National Union of Rail, Maritime & Transport Workers

NETWORK RAIL

Rates of Pay and Conditions of Service

2027

In Network Rail's own words

Network Rail's leadership credits its workforce with the year's achievements. This claim asks the company to match those words with pay.

"From dealing with the impacts of seven named storms, to successfully delivering the largest East Coast Mainline timetable change in over a decade, I am incredibly proud of the work we achieved this year to provide a better railway for our customers."

Jeremy Westlake, Network Rail Chief Executive – Annual Report 2026

"I was proud to see first hand the exceptional teamwork of those at York Rail Operating Centre and King's Cross who helped make this happen."

Jeremy Westlake, Network Rail Chief Executive – Annual Report 2026

"Finally, thanks once again to everyone who has kept the railway running. Your work is the foundation on which the next chapter of Britain's railway will be built."

Richard George, Network Rail Chair – Annual Report 2026

"Our people are at the heart of delivering a railway that works for passengers."

Network Rail – Annual Report 2026

Introduction and key RMT demands

This is RMT's application, on behalf of members employed by Network Rail, for improved pay and conditions of service from 2027. It may be settled as a one-year or a multi-year agreement.

The cost of living crisis shows no sign of easing and is widely expected to worsen in the next year. Network Rail pay remains more than 12 per cent behind 2021 living standards, measured against the Retail Prices Index (RPI). The 2026 settlement matched RPI for one year; it stopped the gap widening but did not close it.

Network Rail is spending less of its cost base on staff than it was in 2019/20. There are significant efficiencies that can be made to Network Rall's spending through insourcing more of its renewals work. Our demands are:

1. **Pay**
   - A substantial pay award above RPI.
   - A minimum flat-rate increase underpinning the percentage award, to protect the lowest paid.
   - London and South East allowances, and all other allowances, increased at least in line with the percentage award, and the Role Clarity Band 5–8 minimum and maximums raised.
2. **Job security**
   - A guarantee of no compulsory redundancies to at least the end of Control Period 7 (31 March 2029) and through the transfer to Great British Railways (GBR).
   - A new Job Security Agreement building on the Promotion, Transfer, Redundancy and Resettlement (PTR&R) agreement.
3. **Abolition of Performance Related Pay (PRP) bonuses**, with the money reinvested in pay for all grades.
4. **An agreed Insourcing strategy**

   – agreement to insource the Network Rail facilities management contract.

   - an agreed rolling programme of insourcing of renewals work and sub-contracted maintenance work.

1. Pay

A substantial pay award above RPI

The cost-of-living crisis shows no sign of easing and is widely expected to worsen in the next year. The 2026 settlement matched RPI for one year; it stopped the gap widening but did not close it.

The real value of pay for Network Rail staff has fallen by 12.4% since 2021. Headline awards since 2021, including last year's 3.8 per cent award for 2026, total 22.7 per cent compounded (5, 4, 4.5, 3.6 and 3.8 per cent), while RPI has risen by 37% per cent over the same period.

Source: ONS RPI All Items Index (CHAW), annual averages; 2026 = January–January actuals. Network Rail headline awards 2022–2026.

Table 1 shows what this means in cash for a sample of grades.

Table 1: Salary degradation since 2021, selected grades

Sample of Network Rail Roles and Grades	2021 Salary	2026 salary after Network Rail awards, including 3.8% for 2026 (£)	2026 Salary had pay matched RPI	2026 Salary Shortfall
Leading Trackman	£24,669	£30,272.00	£34,030.83	£3,758.83
Track operative - Jarvis	£25,282	£31,025.00	£34,876.46	£3,851.46
S&T Operative	£25,855	£31,728.00	£35,666.91	£3,938.91
Signaller 1	£26,486	£32,502.00	£36,537.37	£4,035.37
Track Team Leader - Jarvis	£30,547	£37,486.00	£42,139.51	£4,653.51
Team Leader Level 1	£33,807	£41,486.00	£46,636.68	£5,150.68
Signaller 5	£38,355	£47,067.00	£52,910.63	£5,843.63
Team Leader Level 4	£40,672	£49,910.00	£56,106.93	£6,196.93
S&T 6	£46,694	£57,300.00	£64,414.26	£7,114.26
Signaller 10	£50,224	£61,632.00	£69,283.89	£7,651.89

An S&T Operative is £3,938 a year worse off than if pay had kept pace with RPI. A SSM (Signaller 10) is £7,651a year worse off.

RPI is the right measure. RPI includes housing costs and is used to set regulated rail fares, student loan interest and index-linked government bonds. Network Rail uses it too: its own RPI-linked bonds rose in value with the index in 2025/26, adding to its net debt. If RPI is the measure for Network Rail's bondholders, it is the measure for its workforce.

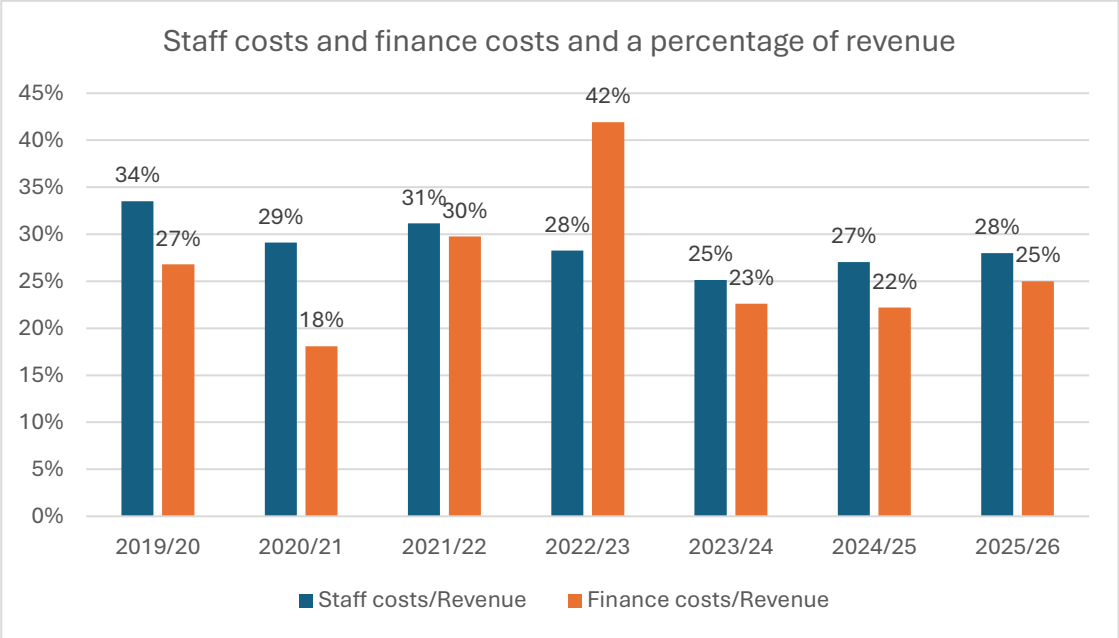
RMT expects a settlement above RPI for November 2026 (published December 2026). RPI stood at 3.4 per cent in August 2026, and independent forecasters expect it to average 4.2 per cent in the last quarter of 2026.

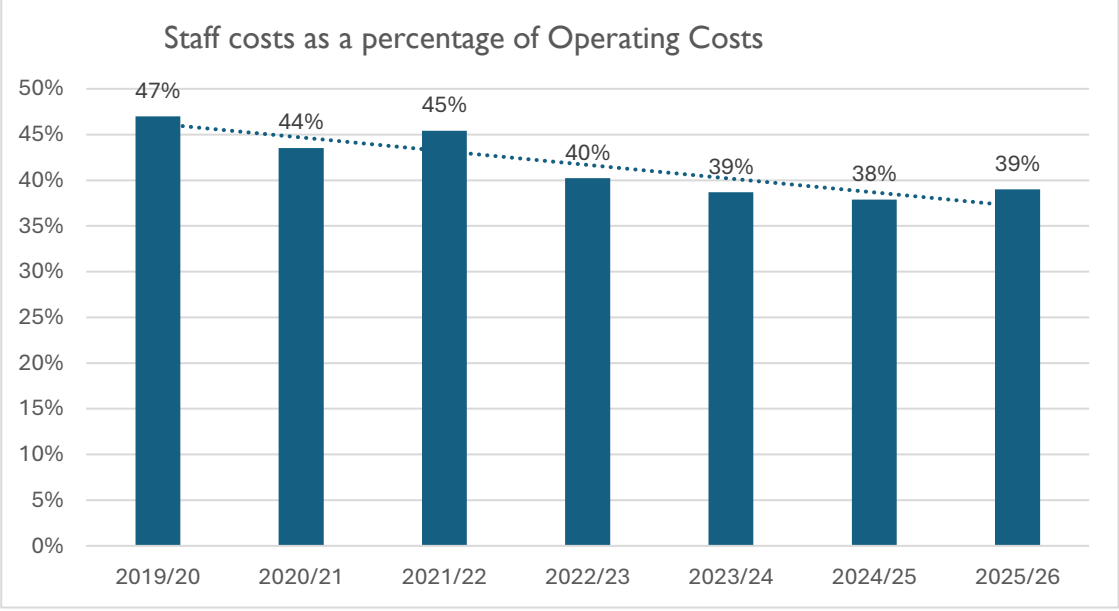
No strings. Passenger kilometres rose 4.8 per cent (64.6bn to 67.7bn) while average headcount rose 2.5 per cent. Output per employee rose to about 1.6 million passenger kilometres. Network Rail staff are already delivering increased productivity. The waste and inefficiency is located in its supply chain. The 2026 settlement contained no efficiency or productivity conditions. Pay for 2027 must be agreed on the same basis: the efficiencies above are already being delivered by the

workforce. If Network Rail seeks a multi-year deal, each year must carry an RPI floor, with the above-RPI element on top, with the minimum underpin.

Network Rail's spending on staff has fallen historically as a proportion of revenue and expenditure

The amount that Network Rail spends on its staff has fallen historically as a proportion of revenue and operating costs. Network Rail is regularly spending as much if not more on financing its debt than it does on staff.





Source: Network Rail Annual Reports

The amount that Network Rail spends on staff as a percentage of operating costs has fallen from 47% in 2020 to 39% in 2026.

Network Rail can afford it

Network Rail itself described the 2026 settlement, which was RPI linked and contained no productivity strings, as "fair, affordable and provides certainty for our colleagues". Total employee costs in 2025/26 were £3,274m in 2025/26. Allowing for the full-year effect of last year's 3.8 per cent award, each 1 per cent on the entire Network Rail pay bill costs about £20 million, as quoted in the 2026 negotiations.

For scale, Network Rail claimed to make efficiencies of £614 million last year. This highlights the significant issue of waste in Network Rail's supply chain in particular.

- Network Rail's own regulatory reports consistently identify cost rises associated with contracting in their analysis of financial inefficiency in renewals delivery.
- The Competition and Markets Authority report into Network Rail's procurement, published in May 2026, concluded that "The evidence on costs and benefits of subcontracting, considered in the round, suggests that there are a number of disadvantages to the market operating in this way, including the **additional coordination challenges it creates, the accumulation of multiple margins and overheads along the supply chain potentially leading to higher overall costs, and the difficulty in ensuring a consistent culture and high standards across all project participants."** The CMA also noted that Network Rail was well aware of this, stating that "**Network Rail told us that subcontracting creates multiple layers of overheads and profits**." The Transpennine Route Upgrade being one of latest examples.
- The Office of Rail and Road found that Network Rail's renewals productivity, measured as effective volumes (i.e. linear kilometres renewed) delivered per million pounds of expenditure, declined by between 20% and 25% for most asset types considered across Control Period 6 (April 2019 to March 2024).[1] The ORR has also recommended that "**Increasing the volumes delivered inhouse could help to bring down unit rates and improve quality,** through upskilling staff, and optimising designs and delivery methods."[2]
- A report by the Institute of Civil Engineers which analysed the use of these supply chains indicated that "in total the management costs, overheads and transaction costs could be as much as 50% of the final price paid by the owner to the contractor."[3]
- Network Rail spent £3.6 billion on its supply chain through renewals activity last year. Taking a conservative 30% figure for the amount consumed by overheads and profit among the tiers of its supply chain, it could **save £1.1 billion from its renewals** spending through insourcing and delivering more work in-house.

A minimum flat-rate increase for the lowest paid

Equal percentage awards widen the cash gap between grades, while the lowest paid spend the largest share of income on essentials. On the salaries in Table 1, the 3.8 per cent award for 2026 was worth about £1,110 to a Technician and £2,260 to a SSM (Signaller 10).

[1] ORR (2025), Report on rail industry productivity, pp29-30.
[2] https://www.orr.gov.uk/sites/default/files/2026-07/review-of-network-rails-delivery-plan-update-rf11-financial-year-2026-key-findings-letter-and-report.pdf, p. 6.
[3] https://www.ice.org.uk/media/jikn5bxo/ice_report_v6_22_03_17_pages_digital.pdf, p. 14.

Network Rail has accepted this principle before: the 2022–23 settlement gave the lowest-paid grades 14.4 per cent against 9.2 per cent for the highest paid. RMT seeks a guaranteed minimum flat-rate increase underpinning the percentage award.

Allowances and Role Clarity Bands 5–8

All allowances are part of the pay package and must rise at least in line with the percentage award. London and South East allowances have fallen well behind housing and travel costs and should rise substantially.

Since Role Clarity was created in 2002, band maximums have rarely been lifted. By 2027 there has been at least a 14-year freeze. RPI rose 61 per cent between 2013 and 2025, so the band maximums have lost 38 per cent of their real value.

Members whose incremental progression takes them above the maximum receive the excess as non-consolidated "ex gratia" pay. It does not count towards pension, enhanced overtime rates or future consolidated awards. RMT seeks higher band minimums and maximums and consolidation of ex gratia payments into basic pay.

2. No compulsory redundancies and a new Job Security Agreement

RMT seeks a guarantee of no compulsory redundancies to at least the end of Control Period 7 (31 March 2029), carried through the transfer to Great British Railways. The 2026 settlement included a no compulsory redundancy guarantee until 31st January 2027; it must be extended, not allowed to lapse at the point of greatest change.

Network Rail's chief executive describes the industry as preparing for "the biggest change in a generation". The pressures on jobs are real and documented:

- **Great British Railways.** The Railways Bill was introduced on 5 November 2025 and is now in the House of Lords. The Government expects GBR to be operational about 12 months after Royal Assent, which places the transfer inside this pay round or the next.
- **Integration is already happening.** Three integrated railways (South Eastern, South Western and Anglia) now place Network Rail routes and train operators under single managing directors.
- **Efficiency pressure.** In January 2026 up to 2,000 jobs, mainly in junior management grades, were reported to be at risk as Network Rail pursues its Control Period 7 efficiency target. That target has since been raised from £3.9bn to £4.1bn.

The skills and experience of the existing workforce are what will make GBR work. Losing them through compulsory redundancy during the transition would be a false economy and a safety risk.

A new Job Security Agreement

RMT calls for a Job Security Agreement that builds on the principles of PTR&R and provides for:

1. Training and upskilling of existing staff, so Network Rail retains their experience and can redeploy where necessary.
2. Principles for redeploying people between roles across Network Rail, GBR and the wider rail industry.
3. A National Joint Placement Panel with the trade unions, to support the redeployment of all displaced employees using existing agreements.
4. Extension of PTR&R protections to all roles within the RMT bargaining group.
5. A transfer guarantee: staff moving to GBR or an integrated railway transfer with their terms and conditions, collective agreements, PTR&R rights, Railways Pension Scheme membership and negotiating machinery intact, with no detriment arising from integration.

3. Abolish Performance Related Pay bonuses

PRP rewards senior managers for results the whole workforce delivers, pays out when core targets are missed, and has been used against union members. RMT demands its abolition and the money reinvested in pay for all grades.

Who benefits

- The Government's high earners list (at 30 September 2025) names 74 Network Rail officials paid £170,000 or more, with combined pay of about £17.6m.
- Four of the five regional managing directors are paid between £375,000 and £395,000.
- Executive directors can earn PRP of up to 100 per cent of salary: that was the Chief Financial Officer's maximum in 2025/26, when he received £115,000 in PRP. The Chief Executive received £47,000.
- Executive directors also received an annual pay award linked to the Consumer Prices Index under their management agreement.
- By comparison, the median salary in Network Rail's own pay ratio disclosure was £50,690 in 2025/26.

Bonuses paid when targets are missed

Network Rail's national scorecard paid out at 94.1 per cent for 2025/26. Yet on the measures passengers care about most, the targets were missed:

Measure	2025/26 target	2025/26 actual	Result
Punctuality (Time to 3)	85.0%	84.8%	Missed
Network Rail-caused cancellations	1.52%	1.83%	Missed
Workforce fatalities and weighted injuries	0.063	0.069	Missed

The travelling public expects running trains on time, and keeping the workforce safe, to be core duties of every executive. They should not be vehicles for bonuses.

PRP used against union members

In previous pay rounds Network Rail withheld PRP from RMT members who took part in lawful industrial action, this penalised members for exercising their right to associate and take part in trade union activity. It also breached Network Rail's own scheme rules by withholding pay for a year in which no action was taken this needs to be remedied.

The law is catching up. Draft regulations under the Employment Rights Act 2025, due to take effect on 30 October 2026 if approved by Parliament, prohibit subjecting workers to a detriment for taking protected industrial action. They close the gap identified by the Supreme Court in *Mercer* (2024), and less favourable treatment on pay or incentives is expected to be covered. Any repeat of the PRP exclusion would be open to legal challenge.

What RMT seeks

1. Abolition of the PRP scheme, with its value consolidated into basic pay for all grades.
2. A written guarantee that no PRP will be withheld or reduced because of participation in lawful industrial action and the remedy to those who suffered previous.
3. Disclosure of the total PRP paid for 2025/26, broken down by band.

4. An Agreed Insourcing Strategy

As we saw above, there is growing recognition that Network Rail's use of sub-contracting to deliver its renewals work - and an increasing amount of maintenance work - is wasteful, inefficient, imports extra cost into the organisation and delivers worse quality outcomes.

The Competition and Markets Authority, while defending sub-contracting as per its remit, amasses substantial evidence to show that it is a substantial driver of cost in infrastructure projects. Indeed, they maintain that it is more significant than the impact of inflation: 'While external factors such as cost inflation, weather or unforeseen ground conditions can also lead to higher than anticipated costs, the evidence suggests that these are less important than issues with the procurement process – and also less controllable'.

The ORR has also noted that insourcing more of its work would drive down unit cost rates and improve the quality and coordination of work. And as we have seen, Network Rail themselves understand the way that profits and overheads are driving costs up.

RMT believes that insourcing more of its work in renewals and rebuilding maintenance delivery units would drive down costs, free up savings to be reallocated and allow for improved quality and productivity through greater management control, accumulation of knowledge and skill and improved training.

We reiterate our demand for:

1. Insourcing of the Network Rail Facilities Management contract, currently held by Mitie, as a priority when it expires in July 2027.

2. Agreement to convene a joint working party to develop an insourcing strategy for Network Rail Renewals and other area, with agreed terms of reference, to report by 1st April 2027.

Annex: how the figures were calculated

- **2021 salaries** are those used in RMT's 2026 claim.
- **Network Rail awards** are the headline percentages: 5% (2022), 4% (2023), 4.5% (2024), 3.6% (2025) and 3.8% (2026). Compounded, they total 22.7%. The 2026 award was confirmed in Network Rail's letter of 23 January 2026 (ref IR/EB/0001a/26), with salaries uplifted and back pay paid in March 2026. Every 2026 figure in this claim includes it.
- **RPI** uses ONS annual averages (series CHAW): 2021 305.0; 2022 340.3; 2023 373.3; 2024 386.7; 2025 402.7.
- **Lowest-paid grades.** The 2022–23 settlement gave the lowest-paid grades 14.4% over two years, more than the 9.2% headline used in Table 1. Even on that basis, the lowest paid remain about 6% behind RPI in 2026.
- **Role Clarity bands.** RPI annual average 250.1 in 2013 against 402.7 in 2025: a rise of 61%.
- **Paybill.** Total employee costs of £3,274m in 2025/26 include only three months of the 2026 award (taken as effective from 1 January 2026). Adding the remaining nine months of the 3.8% uplift gives about £3,367m; 1% of that is about £34m.
- **Output per employee.** 67.7bn passenger kilometres divided by 42,378 average full-time equivalent employees gives 1.60m (2024/25: 64.6bn and 41,331, giving 1.56m).
- **High earners.** Sum of the band midpoints for the 74 Network Rail entries at £170,000 or more.

Sources

All consulted 9 October 2026.

- Network Rail Annual Report and Accounts 2026: quotes (pp. 7–9, 16), year in numbers (p. 18), scorecard (pp. 21–24), CFO review (pp. 28–32), directors' remuneration (pp. 144–153), employee costs (note 6). Crown copyright, Open Government Licence v3.0.
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- Personnel Today, Rail disputes end as RMT members vote in favour of pay offer (4.5% award)
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Daren Ireland

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27th October 2026