise strategically important roles in route control (ie signaller, controllers and electrical control room operators). Technological developments over the past few years have seen the concentration of control functions in larger and more complex centres covering larger geographic areas, which has started to create pressures for higher pay at the top of the relevant range of spot rate grades. This is a further factor that suggests, as indicated above, that a review of the relevant pay structures and criteria for progression appears appropriate.

### **Maintenance**

The most challenging area of staff costs is that covering maintenance staff who are engaged in various areas of track maintenance with the study showing that total reward for this group is significantly above that for comparators. As described previously, these staff are employed on many different contracts with varying terms and conditions (T&Cs), with a significant number of contracts having very few staff employed on them. Harmonising terms and conditions, ie reducing the number of different contracts with the aim of eventually having a single set of terms and conditions, could enhance efficiency, not just in terms of HR

administration by simplifying processes here, but also by allowing for greater efficiency in recruitment and deployment.

However, in addition to the general difficulties involved in harmonising terms and conditions identified earlier in this chapter, there are some specific challenges related to the harmonisation of terms for maintenance staff at Network Rail. Based on our engagement with Network Rail, there appears to be a lack of central understanding of the myriad T&Cs in place and it will be difficult for Network Rail to accurately evaluate the impact of changing T&Cs because the Network Rail central payroll system for maintenance staff does not properly separate out the different elements of pay which makes modelling the cost implications of any changes difficult, although work is currently underway to correct this.

Despite these obstacles, we believe that Network Rail could initially reduce the number of T&Cs by focusing on those that cover only a small number of employees in the short to medium term, while it appears more realistic, and within the normal parameters of negotiations, to work towards a more simplified set of terms and conditions over a longer period. Network Rail could also develop a 'model contract' to be offered to all new recruits and which current staff could opt into on a voluntary basis, as well as rationalising the current set of contracts. In addition to specifying relevant base salaries and unsocial hours premiums, this model contract could further harmonise benefits across different Network Rail employee groups. This would represent an important step on the road to 'single status' terms covering all staff regardless of grade or role.

A further potential development that should be considered is a national pay structure for those maintenance staff who have electrical skills and are currently employed by the Routes Services division (eg Linesperson), regional engineering units, or grouped under the distribution and plant, electrification and plant or overhead line specialisms. If, as currently planned, more of the rail network is electrified, then it is likely that a larger workforce with these skills will be required, and Network Rail will need to ensure it can attract staff in this area. Having a single national pay structure for all staff with skills in this area would greatly assist in recruitment and retention.

### 5.2 Potential efficiencies at train operating companies

The benchmarking results for TOCs shows that total reward for most groups of employees is in line with that for comparators. However, there are some jobs where total reward is above market, and we recommend a number of actions to understand the reasons for these results and to identify opportunities for efficiencies which could be addressed as part of industry reform.

Before we outline these, we note a broader consideration relating to job evaluation (JE). In conducting this study we learned that while Network Rail uses the Korn Ferry (Hay) job evaluation scheme to evaluate the majority of jobs and place them into pay bands and grades (and this supported the identification of suitable comparators), the use of job evaluation at TOCs varies. Nine of the 16 report that they operate a formal system of job evaluation to determine grades. One is currently in the process of implementing an ‘off the shelf’ job evaluation scheme and another is planning to introduce a bespoke scheme. This variation in approaches to JE means it is more challenging to compare pay and reward for TOC employees with that for comparators than it is for Network Rail. As well as establishing the relative size of each role, job evaluation can also provide a basis for ensuring that an organisation’s pay and grading structure presents fewer risks in respect of equal pay legislation. We also suggest that future studies use job-sizing determined by TOCs’ use of JE (where available) to support the identification of comparators.

**On-board catering staff:** our analysis of total reward for on-board catering staff pay shows that these staff are currently paid above the market median. In the data collection exercise for this study TOCs provided pay information for a number of catering-related jobs in this category and the pay ranges they provided will therefore reflect the different responsibilities of these jobs. Industry reform and initiatives to improve the financial sustainability of the rail industry may consider how on-board catering can be delivered at lower net cost (noting on-board catering is often a driver of fare yield in certain market segments). Before decisions are made, we recommend that further analysis is undertaken of pay and reward for the different types of roles included in this category, which range from chefs on intercity services to staff who sell snacks from a trolley.

**Revenue protection staff:** the industry is currently making decisions on where the main revenue risks lie and this is likely to influence the design of revenue protection strategy. The benchmarking analysis shows that median total reward for revenue protection staff is above the market median, and the reasons for this need to be better understood (investigations could initially be informed by determining whether our commentary in Chapter 2 on why pay may be higher is backed up by evidence), in dialogue with TOCs in order to inform the industry's revenue protection strategy.

**Customer information assistants:** the benchmarking results indicate that while median total reward for nearly all categories of station staff is marginally above the market median, the total reward for station customer information assistants is significantly so at 35% above the market median (where the comparator is customer service assistant). It is recommended that the industry work with TOCs to understand the responsibilities of staff in this role, how they compare with those of the comparator, and whether total reward for customer information assistants is commensurate with these responsibilities. Initiatives to improve industry efficiency are likely to include multi-skilling of station staff, and therefore an analysis of customer information assistants' responsibilities and pay would help decision-making.

### 5.3 Conclusions

This study provides clarity on the relative costs of employment within NR and the train operators against those of comparators and identifies opportunities to deliver efficiencies in the rail industry. The new insights offered by the study are a reflection of the transparency and willingness to provide information demonstrated by both Network Rail and the train operating companies. While the data set available to us, and hence the analysis we were able to undertake, was limited, we nevertheless consider that the study represents an important step towards achieving a much greater understanding of industry pay levels and the factors that drive them.

The study takes place at a time when the rail industry is planning significant reform, including the creation of a new rail body, Great British Railways (GBR) simplifying decision-making and ensuring a single point of accountability for publicly funded passenger service delivery as

well as network asset management. The extent to which cost savings through reform of pay and working practices can be realised will depend on a number of factors, not least resolution of the ongoing issues surrounding industrial relations as well as progress towards industry reform. However, we anticipate that the industry will continue to face strong pressures to contain and reduce costs in the short, medium and long term, with reform expected to unlock savings hitherto unavailable. Against this background, the opportunities highlighted could provide a useful agenda for GBR, both during its transition phase and subsequently, helping it identify areas for further consideration as part of a broader plan for cost reduction. Accordingly, ORR may wish to review progress in all of the areas we have identified, including both Network Rail and train operator opportunities, noting that GBR's scope for delivering them should increase as it becomes established as the guiding mind for the industry.

## Appendix 1 – Methodological notes

### Network Rail

To carry out the benchmarking we required Network Rail to supply a detailed breakdown of staff hours and employment costs for the period ending 31 March 2021, broken down for each staff group by grade/functional role and location.

Data collection took place between October 2021 and March 2022. We worked closely with Network Rail Shared Services and received several iterations of the payroll dataset, each of which we reviewed to check whether it could be used in our analysis before commencing the benchmarking. It took significantly longer than expected to obtain a dataset suitable for analysis due to a number of reasons:

- Network Rail operates two separate payroll systems covering different employee groups, which complicated data provision
- Network Rail has 1,054 different payment types, some of which consist of more than one element (and some of which were mis-allocated as being either 'basic' or 'premium' pay – see below)
- Network Rail was not able to provide useable organograms or overarching employment structure information
- There were shortcomings in the availability of job descriptions and uncertainties over responsibility levels in a small number of cases
- We faced challenges obtaining detailed data on working hours and rostering arrangements.

Network Rail provided anonymised payroll records for 31,957 employees in total, representing approximately 74% of Network Rail's permanent headcount. Job titles were provided for a total of 26,757 records. There are a number of reasons for the data sample being considerably lower than the workforce headcount as follows:

- **Employees with less than one year in the same job role**

In order to undertake detailed benchmarking analysis including shift pay we required Network Rail to provide data for 13 consecutive pay periods (eg months). Network Rail advised that there were a number of employees on permanent contracts without 13 four-

weekly payments in the same role ending 31 March 2021. Payroll data for these employees, who account for 30% of Network Rail employees, was therefore not provided by Network Rail.<sup>39</sup>

- **GDPR concerns for roles with fewer than 10 postholders or directors**

No data was supplied for Directors (accounting for 81 staff in total) due to concerns over being able to identify individuals at Network Rail and job titles were redacted from the payroll records for roles with fewer than 10 postholders. This affected 5,200 (16.3%) of the provided payroll records in total, mainly employees on Role Clarity grades (see table overleaf for the breakdown by employee group).

- **Inaccurate allocation of pay elements within NR's payroll system for maintenance staff**

Our initial analysis of payroll records for maintenance staff from the PSE payroll system identified that some elements of pay provided are mis-allocated as being either 'basic' or 'premium' pay. We raised this issue with Network Rail and, following discussion with colleagues in the Chief Financial Officer's Directorate, finance analysts were able to produce a subset of data covering PSE grade staff where the 'error' had largely been corrected and could be used for our analysis. This additional dataset contained data for three key operational roles within the main specialisms of Infrastructure Maintenance. This covered 3,294 employees, accounting for a quarter of staff on PSE grades. Network Rail are currently in the process of correcting this issue for all PSE employees.

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<sup>39</sup>The percentage of employees in role for less than a year varies by job category: 41% of head office staff had been in their role for less than a year, whilst 16-21% of employees in other categories had been in role for less than a year.



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### Employee counts for Network Rail benchmarking analysis samples

A	B	C	D	E	F	G	H
Grade group	Workforce count (%) <sup>1</sup>	Total payroll records provided by NR <sup>2</sup>	Count of job titles redacted by NR <sup>3</sup>	Usable dataset records <sup>4</sup> (C-D)	Employee count for analysis	% of usable dataset records (F as % of E)	% of workforce (F as % of B)
Director	81 (0.2%)	No data provided by Network Rail					
Role Clarity	22,808 (50.0%)	13,570	4,761	8,809	6,983	79	31
- Bands 1-4	13,827 (30.2%)	8,499	3,769	4,730	3,433	73	25
- Bands 5-8	8,981 (19.6%)	5,071	992	4,079	3,550	87	40
Controller	472 (1.0%)	381	10	371	297 <sup>5</sup>	80	79
ECRO	192 (0.4%)	161	0	161	107 <sup>6</sup>	67	56
Signaller	4,375 (9.6%)	3,544	11	3,533	2,221 <sup>7</sup>	63	51
Other	17,827 (39.0%)	14,301	418	13,883	-	-	-
- SUP	985 (2.2%)	938	23	915	515	56	52
- Maintenance	16,842 (36.8%) <sup>e</sup>	13,363	395	12,968	10,687†	82	63
<b>Total</b>	<b>45,755</b>	<b>31,957</b>	<b>5,200</b>	<b>26,757</b>	<b>20,810</b>	<b>78</b>	<b>45</b>

Source: Network Rail

<sup>1</sup>Includes permanent, fixed-term, agency and contractor staff. Permanent headcount is 43,256.

<sup>2</sup>Payroll records cover employees on permanent contracts with 13 four-weekly payments in the same role ending 31 March 2021.

<sup>3</sup>Job titles for employees in roles with fewer than 10 postholders were redacted by Network Rail due to GDPR concerns.

<sup>4</sup>Number of payroll records with employee job title non redacted.

<sup>5</sup>Covers Controller grades 2 and 3.

<sup>6</sup>Covers Electrical Control Room Operator grades 5, 6 and 7.

<sup>7</sup>Covers Signaller grades 1, 2, 5, 7, 8, and 9.

†Count for analysis on basic pay. Shift pay analysis covers subset of 3,294 employees with the job titles 'Operator', 'Technician' and 'Team Leader' within combined Track Inspection, Maintenance & Works Delivery specialisms of Infrastructure Maintenance which represents 19.6% of all maintenance.

### TOCs

Data collection from TOCs took place between the end of January and mid-April 2022. Overall, 16 TOCs participated in this study and pay and reward data supplied by each TOC covers the majority of the workforce. A detailed breakdown by TOC is provided in the table.

#### Employee counts for TOC provided pay and reward data

TOC	TOC employee count for analysis (headcount)	% of TOC workforce <sup>1</sup>
Avanti West Coast	2,788	84%
c2c	549	85%
Chiltern Railways	622	71%
CrossCountry	2,079	106%
East Midlands Railway	2,072	83%
Govia Thameslink Railway	6,129	82%
Great Western Railway	5,976	93%
Greater Anglia	-	-
London North Eastern Railway	2,614	87%
Merseyrail	1,044	93%
Northern Trains	7,013	105%
ScotRail	3,691	71%
South Western Railway	4,111	73%
Southeastern	3,905	87%
TransPennine Express	1,180	83%
West Midlands Trains	1,777	62%

<sup>1</sup>As a proportion of ORR published FTE figures for 2020/21.

Notes: Greater Anglia did not provide data on number of postholders in each benchmark role.

Source: IDR/ORR.

### Calculations

The benchmarking results show the percentage variation between the median salary for each role compared to that for comparators. Where roles have been grouped, variations for each role in the group have been summed and divided by the number of rail employees in each role to produce the aggregate employee-weighted variation.

Where we provide a median salary figure for all rail workers and all rail maintenance workers, median salaries for each role have been summed and divided by the number of rail employees to produce an employee-weighted salary figure. Higher-paid roles necessarily carry a greater proportional weight per employee and depending on the overall number of employees in a role,

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and the degree of market variation for a particular role, it can have a significant impact on the overall median salary. As a result, the difference between the rail industry and market comparator salary will not reconcile to the percentage variation figure provided.

## Appendix 2 – IDR assessments of Network Rail’s grades

Network Rail grades			IDR job level	Level descriptor
Head office	Operations	Maintenance		
Band 8	Sig 1-4; SUP 10	Operator	2	Work requires developed literacy and numeracy skills and the ability to perform some routine tasks within procedures that may include keyboard and practical skills and initial contact with customers. Some previous experience is required
Band 7	Sig 5-6; SUP 5	Technician	3	Work requires specific administrative, practical, craft or technical skills gained by previous experience and qualifications to carry out a range of less routine work and to provide specialist support, and could include closer contact with the public/customers
Band 6	Sig 7-8; SUP 7	Team Leader/ Senior Technician	4	Work requires broad and deep administrative, technical or craft skills and experience to carry out a wide range of activities including staff supervision, undertaking specialist routines and procedures and providing some advice
Band 5	Sig 9-10; SUP 10	Section Supervisor	5	Work requires detailed experience and possibly some level of vocational qualification to be able to oversee the operation of an important procedure or to provide specialist advice and services, involving applied knowledge of internal systems and procedures
Bands 4 A/B /C	Controller 3-6	Section Manager	6	Work requires a vocational qualification and sufficient relevant specialist experience to be able to manage a section or operate with self-contained expertise in a specialist discipline or activity
Bands 3 A/B	Controller 1-2	-	7	Work is concerned with the provision of professional services and requires an experienced and qualified professional to provide expertise and advice and operate independently. Also includes operational managers responsible for service delivery
Bands 2 A/B, 3C	-	-	8	Work requires deep professional experience and qualifications in a specific discipline to be able to carry out a range of specialist technical or scientific activities, which may include the management of a team or services. May also include specialist management roles responsible for delivery of a major service
Bands 1 A/B, 2C	-	-	9	Senior management roles involved in managing an important activity or providing authoritative expertise, also contributes to the organisation as a whole through significant experience

Source: IDR.

## Appendix 3 – TOC benchmark role descriptors

TOCs were asked to allocate employees to one of the following categories prior to supplying pay and reward data for each category.

Benchmark role	Role descriptor
Train Driver	All qualified main line drivers. Excludes depot drivers and trainee drivers
Trainee Driver	Staff training to be qualified as main line drivers
Guard (Commercial and non-Commercial)	Non-driving traincrew staff required for operating the train, split between whether they also have commercial/customer service duties or not. Includes conductors and train managers
On-Board Revenue Protection	On-train staff carrying out revenue protection duties but without train operating duties
On-Board Catering Staff	On-train staff carrying out catering duties, excluding supervisory duties
On-Board Catering Supervisor	On-Train catering team leaders/supervisors
Depot Driver/Shunter	Other staff who drive trains eg on depots and to/from stations
Traincrew Trainer/Inspector	Staff involved in training and assessing traincrew competency. Does not include traincrew managers who are in management and supervisory staff
Train Cleaner	Frontline staff involved in cleaning trains
Train Cleaner Supervisor	Staff with supervisory/first line management responsibility for train cleaning staff
Train Maintenance Engineer	Frontline staff involved in the maintenance of trains. Qualified to at least NVQ3/ONC level; undertakes both planned and reactive maintenance activities of train rolling stock involving inspection, repair or replacement of defective equipment
Engineering Supervisor	Responsible on a daily or shift basis for ensuring all engineering work at a depot is carried out following correct procedures and resources are managed efficiently
Engineering Manager	Responsible for ensuring the efficient operation of the engineering function at a depot(s). This will entail overall resource and budget management
Ticket Office Customer Adviser	Staff working exclusively in ticket offices
Ticket Office Team Leader	Staff with supervisory/first line management responsibility for ticket office customer advisers
Gateline/Revenue Protection	Station staff carrying out revenue protection duties, whether at manual barriers or at gate locations
Customer Information Assistant	Staff providing customer information and assistance at station
Station Train Dispatcher	Station staff undertaking dispatch duties as their main activity

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Benchmark role	Role descriptor
Station Maintenance Worker/Handyperson	Staff undertaking maintenance at stations as their main duty
Station Cleaner <sup>1</sup>	Staff undertaking cleaning at stations as their main duty
Station Manager	Manager responsible for day-to-day operations to ensure efficient running of the station
Traincrew Manager	Manager responsible for managing staff rostering to operate services safely and effectively
Rostering and Resource Planner	Staff undertaking resource planning and rostering activities
Train Planner	Staff undertaking train planning activities
Train Running Controller	Operational controller ensuring optimum running of train services on a daily basis, including management of incidents. Similar to a Train Running Controller or Incident Controller within Network Rail
Customer Service Centre Adviser	Staff dealing with customer correspondence and complaints
Customer Service Centre Manager	Has overall responsibility for daily operational running of the customer service centre, meeting business, efficiency and quality targets, manages budgets and maintains staffing levels
General Administrator	Provides general administrative support to their relevant team including maintaining filing systems, typing and basic data entry. Reports to an Office Manager
Board PA	Provides comprehensive administrative/secretarial service at Executive Director level. Able to produce reports, undertake basic research and deal with non-standard queries. Reports to a member of the senior management team/Chief Executive
HR Adviser/Officer	Provides support to local HRBPs/HR managers
Regional HR Manager/HR Business Partner	Responsible for provision of personnel function and advises line area managers on HR issues. Reports to HR Director
Payroll Manager	Manages the payroll department or team responsible for ensuring staff are paid correctly and in accordance with company rules and compliance with statutory regulations
Financial Business Analyst	Supports production of monthly financial results through analysis, evaluation and presentation of financial data. Reports to Financial Reporting Manager
Financial Manager/Accountant	Prepares monthly reports, ensures accurate reporting of financial information, balance sheet control, assists in preparation of annual accounts and ad-hoc financial reporting. Full professional qualification. May manage a team of finance assistants
IT Helpdesk Adviser	First-line, second-line support
IT Analyst	Responsible for 3rd level response to incidents and for mentoring/supervising junior staff

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Benchmark role	Role descriptor
Senior IT Systems Analyst/Developer	Designs, implements, analyses, and modifies systems for various applications including those of a complex nature. May supervise or mentor junior staff
IT Data Architect	Develops an overall data architecture that supports the information needs of the business in a flexible but secure environment
IT Project Manager	Day-to-day responsibility for a complex project or more than one minor project. Oversees development, delivery, and implementation of new IT systems/applications. Reports to Senior IT Project Manager/Programme Manager
IT Senior Project Manager/Programme Manager	Has responsibility for overseeing more than one complex project from design through to implementation
Management Information Analyst	Provides timely information to measure performance and analyse trends
Marketing/Media Analyst	Supports PR/Marketing/Social Media managers by conducting market research or data analysis to evaluate the impact of, or improve the effectiveness of, marketing and communications
PR/Marketing Head	Reviews and develops corporate branding and leads market research projects to support the brand proposition. Typically reports to a Director
Social Media Manager	Responsible for leading an organisation's social media strategy in order to boost visibility and customer and client engagement
Health and Safety Manager	Provides professional health and safety advice to business unit managers
Senior Manager	Members of the senior management team with overall functional responsibility and who input to the strategy of the wider organisation through deep and broad experience
Other station staff	Other station staff not covered previously

<sup>1</sup>The sample of TOCs providing data for this role (3) was too small for inclusion in the analysis due to the terms of our confidentiality agreements with TOCs. The reader should note that this role is commonly outsourced in the rail industry.

## Appendix 4 – Benchmarking comparators for a sample of roles

Rail industry role	Comparators
Senior Engineer	Senior Engineer, Senior Electrical Engineer
Principal Engineer	Senior Civil Engineer
Graduate	Graduate Trainee
Train Cleaner	Cleaner
HRBP	Reward Analyst, Talent Acquisition Partner, HR Business Partner, Employee Relations Consultant, HR Generalist
IT Help Desk/Support Analyst	IT Support Technician
Senior Service Analyst	IT Support Technician Team Leader, IT Application Engineer - 2nd Line support, Network Engineer (Cisco), IT Product Analyst, IT Service Desk Supervisor, IT Security Analyst
Senior Surveyor/ Development Surveyor	Senior Property Surveyor, Senior Quantity Surveyor
Sponsor	Project management job family, Project Accountant, Site Planner, Lead Project Planner
Works Delivery Manager	Site Manager, Construction Manager
Technician (Off-Track)	Tree Cutter, Arborist, Tree Surgeon, Grounds Maintenance Worker, Ranger, Driver/Gardener, Gardener, Tree Surgeon /Groundsman, Groundsman/Secondary Climber, Tree Surgeon Climber and Ground Person, Experienced Chainsaw Operative
Team Leader (Off-Track)	Tree Cutting Surveyor, Arborist Team Leader
Stores Controller	Stores Operative
Train Driver	Fire Crew Team Leader, Engineer/Technician, Regional Air Traffic Controller, Tube Driver
Trainee Train Driver	HGV Driver (Class 1), Tram Driver
Train Guard	In-Flight Supervisor
On-Board Revenue Protection	Field Agent/Warrant Officer, Corporate Fraud and Error Officer, Security Enforcement Officer, PCSO (Police Community Support Officer), Operations Officer - Transport Support & Enforcement, Prison Officer



## Appendix 5 – Network Rail pay structures

### Network Rail Role Clarity Bands 1 to 4, effective 1 July 2020

Band	Pay Range	Zone 1 minimum, £pa	Zone 1 maximum, £pa	Zone 2 maximum, £pa	Zone 3 maximum, £pa
4	A	27,010	30,387	33,763	39,917
4	B	32,740	36,832	40,925	48,384
4	C	40,107	45,120	50,133	59,270
3	A	38,879	43,738	48,598	57,456
3	B	42,971	48,342	53,714	63,504
3	C	51,156	57,551	63,945	75,600
2	A	56,067	63,075	70,084	82,858
2	B	65,480	73,665	81,850	96,768
2	C	78,575	88,397	98,220	116,122
1	A	79,803	89,779	99,754	117,936
1	B	90,035	101,289	112,543	133,056
1	C	107,428	127,890	148,352	186,480

Source: Network Rail.

### Network Rail Role Clarity Bands 5 to 8, effective 1 January 2020

Band	Minimum salary, £pa	Maximum salary, £pa
8	17,290*	20,700
7	17,290*	25,875
6	17,290*	32,085
5	19,000	42,435

Source: Network Rail.

\*The band minimum will have been uprated following rises in the National Living Wage (the statutory minimum hourly rate for employees aged 23 and over), which is currently equivalent to £17,337 a year based on a 35-hour working week.

### Network Rail Controller grades, effective 1 January 2020

Grade	Spot rate salary, £pa
CONT 4	53,876
CONT 3	55,701
CONT 2	57,528
CONT 1	59,355

Source: Network Rail.

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### Network Rail Signaller grades, effective 1 January 2020

Grade	Spot rate salary, £pa
Sig 1	26,485
Sig 2	29,221
Sig 3	32,874
Sig 4	34,699
Sig 5	38,354
Sig 6	40,635
Sig 7	43,831
Sig 8	46,569
Sig 9	48,398
Sig 10	50,223

Source: Network Rail.

### Network Rail Electrical Control Operator grades, effective 1 January 2020

Grade	Spot rate salary, £pa
ECO 1*	45,642
ECO 2	48,421
ECO 3	50,066
ECO 4	51,716
ECO 5	53,372
ECO 6	55,136
ECO 7	56,784
ECO 8	58,435

Source: Network Rail.

\*ECRO1 grade is no longer in use.

### Network Rail Supervisor grades, effective 1 January 2020

Grade	Spot rate salary, £pa
Sup 4	34,699
Sup 5	38,354
Sup 6	40,635
Sup 7	43,831
Sup 8	46,569
Sup 9	48,398
Sup 10	50,223

Source: Network Rail.

## Appendix 6 – TOC salary levels

The following tables provide medians for TOC pay, as calculated by IDR.

**Table A6-1 Median TOC basic pay and total reward**

Benchmark role	TOC employee headcount <sup>1</sup> (TOC count)	Basic pay, median £pa	Total reward, median £pa
Train Driver	12,362 (16)	58,120	66,043
Trainee Train Driver	1,022 (15)	32,800	36,605
Train Guard	7,065 (14)	33,171	37,540
On-Board Revenue Protection	1,626 (15)	32,295	35,888
On-Board Catering Staff	2,618 (6)	24,076	31,133
On-Board Catering Supervisor	381 (4)	26,251	29,628
Depot Driver/Shunter	662 (10)	36,072	40,514
Traincrew Trainer/Inspector	273 (10)	56,993	67,166
Train Cleaner	1,192 (11)	21,686	28,488
Train Cleaner Supervisor	187 (5)	23,390	31,310
Train Maintenance Engineer	2,637 (10)	39,287	48,474
Engineering Supervisor	340 (9)	47,264	59,869
Engineering Manager	215 (12)	61,288	65,984
Ticket Office Customer Adviser	3,290 (15)	27,050	31,167
Ticket Office Team Leader	274 (13)	30,796	38,200
Gateline/Revenue Protection	1,858 (13)	24,075	27,921
Customer Information Assistant	1,035 (12)	27,233	31,057
Station Train Dispatcher	3,119 (12)	24,685	29,270
Station Maintenance Worker/Handyperson	62 (6)	28,109	30,631
Station Manager	379 (13)	41,334	45,200
Traincrew Manager	733 (12)	51,489	56,411
Rostering and Resource Planner	322 (14)	35,734	42,269
Train Planner	301 (11)	35,296	39,763
Train Running Controller	425 (12)	44,388	51,313
Customer Service Centre Adviser	428 (11)	26,548	28,542
Customer Service Centre Manager	96 (11)	40,718	45,542
General Administrator	461 (11)	28,835	32,829
Board PA	50 (11)	39,032	42,947
HR Adviser/Officer	105 (15)	33,000	36,636
Regional HR Manager/HR Business Partner	82 (12)	49,680	54,686
Payroll Manager	11 (10)	47,369	51,576

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Table A6-1 Median TOC basic pay and total reward cont'd

Benchmark role	TOC employee headcount <sup>1</sup> (TOC count)	Basic pay, median £pa	Total reward, median £pa
Financial Business Analyst	57 (13)	42,089	46,022
Financial Manager/Accountant	76 (13)	56,000	61,018
IT Helpdesk Adviser	30 (6)	34,490	37,364
IT Analyst	40 (8)	38,722	43,821
Senior IT Systems Analyst/Developer	72 (11)	50,000	55,571
IT Data Architect	16 (9)	59,000	66,061
IT Project Manager	13 (6)	44,814	49,026
IT Senior Project Manager/Programme Manager	10 (5)	65,000	71,806
Management Information Analyst	112 (10)	38,891	43,431
Marketing/Media Analyst	56 (9)	43,000	47,330
PR/Marketing Head	28 (12)	74,489	82,300
Social Media Manager	49 (11)	38,518	41,812
Health and Safety Manager	86 (13)	54,589	60,759
Senior Manager	126 (11)	126,690	149,934
Other station staff	1,139 (10)	27,682	30,993

<sup>1</sup>This figure is the combined number of employees participating TOCs matched to the benchmark role descriptors provided.

Note: the number of TOCs providing pay and reward data for 'Station Cleaner' (3) was too small for inclusion in this study due to the terms of our confidentiality agreements with TOCs. The reader should note that this role is commonly outsourced in the rail industry.

## Rail Industry Employment Costs Review

Table A6-2 Pay levels by TOC type

Benchmark role (TOC employee headcount) <sup>1</sup>	Basic pay, median £pa			Total reward, median £pa		
	London & SE	Intercity	Regional	London & SE	Intercity	Regional
Train Driver (12,362)	60,052	64,798	56,264	66,555	74,807	63,841
Trainee Train Driver (1,022)	34,224	39,630	29,903	36,663	41,852	32,328
Train Guard (7,065)	34,449	38,580	29,894	36,927	42,610	33,481
On-Board Revenue Protection (1,626)	35,566	31,199	23,829	39,680	34,278	34,732
On-Board Catering Staff (2,618)	-	25,592	-	-	32,505	-
On-Board Catering Supervisor (381)	-	-	-	-	-	-
Depot Driver/Shunter (662)	36,976	-	-	39,540	-	-
Traincrew Trainer/Inspector (273)	59,092	-	-	65,646	-	-
Train Cleaner (1,192)	23,165	21,340	-	30,021	26,252	-
Train Cleaner Supervisor (187)	-	-	-	-	-	-
Train Maintenance Engineer (2,637)	40,265	-	-	48,166	-	-
Engineering Supervisor (340)	52,787	-	-	61,145	-	-
Engineering Manager (215)	64,379	51,572	-	70,818	56,883	-
Ticket Office Customer Adviser (3,290)	26,441	28,567	27,927	29,561	33,071	31,167
Ticket Office Team Leader (274)	32,465	31,622	28,884	39,049	36,754	37,031
Gateline/Revenue Protection (1,858)	25,481	-	30,183	26,812	-	32,900
Customer Information Assistant (1,035)	27,971	-	29,983	31,516	-	32,785
Station Train Dispatcher (3,119)	23,858	-	-	28,113	-	-
Station Maintenance Worker/Handyperson (62)	29,928	-	-	30,631	-	-
Station Manager (379)	39,025	45,726	42,189	43,462	50,302	47,015
Traincrew Manager (733)	43,193	49,802	-	48,407	54,897	-
Rostering and Resource Planner (322)	35,321	32,800	41,216	37,435	39,752	54,130
Train Planner (301)	32,835	33,155	-	35,588	35,797	-
Train Running Controller (425)	45,359	41,848	-	49,905	50,454	-
Customer Service Centre Adviser (428)	-	26,348	-	-	28,542	-

## Rail Industry Employment Costs Review

Table A6-2 Pay levels by TOC type cont'd

Benchmark role (TOC employee headcount) <sup>1</sup>	Basic pay, median £pa			Total reward, median £pa		
	London & SE	Intercity	Regional	London & SE	Intercity	Regional
Customer Service Centre Manager (96)	-	34,620	-	-	37,382	-
General Administrator (461)	31,236	27,993	-	33,008	30,592	-
Board PA (50)	44,169	38,203	-	48,335	41,664	-
HR Adviser/Officer (105)	33,000	27,975	35,000	35,755	30,447	38,525
Regional HR Manager/HR Business Partner (82)	59,031	47,847	-	65,320	52,543	-
Payroll Manager (11)	46,298	47,682	-	50,917	52,068	-
Financial Business Analyst (57)	41,500	42,000	-	45,296	45,172	-
Financial Manager/Accountant (76)	59,000	50,000	-	61,258	51,579	-
IT Helpdesk Adviser (30)	-	-	-	-	-	-
IT Analyst (40)	-	-	-	-	-	-
Senior IT Systems Analyst/Developer (72)	50,327	48,694	-	55,628	54,238	-
IT Data Architect (16)	-	54,000	-	-	60,712	-
IT Project Manager (13)	-	46,739	-	-	50,955	-
IT Senior Project Manager/Programme Manager (10)	-	-	-	-	-	-
Management Information Analyst (112)	-	36,500	-	-	39,107	-
Marketing/Media Analyst (56)	41,038	-	-	44,695	-	-
PR/Marketing Head (28)	77,125	76,250	-	85,850	84,063	-
Social Media Manager (49)	48,562	31,757	-	53,017	36,610	-
Health and Safety Manager (86)	62,871	45,177	-	67,854	49,027	-
Senior Manager (126)	-	125,000	-	-	143,815	-
Other station staff (1,139)	-	27,682	-	-	30,993	-

<sup>1</sup>This figure is the combined number of employees participating TOCs matched to the benchmark role descriptor provided.

Note: we only provide figures where the sample of TOCs is four or more in order to comply with our confidentiality agreements with TOCs.

## Appendix 7 – Network Rail terms and conditions summary

	Head office (management and non-management staff on national 'Role Clarity' T&Cs)	Operations (signallers, controllers, electrical control operators and SUP grades on national T&Cs)	Maintenance (maintenance staff on local terms and conditions)
Annual leave	28 days plus bank holidays on entry, rising to 30 days after 10 years' service. Under the flexible leave scheme, employees can also bank, buy or sell holiday entitlement.		Wide range in entitlement, with several only slightly above (in one case at) the statutory minimum. Entitlements of 25 or 26 days plus bank holidays (ie 33 or 34 days) are more common.
Working hours	35 hours a week (a small number of staff in Bands 5-8 work 40 hours a week).	35 hours a week.	35 hours a week for most; Wales 40 hours a week.
Employee notice periods	Employees in Bands 1-4, three months; Bands 5-6, two months; Bands 7-8, one month (rising to six weeks after five years' service) .	Employees must give one month's notice.	Notice periods vary but the most common is one month.
Pension	All staff are covered by the three Network Rail pension schemes: a defined-contribution scheme (the default scheme for auto-enrolment), the Network Rail CARE (Career Average Revalued Earnings) scheme, and the Railway Pensions Scheme (defined-benefit; open to staff with at least five years' service). (There is also a close DB scheme).		
Sick pay	Staff are eligible for sick pay as follows: <ul style="list-style-type: none"> <li>• Less than a year's service: six weeks' full pay + six weeks' half pay</li> <li>• One to five years' service: 16 weeks' full pay + 16 weeks' half pay</li> <li>• More than five years' service: 26 weeks' full pay + 26 weeks' half pay.</li> </ul>		Various policies in place, the majority of which are less favourable than for other NR staff but nonetheless improve on statutory sick pay.

## Rail Industry Employment Costs Review

	Head office	Operations		Maintenance
London allowances	Eligible staff receive a London premium as follows:			Level of London premium payable varies by contract. In some cases, these are in line with head office (eg longer-serving former Serco staff) but in most cases they are slightly lower.
		Bands 1-4	Bands 5-8	
	Inner London	£3,200	£3,270	
	Outer London	£1,900	£1,942	
	South East	No longer paid	£955	
Bonus	Annual Performance-Related Pay for Bands 1-4 and Executives, with 25% of the amount based on individual performance and the remainder based on national performance (or a combination of 30% national and 70% regional performance for regions). Maximum bonuses range from £3,000 to 100%, although typically pay out at around half this level.			Various different bonus schemes are in place.
	General Performance-Related Pay scheme based on national and regional measures. The target award for 2019/20 was £750, with a maximum potential award of £1,500. GPRP scheme also applies to staff in Bands 5-8.			
Shift premia	Staff that work shifts (mainly those in managed stations) typically receive basic pay for normal shift hours Mon-Sun.			Shift premia vary according to the time of day. Regular hours Mon-Fri (days) is plain time, night premium varies between 0-25%, weekend premium varies between 0-50%. <sup>40</sup>

<sup>40</sup>It should be noted that rosters are negotiated locally, with rosters of up to 12 hours in duration, resulting in a lack of uniformity in shift patterns compared to that seen in most organisations outside of Network Rail. Specific routes also manage maintenance resources differently depending on the frequency of train services and accessibility of the track.



## Rail Industry Employment Costs Review

	Head office	Operations	Maintenance
Employee Assistance Programme (EAP)	All staff have access to Network Rail's employee assistance programme offering telephone and face-to-face counselling, specialist help lines and information and advice on a range of work/life services.		
Travel benefits	Staff in continuous employment with Network Rail or an eligible employer since 1 April 1996 receive 'safeguarded' home-to-work travel benefits that vary by grade. Staff are eligible for discounts of up to 75% on season tickets or home/work travel up to a maximum of £2,750. All employees are eligible for interest-free season-ticket loans, car parking and typical cycle-to-work scheme.		Local agreements vary for operations and maintenance staff but the CJIJ industry agreement sets out that operatives are entitled to a daily fare and travel allowance if they do not normally report to a fixed establishment (distance from home to job/site must be 9 miles or more).
Family-friendly policies	Staff are eligible for maternity/paternity pay as follows: <ul style="list-style-type: none"> <li>• Maternity pay: 26 weeks' full pay</li> <li>• Paternity pay: full pay for up to two weeks.</li> </ul>		Local contracts vary but Network Rail will honour statutory obligations as a minimum.
Company cars	Band 2 upwards receive car allowances as follows: <ul style="list-style-type: none"> <li>• Band 2: £6,000</li> <li>• Band 1: £8,000</li> <li>• Executives: £10,000 (legacy, recently removed).</li> </ul>	Certain staff, such as signallers, qualify for a user-need car/car allowance. Typical value £4,000.	Some contracts provide a user-need car/car allowance for certain staff, such as section managers.
Private medical insurance	Private medical insurance (PMI) for management grades only as follows: <ul style="list-style-type: none"> <li>• Band 4: employee only</li> <li>• Band 3: employee only</li> <li>• Band 2: family cover</li> <li>• Band 1: family cover</li> <li>• Executives: family cover (legacy).</li> </ul>	Controllers are eligible for private medical insurance.	[No information provided]

Source: compiled by IDR using a wide range of Network Rail materials.  
CJIJ = Construction Industry Joint Council.

## Appendix 8 – TOCs’ terms and conditions summary

	TOC typical provision												
Annual leave	Holiday entitlement varies depending on the staff grade and/or area of work. Among TOCs in our sample, basic holiday entitlement across all staff groups is typically 31 days a year, inclusive of bank holidays. Most TOCs (14 of 16) provide some groups with additional service-related holiday, typically an extra day after five years’ service. Just four TOCs increase entitlement for all staff regardless of grade. In addition, the majority operate schemes that allow managerial staff to buy extra holidays, typically five days. No TOC allows employees to sell holidays.												
Working hours	Weekly contracted hours across TOCs varies between employee groups. Most commonly, the standard working week is typically 35 hours, although some managerial and head office staff are contracted to work a longer working week, usually 37 hours a week.												
Pension	TOCs are covered by the industry-wide final salary defined benefit Railway Pension Scheme (RPS). Contribution rates vary across TOCs, albeit not significantly with the median employer contribution rate for new entrants at 10.6%.												
Sick pay	Typical sick pay provision for employees not on legacy terms is as follows: <ul style="list-style-type: none"> <li>• Six to 12 months’ service: six weeks’ full pay + six weeks’ half pay</li> <li>• One to five years’ service: 12 weeks’ full pay + 12 weeks’ half pay</li> <li>• More than five years’ service: 26 weeks’ full pay + 26 weeks’ half pay.</li> </ul>												
London allowances	Most TOCs have some form of London or South East allowance, although these only apply to certain roles and/or locations. Typical allowances are as follows: <table border="1" data-bbox="430 982 1398 1129"> <thead> <tr> <th></th> <th>Median</th> <th>Average</th> </tr> </thead> <tbody> <tr> <td>Inner London</td> <td>£2,549</td> <td>£2,743</td> </tr> <tr> <td>Outer London</td> <td>£1,112</td> <td>£1,112</td> </tr> <tr> <td>South East</td> <td>£530</td> <td>£712</td> </tr> </tbody> </table>		Median	Average	Inner London	£2,549	£2,743	Outer London	£1,112	£1,112	South East	£530	£712
	Median	Average											
Inner London	£2,549	£2,743											
Outer London	£1,112	£1,112											
South East	£530	£712											
Incentive pay	Almost all TOCs operate incentive arrangements including non-pensionable performance or attendance bonuses, sales commission, and discretionary schemes linked to company performance and personal objectives. Schemes typically differ according to employee group.												
Travel benefits	Rail travel is a highly regarded employee benefit in the rail industry and all TOCs provide some form of discount or subsidised rail travel on their own network and discounted travel on other networks or services. In several cases the travel benefits extend to the employee’s partner and/or dependents. Several TOCs provide travel discounts to the friends and family of their employees, which is delivered either via a set percentage discount or a specified number of travel vouchers per year. Some TOCs also provide season ticket loans where relevant.												
Company cars	The majority of TOCs (12 of 16) operate a company car allowance scheme for senior staff, typically covering senior managers, directors or executives. Median car allowances are as follows: £7,042 (minimum), £10,000 (maximum).												
Private medical insurance	Private medical insurance is a common benefit for senior manager and above. The level of cover varies depending on seniority. For example, one TOC offers ‘employee’ only cover to managers but ‘employee plus family’ for senior managers and directors. Of the remaining TOCs that operate a single policy, one has a provision for ‘employee plus partner’ and six offer ‘employee plus family’.												

## Rail Industry Employment Costs Review

	TOC typical provision
Death-in-service benefits	Under the rules of the RPS pension scheme of which most TOC staff are members, employees are eligible for death-in-service benefit of 4 x salary. The death in service benefit is 1 x salary for members of a Defined Contribution (DC) scheme.
Employee Assistance Programme	All 16 TOCs offer an Employee Assistance Programme (EPA).
Long service awards	All 16 TOCs have a long-service award scheme. The most common approach is to offer an award to employees after 25 years of service, however at least three TOCs offer different awards at different stages of service, such as after 5, 10 or 20 years.
Shift working	<p>Shift working is common across TOCs and most of the key employee groups, for example Train Drivers, Engineering, Conductors, Station Staff, Customer Services, Control and Cleaning, work shifts. The exceptions are some head office, management and administrative roles.</p> <p>The typical length of day shift varies and ranges from 7 hours to 8 hours and 45 minutes. Commonly nights and weekend shifts are longer than day shifts, and the maximum shift length stated for these is 12 hours. Saturdays are often included in the working week across TOCs, while Sunday working is more often considered an overtime shift. However, this practice varies by both employee group and TOC.</p> <p>The practice of paying premiums for working night shifts varies and at some TOCs no premium is paid. Where paid, night shift premiums are worth between 15% and 50%. The night window for payments also varies, some starting as early at 9pm and others as late as 2am.</p>
Flexible benefits	Around a third of TOCs (5 of 16) allow employees to 'flex' benefits, although this provision is typically reserved for senior managers and executives.
Standby/on-call allowances	Standby/on-call allowances are rare, with some TOCs stating these payments are consolidated into base salaries. Where such additional payments are applied, allowances vary and the maximum payment is worth 10% of salary.
Rest day working	In some cases, particularly for Traincrew, Station and Engineering staff, rest day working premiums apply to any work carried out on days that would normally be rest days within a particular pattern.

## Rail Industry Employment Costs Review

	TOC typical provision												
Bank holidays and Sundays	<p>Across TOCs, most employee groups work bank holidays. A small number of TOCs stated that some management, executive and clerical grades are exempt from bank holiday working. However, not all employee groups receive a premium for working bank holidays, and the recognition of bank holidays for premium payments is sometimes limited to Easter and Christmas, with other public holidays classed as normal working days. Employee groups reported as eligible for bank holiday premiums included operations, retail, engineering, customer services, and train cleaning and catering staff.</p> <p>The practice of rostering Sunday working as part of standard contractual hours varies. Sunday working is typically rostered within standard hours for train drivers, retail, engineering, senior conductors, on-board cleaners, fleet maintenance, control co-ordinators and revenue staff. Here no additional premium is paid.</p> <p>The use and level of shift allowances varies across TOCs. Premiums are usually applied for early, late, night and Sunday working. A minority of TOCs state that shift allowances are incorporated into basic salaries for shift workers.</p>												
Overtime	<p>Typically, overtime is paid at T+25%, with premiums for overtime worked at night and Saturday or Sunday for some employee groups. Examples of overtime premiums paid at individual TOCs are shown in the table below:</p> <table border="1"> <thead> <tr> <th>Employee group</th> <th>Overtime premium</th> </tr> </thead> <tbody> <tr> <td>Train Drivers</td> <td>T+25% Mon-Fri; T+50% at weekends</td> </tr> <tr> <td>Customer Services</td> <td>T+25% Mon-Sat; T+50% Sun</td> </tr> <tr> <td>Fleet</td> <td>T+50%</td> </tr> <tr> <td>Managers within engineering and service delivery</td> <td>T</td> </tr> <tr> <td>Station staff</td> <td>T+10% Mon-Fri (days); T+75% or 2T nights/weekends</td> </tr> </tbody> </table> <p>T = plain time ie normal basic hourly pay</p>	Employee group	Overtime premium	Train Drivers	T+25% Mon-Fri; T+50% at weekends	Customer Services	T+25% Mon-Sat; T+50% Sun	Fleet	T+50%	Managers within engineering and service delivery	T	Station staff	T+10% Mon-Fri (days); T+75% or 2T nights/weekends
Employee group	Overtime premium												
Train Drivers	T+25% Mon-Fri; T+50% at weekends												
Customer Services	T+25% Mon-Sat; T+50% Sun												
Fleet	T+50%												
Managers within engineering and service delivery	T												
Station staff	T+10% Mon-Fri (days); T+75% or 2T nights/weekends												
Other benefits	<p>There is an array of other benefits among the group, for example shopping discounts for employees, dental cover and travel insurance for executives plus a number of health and wellbeing benefits such as flu vaccinations, physiotherapy and counselling.</p>												

Source: compiled by IDR using a wide range of materials supplied by participating TOCs.

## Appendix 9 – Benchmarking results for Network Rail

The benchmark roles were compiled by IDR in order to undertake the pay comparisons. This process involved using information provided by Network Rail on the job title, grade, area of work and job level and job descriptions<sup>41</sup> in some cases to identify key groups of employees suitable for analysis. Where roles operate at different levels, we sought to identify the most populous grade(s). The first column indicates the staff category for each role based on the groupings used to present results in section 2.2 of the main report.

The result presented provide an additional level of granularity; however, it should be noted that the focus should be on the overall patterns emerging from the exercise rather than on any one job-to-market comparison

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<sup>41</sup>IDR requested and reviewed 110 job descriptions in order to determine what Network Rail jobs entail. These mainly cover operational roles and maintenance roles, but also include selected head office positions. However, it should be noted that those covering the former are generic and competency-based and provide little or no detail on the skills, tasks and duties of the specific role.

## Rail Industry Employment Costs Review

Table A9-1 Network Rail benchmarking results on basic pay ('head office')

Analysis category	Benchmark role	NR pay band	NR pay data count	NR median basic pay, £pa	Market median basic pay, £pa	Variation, %
Administration	Team Administrator	7	33	25,875	21,539	20
Administration	Administrator	6	628	26,372	23,631	12
Administration	Administrator/Coordinator	5	828	30,136	26,974	12
Apprentice	Apprentice	8	761	16,054	16,519	-3
Business Change	Business Development Executive	5	91	31,000	29,178	6
Business Change	Business Development Manager	4C	129	42,425	45,250	-6
Business Change	Business Change Manager	3B	11	45,359	50,990	-11
Commercial	Senior Service Analyst	4C	45	42,917	43,957	-2
Commercial	Analyst	4B	68	36,832	33,242	11
Commercial	Senior Business Analyst	3B	18	49,163	48,737	1
Commercial	Senior Commercial Manager	3C	86	58,688	51,409	14
Communications	Communications Executive	5	29	26,575	27,402	-3
Communications	Communications Manager	4B	13	36,832	36,988	0
Communications	Senior Communications Manager	3C	9	45,486	54,756	-17
Construction	Construction Manager	4C	129	47,160	48,326	-2
Construction	Senior Construction Manager	3C	31	57,988	58,750	-1
Engineers	Assistant/Junior Engineer	5		35,122	31,992	10
Engineers	Engineer	4C	561	44,547	42,770	4
Engineers	Senior Engineer	3C	524	57,000	52,357	9
Engineers	Principal Engineer	2C	75	82,315	69,161	19
Finance	Finance Assistant	7	5	27,000	21,422	26
Finance	Finance Officer	5	14	26,368	29,836	-12
Finance	Finance Business Partner	4C	60	40,107	39,642	1
Finance	Senior Finance Business Partner	3C	75	51,156	51,033	0
Finance	Financial Controller	2B	15	71,750	67,589	6
Graduates	Graduate	5	101	26,500	28,695	-8
H&S	HSE Advisor	4B	31	40,411	35,133	15
H&S	HSE Manager	3B	16	47,205	45,836	3
HR	HR Assistant	6	26	21,788	25,623	-15
HR	HRBP	4C	25	42,228	40,398	5
HR	Senior HRBP	3C	18	54,884	49,168	12
IT	IT Helpdesk Analyst	5	24	26,825	29,139	-8
IT	Developer	4C	34	46,304	41,991	10

## Rail Industry Employment Costs Review

Table A9-1 Network Rail benchmarking results on basic pay ('head office') cont'd

Analysis category	Benchmark role	NR pay band	NR pay data count	NR median basic pay, £pa	Market median basic pay, £pa	Variation, %
IT	IT Programme Manager	2B	11	77,379	69,252	12
IT	IT Director	1C	5	117,500	108,267	9
Legal	Legal Advisor	3C	10	59,181	51,848	14
Operational planning	Planner	5	240	26,627	30,757	-13
Operational planning	Operational Planning Specialist	4B	66	33,886	31,986	6
Operational planning	Planning Specialist (Access)	4C	69	40,107	39,066	3
Operational planning	Lead Planner	3B	16	48,096	47,965	0
Operational planning	Timetable Planning Team Leader	3A	30	40,045	44,762	-11
Procurement	Buyer	4C	22	41,858	39,140	7
Procurement	Senior Procurement Manager	3C	46	54,190	56,482	-4
Projects	Project Manager	4C	390	41,944	42,828	-2
Projects	Senior Project Manager	3B	43	55,105	50,426	9
Projects	Sponsor	3B	69	45,483	44,724	2
Projects	Senior Project/Programme Manager	2B	149	70,738	61,579	15
Projects	Senior Sponsor	2B	30	68,936	53,864	28
Projects	Senior Programme Manager	1B	6	96,207	76,497	26
Stations	Customer Service Assistant	6	459	21,575	23,028	-6
Stations	Station Control Assistant	6	50	25,286	24,393	4
Surveyor	Surveyor	4C	30	42,814	44,520	-4
Surveyor	Senior/Development Surveyor	3C	50	55,924	56,901	-2
Other managers	Training Officer/Manager	5	40	30,624	29,555	4
Other managers	Level Crossing Manager	4B	61	37,053	34,276	8
Other managers	Shift/Duty Manager	4B	71	35,915	38,464	-7
Other managers	Site Manager	4C	47	42,985	42,619	1
Other managers	Training Officer/Manager	4C	69	47,745	38,514	24
Other managers	Works Delivery Manager	4C	50	46,039	48,000	-4
Other managers	Operations Manager	3C	120	57,551	50,500	14
Other	Briefer	5	16	35,503	29,555	20
Other	Supervisor	5	74	26,432	26,650	-1
Other	Examination Inspector	5	25	32,478	28,238	15

## Rail Industry Employment Costs Review

Table A9-2 Network Rail benchmarking results on total reward ('head office')

Analysis category	Benchmark role	NR pay band	NR pay data count	NR median total reward, £pa	Market median total reward pay, £pa	Variation, %
Administration	Team Administrator	7	33	29,928	24,225	24
Administration	Administrator	6	628	30,304	25,616	18
Administration	Administrator/Coordinator	5	828	34,712	28,932	20
Apprentice	Apprentice	8	761	18,732	17,687	6
Business Change	Business Development Executive	5	91	35,787	31,276	14
Business Change	Business Development Manager	4C	129	48,585	49,257	-1
Business Change	Business Change Manager	3B	11	52,527	55,500	-5
Commercial	Senior Service Analyst	4C	45	49,473	51,022	-3
Commercial	Analyst	4B	68	42,368	36,008	18
Commercial	Senior Business Analyst	3B	18	56,161	56,157	0
Commercial	Senior Commercial Manager	3C	86	67,261	59,040	14
Communications	Communications Executive	5	29	30,313	29,378	3
Communications	Communications Manager	4B	13	42,037	42,766	-2
Communications	Senior Communications Manager	3C	9	52,442	62,179	-16
Construction	Construction Manager	4C	129	54,217	54,559	-1
Construction	Senior Construction Manager	3C	31	66,042	65,874	0
Engineers	Assistant/Junior Engineer	5	106	40,270	34,423	17
Engineers	Engineer	4C	561	51,229	47,464	8
Engineers	Senior Engineer	3C	524	65,793	58,421	13
Engineers	Principal Engineer	2C	75	95,305	81,452	17
Finance	Finance Assistant	7	5	30,500	23,241	31
Finance	Finance Officer	5	14	30,219	29,893	1
Finance	Finance Business Partner	4C	60	46,376	45,232	3
Finance	Senior Finance Business Partner	3C	75	59,726	56,969	5
Finance	Financial Controller	2B	15	87,892	83,220	6
Graduates	Graduate	5	101	30,493	32,396	-6
H&S	HSE Advisor	4B	31	46,904	38,170	23
H&S	HSE Manager	3B	16	54,404	56,686	-4
HR	HR Assistant	6	26	24,833	27,566	-10
HR	HRBP	4C	25	48,381	45,267	7
HR	Senior HRBP	3C	18	62,819	56,582	11
IT	IT Helpdesk Analyst	5	24	31,140	31,241	0
IT	Developer	4C	34	52,849	46,022	15



## Rail Industry Employment Costs Review

Table A9-2 Network Rail benchmarking results on total reward ('head office') cont'd

Analysis category	Benchmark role	NR pay band	NR pay data count	NR median total reward, £pa	Market median total reward, £pa	Variation, %
IT	IT Programme Manager	2B	11	94,205	85,108	11
IT	IT Director	1C	5	147,414	133,433	10
Legal	Legal Advisor	3C	10	68,140	56,427	21
Operational planning	Planner	5	240	30,181	37,632	-20
Operational planning	Operational Planning Specialist	4B	66	38,884	34,791	12
Operational planning	Planning Specialist (Access)	4C	69	46,548	43,860	6
Operational planning	Lead Planner	3B	16	54,799	54,574	0
Operational planning	Timetable Planning Team Leader	3A	30	45,828	48,770	-6
Procurement	Buyer	4C	22	48,106	45,363	6
Procurement	Senior Procurement Manager	3C	46	61,917	62,864	-2
Projects	Project Manager	4C	390	48,093	46,819	3
Projects	Senior Project Manager	3B	43	63,781	56,442	13
Projects	Sponsor	3B	69	52,640	50,398	4
Projects	Senior Project/Programme Manager	2B	149	86,627	79,657	9
Projects	Senior Sponsor	2B	30	84,872	70,629	20
Projects	Senior Programme Manager	1B	6	117,770	97,057	21
Stations	Customer Service Assistant	6	459	26,280	24,984	5
Stations	Station Control Assistant	6	50	30,764	26,103	18
Surveyor	Surveyor	4C	30	49,510	51,879	-5
Surveyor	Senior/Development Surveyor	3C	50	64,221	64,193	0
Other managers	Training Officer/Manager	5	40	35,655	31,677	13
Other managers	Level Crossing Manager	4B	61	42,960	37,909	13
Other managers	Shift/Duty Manager	4B	71	41,823	43,137	-3
Other managers	Site Manager	4C	47	49,660	50,287	-1
Other managers	Training Officer/Manager	4C	69	54,521	42,959	27
Other managers	Works Delivery Manager	4C	50	52,593	53,580	-2
Other managers	Operations Manager	3C	120	66,606	66,685	0
Other	Briefer	5	16	40,811	33,265	23
Other	Supervisor	5	74	29,761	28,678	4
Other	Examination Inspector	5	25	37,297	30,281	23

## Rail Industry Employment Costs Review

Table A9-3 Network Rail benchmarking results on basic pay (operations and maintenance)

Analysis category	Benchmark role	NR grade/div.	NR pay data count	NR median basic pay, £pa	Market median basic pay, £pa	Variation, %
Maintenance	Technician	PSE (D&P)	235	37,214	44,948	-17
Maintenance	Team Leader	PSE (D&P)	151	45,796	47,765	-4
Maintenance	Supervisor	PSE (D&P)	53	49,322	53,290	-7
Maintenance	Senior Technician	PSE (E&P)	47	34,605	44,731	-23
Maintenance	Principal Technician	PSE (E&P)	38	42,567	47,765	-11
Maintenance	Assistant Engineer	PSE (E&P)	4	55,361	67,500	-18
Maintenance	Operative	PSE (OT)	208	25,356	19,980	27
Maintenance	Technician	PSE (OT)	216	30,954	22,403	38
Maintenance	Team Leader	PSE (OT)	418	34,938	27,656	26
Maintenance	Technician	PSE (C)	29	33,307	34,264	-3
Maintenance	Senior Technician	PSE (C)	26	39,005	37,900	3
Maintenance	Operative	PSE (TM)	1,686	25,282	21,289	19
Maintenance	Technician	PSE (TM)	1,053	29,314	25,625	14
Maintenance	Team Leader	PSE (TM)	716	36,320	28,593	27
Maintenance	Senior Technician	PSE (T)	182	33,895	33,113	2
Maintenance	Principal Technician	PSE (T)	102	43,325	36,270	19
Maintenance	Supervisor	PSE (T)	862	45,377	35,529	28
Maintenance	Section Manager	PSE (T)	399	51,337	50,124	2
Maintenance	Operative	PSE (SM)	786	30,245	25,775	17
Maintenance	Technician	PSE (SM)	816	36,946	28,161	31
Maintenance	Team Leader	PSE (SM)	830	46,267	40,141	15
Maintenance	Senior Technician	PSE (S)	46	50,282	40,141	25
Maintenance	Principal Technician	PSE (S)	49	53,471	43,258	24
Maintenance	Section Supervisor	PSE (S)	165	51,069	46,946	9
Maintenance	Electrician	PSE (B&C)	157	33,683	33,565	0
Maintenance	Operative	PSE (OH)	146	28,825	23,251	24
Maintenance	Technician	PSE (OH)	255	31,178	26,390	18
Maintenance	Linesperson	PSE (SC)	110	35,705	31,819	12
Maintenance	Team Leader	PSE (OH)	176	37,214	32,745	14
Maintenance	Team Leader	PSE (W&G)	384	35,992	30,971	16
Maintenance	OTM Operator	PSE (SC)	101	42,093	41,227	2
Maintenance	OTM Operator & Driver	PSE (SC)	34	55,888	52,908	6
Maintenance	Maintenance Fitter (6)	PSE (SC)	16	31,358	31,900	-2
Maintenance	OTM Maintenance Technician	PSE (SC)	65	33,763	34,562	-2
Maintenance	OTM Maintenance Supervisor	PSE (SC)	12	38,320	37,632	2
Maintenance	Stores Controller	PSE (MD)	114	30,156	26,890	12

## Rail Industry Employment Costs Review

Table A9-3 Network Rail benchmarking results on basic pay (operations and maintenance) cont'd

Analysis category	Benchmark role	NR grade/div.	NR pay data count	NR median basic pay, £pa	Market median basic pay, £pa	Variation, %
Operations (safety critical)	Crossing Keeper	SIG.1-2	89	28,300	19,097	48
Operations (safety critical)	Platform Assistant	SIG.1-2	63	26,485	19,097	39
Operations (safety critical)	Signaller 5-7	SIG.5-7	1,162	40,635	39,857	2
Operations (safety critical)	Signaller 8-9	SIG.8-9	907	48,398	45,892	5
Operations (safety critical)	Route/Incident Controller 3	Controller.3	150	55,701	47,305	18
Operations (safety critical)	Route/Incident Controller 2	Controller.2	147	57,528	52,530	10
Operations (safety critical)	Electrical Control Room 5-7	ECO.5-7	107	55,136	61,175	-10
Operations (safety critical)	Mobile Operations Manager	SUP.7	412	43,831	34,652	26
Operations (safety critical)	Shift Signallers Manager	SUP10	103	52,778	52,650	0

Abbreviations: DP, Distribution & Plant; E&P, Electrification & Plant; OT, Off-Track; B&C, Building & Civils; C, Cables; TM, Track (Inspection/Maintenance/Works Delivery); T, Track; SM, Signalling (Maintenance & Works Delivery); S, Signalling; OH, Overhead Line; W&G, Welding & Grinding; MD, Maintenance Delivery; SC, Supply Chain Operations.

## Rail Industry Employment Costs Review

Table A9-4 Network Rail benchmarking results on total reward (operations and maintenance)

Analysis category	Benchmark role	NR grade/div.	NR pay data count	NR total reward pay, £pa	Market median total reward, £pa	Variation, %
Operations (safety critical)	Crossing Keeper	SIG.1-2	89	34,476	23,568	46
Operations (safety critical)	Platform Assistant	SIG.1-2	63	31,994	22,719	41
Operations (safety critical)	Signaller 5-7	SIG.5-7	1,162	49,705	60,583	-18
Operations (safety critical)	Signaller 8-9	SIG.8-9	907	58,647	69,756	-16
Operations (safety critical)	Route/Incident Controller 3	Controller.3	150	66,935	54,534	23
Operations (safety critical)	Route/Incident Controller 2	Controller.2	147	69,417	60,623	15
Operations (safety critical)	Electrical Control Room 5-7	ECO.5-7	107	73,797	79,540	-7
Operations (safety critical)	Mobile Operations Manager	SUP.7	412	52,441	40,543	29
Operations (safety critical)	Shift Signallers Manager	SUP10	103	60,907	80,028	-24
Maintenance	Technician	PSE (D&P)	235	-	-	-
Maintenance	Team Leader	PSE (D&P)	151	-	-	-
Maintenance	Supervisor	PSE (D&P)	53	-	-	-
Maintenance	Senior Technician	PSE (E&P)	47	-	-	-
Maintenance	Principal Technician	PSE (E&P)	38	-	-	-
Maintenance	Assistant Engineer	PSE (E&P)	4	-	-	-
Maintenance	Operative	PSE (OT)	208	-	-	-
Maintenance	Technician	PSE (OT)	216	-	-	-
Maintenance	Team Leader	PSE (OT)	418	-	-	-
Maintenance	Technician	PSE (C)	29	-	-	-
Maintenance	Senior Technician	PSE (C)	26	-	-	-
Maintenance	Operative	PSE (TM)	1,686	-	-	-
Maintenance	Technician	PSE (TM)	1,053	-	-	-
Maintenance	Team Leader	PSE (TM)	716	-	-	-
Maintenance	Senior Technician	PSE (T)	182	-	-	-
Maintenance	Principal Technician	PSE (T)	102	-	-	-
Maintenance	Supervisor	PSE (T)	862	-	-	-
Maintenance	Section Manager	PSE (T)	399	-	-	-
Maintenance	Operative	PSE (SM)	786	-	-	-
Maintenance	Technician	PSE (SM)	816	-	-	-
Maintenance	Team Leader	PSE (SM)	830	-	-	-
Maintenance	Senior Technician	PSE (S)	46	-	-	-

## Rail Industry Employment Costs Review

Table A9-4 Network Rail benchmarking results on total reward (operations and maintenance) cont'd

Analysis category	Benchmark role	NR grade/div.	NR pay data count	NR total reward pay, £pa	Market median total reward, £pa	Variation, %
Maintenance	Principal Technician	PSE (S)	49	-	-	-
Maintenance	Section Supervisor	PSE (S)	165	-	-	-
Maintenance	Electrician	PSE (B&C)	157	-	-	-
Maintenance	Operative	PSE (OH)	146	-	-	-
Maintenance	Technician	PSE (OH)	255	-	-	-
Maintenance	Linesperson	PSE (SC)	110	-	-	-
Maintenance	Team Leader	PSE (OH)	176	-	-	-
Maintenance	Team Leader	PSE (W&G)	384	-	-	-
Maintenance	OTM Operator	PSE (SC)	101	-	-	-
Maintenance	OTM Operator & Driver	PSE (SC)	34	-	-	-
Maintenance	Maintenance Fitter (6)	PSE (SC)	16	-	-	-
Maintenance	OTM Maintenance Technician	PSE (SC)	65	-	-	-
Maintenance	OTM Maintenance Supervisor	PSE (SC)	12	-	-	-
Maintenance	Stores Controller	PSE (MD)	114	-	-	-

Abbreviations: DP, Distribution & Plant; E&P, Electrification & Plant; OT, Off-Track; B&C, Building & Civils; C, Cables; TM, Track (Inspection/Maintenance/Works Delivery); T, Track; SM, Signalling (Maintenance & Works Delivery); S, Signalling; OH, Overhead Line; W&G, Welding & Grinding; MD, Maintenance Delivery; SC, Supply Chain Operations.

Note: As denoted by '-', it was not possible to produce benchmarking comparisons other than on basic pay for some roles due to issues with Network Rail's shift pay data.

## Appendix 10 – Benchmarking results for TOCs

Table A10-1 TOC benchmarking results on basic pay by benchmark role

Analysis group	Benchmark role	TOC employee count <sup>1</sup>	TOC median basic pay, £pa <sup>2</sup>	Market median basic pay, £pa	Basic pay variation %
Train Driver (SC)	Train Driver	12,362	58,120	47,797	22
Traincrew (SC)	Train Guard	7,065	33,171	28,222	18
Station	Ticket Office Customer Adviser	3,290	27,050	26,498	2
Station (SC)	Station Train Dispatcher	3,119	24,685	16,068	54
Depot (SC)	Train Maintenance Engineer	2,637	39,287	38,217	3
Traincrew	On-Board Catering Staff	2,618	24,076	22,650	6
Station	Gateline/Revenue Protection	1,858	24,075	21,193	14
Traincrew	On-Board Revenue Protection	1,626	32,295	26,085	24
Depot	Train Cleaner	1,192	21,686	20,540	6
Station	Customer Information Assistant	1,035	27,233	19,931	37
Traincrew	Trainee Train Driver	1,022	32,800	32,551	1
Depot (SC)	Depot Driver/Shunter	662	36,072	30,930	17
Head office - Admin & Support	General Administrator	461	28,835	23,920	21
Head office - Customer Services	Customer Service Centre Adviser	428	26,548	24,516	8
Operational management	Train Running Controller	425	44,388	47,364	-6
Traincrew	On-Board Catering Supervisor	381	26,251	29,053	-10
Operational management	Station Manager	379	41,334	45,680	-10
Depot (SC)	Engineering Supervisor	340	47,264	43,914	8
Head office - Ops & Fleet	Rostering and Resource Planner	322	35,734	37,850	-6
Head office - Ops & Fleet	Train Planner	301	35,296	37,887	-7
Station	Ticket Office Team Leader	274	30,796	29,732	4
Operational management (SC)	Traincrew Trainer/Inspector	273	56,993	60,921	-6
Head office - Ops & Fleet	Engineering Manager	215	61,288	62,425	-2
Depot	Train Cleaner Supervisor	187	23,390	23,228	1
Senior managers	Senior managers	126	126,690	107,359	18
Head office - Marketing/Comms	Management Information Analyst	112	38,891	40,083	-3
Head office - HR	HR Adviser/Officer	105	33,000	32,241	2

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Table A10-1 TOC benchmarking results on basic pay by benchmark role cont'd

Analysis group	Benchmark role	TOC employee count <sup>1</sup>	TOC median basic pay, £pa <sup>2</sup>	Market median basic pay, £pa	Basic pay variation %
Head office - Customer Services	Customer Service Centre Manager	96	40,718	41,014	-1
Head office - H&S	Health and Safety Manager	86	54,589	52,043	5
Head office - HR	Regional HR Manager/HR Business Partner	82	49,680	56,365	-12
Head office - Finance	Financial Manager/Accountant	76	56,000	51,492	9
Head office - IT	Senior IT Systems Analyst/Developer	72	50,000	52,083	-4
Station	Station Maintenance Worker/Handyperson	62	28,109	25,215	11
Head office - Finance	Financial Business Analyst	57	42,089	48,715	-14
Head office - Marketing/Comms	Marketing/Media Analyst	56	43,000	37,912	13
Head office - Admin & Support	Board PA	50	39,032	30,430	28
Head office - Marketing/Comms	Social Media Manager	49	38,518	43,971	-12
Head office - IT	IT Analyst	40	38,722	46,555	-17
Head office - IT	IT Helpdesk Adviser	30	34,490	33,338	3
Head office - Marketing/Comms	PR/Marketing Head	28	74,489	72,480	3
Head office - IT	IT Data Architect	16	59,000	66,797	-12
Head office - IT	IT Project Manager	13	44,814	43,327	3
Head office - HR	Payroll Manager	11	47,369	41,518	14
Head office - IT	IT Senior Project Manager/Programme Manager	10	65,000	63,026	3

(SC) denotes roles that were included as part of the industry-wide 'Operations (safety critical)' analysis group.

<sup>1</sup>This figure is the combined number of employees participating TOCs matched to the benchmark role descriptor provided.

<sup>2</sup>The median of median pay figures provided participating TOCs.

Note: no benchmarking comparisons were undertaken for 'Other station staff' or 'Traincrew Manager' since we were unable to identify suitable comparators and the sample for 'Train Cleaners' was too small to be included.

Table A10-2 TOC benchmarking results on total reward by benchmark role

Analysis group	Benchmark role	TOC employee count <sup>1</sup>	TOC median total reward, £pa <sup>2</sup>	Market median total reward, £pa	Total reward variation %
Train Driver (SC)	Train Driver	12,362	66,043	61,025	8
Traincrew (SC)	Train Guard	7,065	37,540	38,400	-2
Station	Ticket Office Customer Adviser	3,290	31,167	30,504	2
Station (SC)	Station Train Dispatcher	3,119	29,270	25,821	13
Depot (SC)	Train Maintenance Engineer	2,637	48,474	51,195	-5
Traincrew	On-Board Catering Staff	2,618	31,133	24,512	27
Station	Gateline/Revenue Protection	1,858	27,921	24,286	15
Traincrew	On-Board Revenue Protection	1,626	35,888	31,228	15
Depot	Train Cleaner	1,192	28,488	21,791	31
Station	Customer Information Assistant	1,035	31,057	23,050	35
Traincrew	Trainee Train Driver	1,022	36,605	38,291	-4
Depot (SC)	Depot Driver/Shunter	662	40,514	35,513	14
Head office - Admin & Support	General Administrator	461	32,829	26,429	24
Head office - Customer Services	Customer Service Centre Adviser	428	28,542	28,902	-1
Operational management	Train Running Controller	425	51,313	58,079	-12
Traincrew	On-Board Catering Supervisor	381	29,628	31,041	-5
Operational management	Station Manager	379	45,200	56,742	-20
Depot (SC)	Engineering Supervisor	340	59,869	62,688	-4
Head office - Ops & Fleet	Rostering and Resource Planner	322	42,269	44,105	-4
Head office - Ops & Fleet	Train Planner	301	39,763	46,269	-14
Station	Ticket Office Team Leader	274	38,200	34,675	10
Operational management (SC)	Traincrew Trainer/Inspector	273	67,166	65,470	3
Head office - Ops & Fleet	Engineering Manager	215	65,984	82,896	-20
Depot	Train Cleaner Supervisor	187	31,310	24,820	26
Senior managers	Senior managers	126	149,934	153,973	-3
Head office - Marketing/Comms	Management Information Analyst	112	43,431	44,543	-2
Head office - HR	HR Adviser/Officer	105	36,636	36,576	0



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Table A10-2 TOC benchmarking results on total reward by benchmark role

Analysis group	Benchmark role	TOC employee count <sup>1</sup>	TOC median total reward, £pa <sup>2</sup>	Market median total reward, £pa	Total reward variation %
Head office - Customer Services	Customer Service Centre Manager	96	45,542	49,528	-8
Head office - H&S	Health and Safety Manager	86	60,759	60,236	1
Head office - HR	Regional HR Manager/HR Business Partner	82	54,686	73,635	-26
Head office - Finance	Financial Manager/Accountant	76	61,018	64,663	-6
Head office - IT	Senior IT Systems Analyst/Developer	72	55,571	58,493	-5
Station	Station Maintenance Worker/Handyperson	62	30,631	34,492	-11
Head office - Finance	Financial Business Analyst	57	46,022	56,493	-19
Head office - Marketing/Comms	Marketing/Media Analyst	56	47,330	42,176	12
Head office - Admin & Support	Board PA	50	42,947	34,718	24
Head office - Marketing/Comms	Social Media Manager	49	41,812	49,311	-15
Head office - IT	IT Analyst	40	43,821	51,514	-15
Head office - IT	IT Helpdesk Adviser	30	37,364	39,461	-5
Head office - Marketing/Comms	PR/Marketing Head	28	82,300	94,118	-13
Head office - IT	IT Data Architect	16	66,061	76,473	-14
Head office - IT	IT Project Manager	13	49,026	50,547	-3
Head office - HR	Payroll Manager	11	51,576	48,791	6
Head office - IT	IT Senior Project Manager/Programme Manager	10	71,806	74,747	-4

(SC) denotes roles that were included as part of the industry-wide 'Operations (safety critical)' analysis group.

<sup>1</sup>This figure is the combined number of employees participating TOCs matched to the benchmark role descriptor provided.

<sup>2</sup>The median of combined pay and reward median figures provided participating TOCs.

Note: no benchmarking comparisons were undertaken for 'Other station staff' or 'Traincrew Manager' since we were unable to identify suitable comparators. Furthermore, the sample of TOCs providing pay and reward data for 'Station Cleaner' (3) was too small for inclusion in this study due to the terms of our confidentiality agreements with TOCs. The reader should note that this role is commonly outsourced in the rail industry.

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