

Investigation into rail pay reveals surprising results

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The Office of Rail and Road (ORR) has commissioned independent consultants to investigate where rail employment costs sit alongside market comparators.

The study of 64,459 rail workers compared pay and total rewards – including pension costs and other measurable benefits – and found that in some areas of the industry, pay and conditions are favourable when compared with the wider market.

The analysis – [which can be read in full here](#) – discovered that the total reward at Network Rail falls largely within market rates (+/- 10%), with the exception of maintenance staff. Their total reward is 18% above the market median.

The report highlighted that variations of greater than +10% (of total pay relative to that for comparators) are regarded as being ‘above market’, greater than -10% are regarded as being ‘below market’, and variations within +/-10% are regarded as being ‘in line with market’

Head office staff and operations cover broad categories, however certain numbers of these roles at Network Rail also sit outside market rates. For some job categories the result is sensitive to whether the data examines the total rewards package or just pay. Over 20,000 Network Rail staff were included in the analysis, including 108 key roles. This is equivalent to 785 of the payroll records provided, or 48% of the total workforce.

Outside of Network Rail, total packages at passenger train operators are also largely within market figures, apart from station staff who are paid 12% above the market median, and operational management who are paid 11% below. Again, for some job categories the result is sensitive to whether looking at total reward or just pay. The TOCs included in the study were Avanti West Coast, c2c, CrossCountry, East Midlands Railway, Govia Thameslink Railway, Great Western Railway, Greater Anglia, London North Eastern Railway, Merseyrail, Northern Trains, ScotRail, South Western Railway, Southeastern, TransPennine Express and West Midlands Trains. London Overground, MTR Crossrail and Transport for Wales Rail declined to participate in the study. Of those included, the data analysed included that of 44 benchmark roles, covering 43,649 employees in total, which represented approximately 77% of the 16 participating TOCs' combined workforce or 70% of the entire TOC workforce.

Will Godfrey, director of economics, finance and markets at the ORR, said:

“We were asked to undertake this study in the white paper on rail reform. And I'd like to thank all the companies who participated. It is a good first step in improving transparency.

“The complexity of rail pay arrangements can make it difficult for companies to produce data and to also make comparisons on a consistent basis. Particularly when the study depends on being able to find suitable comparators for rail jobs, which is easier for some types of jobs than others. “The findings have identified areas where train operating companies and Network Rail can undertake further analysis of pay structures. We will now consider in consultation with industry the scope to update and refine this dataset.”