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General Secretary (interim)
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cc. Luke Chester, Organising Director

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Ref: IR/LB/050/22

04 December 2022

Dear Frank

Best and Final Pay Offer to Controller grades and those covered by the National Maintenance Council and the National Operations Council, including Bands 5-8

Further to extensive talks which have taken place with the National Maintenance and National Operations Councils, Network Rail is in a position to make its best and final offer. This offer is made subject to the following conditions: (i) that the full offer is presented to staff through a referendum conducted without a recommendation to reject, acknowledging it has been stated that this is the best offer that can be achieved through negotiation; and (ii) that all forms of industrial action as notified to take place during December and January are cancelled by 06:00 Tuesday 06 December 2022; and (iii) no further dates are notified during the referendum. On acceptance, this offer shall exhaust and resolve the current dispute (as notified to the Company in April 2022) and no further industrial action shall be taken in respect of the current dispute. This offer will be automatically withdrawn if these conditions are not satisfied.

Productivity items have been discussed by representatives of controller grades, National Maintenance and National Operations Councils and are detailed in the enclosed appendices (as applicable to the staff you represent); implementation of these items enables the following two-year pay offer to be made. Full details are itemised in Appendices A, B and C.

The best and final offer to controller grades and those covered by the National Maintenance Council and the National Operations Council, including Bands 5-8 is as follows:

Pay 2022

- A minimum uplift of a consolidated £1,750 or a 5 % increase (whichever is greater) up to a maximum uplift of £3,500 to the annual base rates of pay effective from 01 January 2022.
- Back pay for annual base pay, shift, and overtime, will be paid on the first possible pay day following acceptance of this offer

Pay 2023

- 4 % increase to the annual base rates of pay effective from 01 January 2023

Next review Pay review

- The next pay anniversary will commence on 01 January 2024

No Compulsory Redundancy

- No compulsory redundancies for controller grades, general grades and bands 5-8 until 31 January 2025
- Voluntary redundancy scheme to be opened to Section Planners and Section Admin before 31 March 2023

Privileged Staff Travel

- Discretionary privileged leisure travel which provides a 75 % discount on all leisure travel and includes family members.

Season ticket subsidy

- The season ticket subsidy cap of £2,750 will be removed and a discount of 75 % uncapped will be applied for the total cost of the season ticket

Colleagues on Role Clarity contracts:

- The usual practice of using performance ratings to distribute pay increases will not be applied for 2022 or 2023
- We will revise the top and bottom of the salary bands by the percentage increases offered.
- For colleagues who have reached the maximum of the revised salary band, any difference will be made as a one-off, non-consolidated payment

Colleagues paid £24,000 or below (excluding Apprentices)

- £250 uplift to employees who currently earn £24,000 pa or less in base pay for FY21 financial year, this will be backdated to 01 January 2021
- Any employee that earns above £24,000 but earns below £24,250 will be levelled up to £24,250. For example, an employee on £24,150 will have their salary increased to £24,250

Apprentice Pay

- An uplift to £19,838 per annum or the percentage base pay uplift (whichever is greater) for Year 1 for company-wide apprentices, back dated to 01 April 2022
- £22,814 per annum for Year 2 & 3 Maintenance Apprentices only, back dated to 01 April 2022

Maintenance & Works Delivery (Construction Services) Standard Contract

- For colleagues employed on a contract other than IMC 25 Carillion/GTRM:
 - One-off voluntary opt-in window (dates to be confirmed) for Operatives/Technicians/Team Leaders to transfer to the equivalent standard (IMC 25 GTRM/Carillion) contract
 - On promotion, current Operatives/Technicians to be offered choice of the standard (IMC 025 GTRM/Carillion) contract or next grade IMC contract applicable to them.
 - The decision to move to or accept on promotion the IMC 25 Carillion/GTRM contract is final and colleagues will not be able to transfer to, nor be offered the choice of any other IMC contract on promotion, subsequently.
- Company to review and discuss standardisation of contracts for Section Supervisor / Section Manager grades to preserve the principle of salary differentials within the line of promotion

Selling leave


- Colleagues will be able to sell up to 10 days maximum of annual leave from their 2022 annual leave allocation that has been carried over to 2023.

Attendance and Sickness Absence Management Policy

- Network Rail will implement a new standardised attendance and sickness absence management policy to replace all other policies, effective from 01 April 2023.
- The absence triggers and warning stages will be standardised across employees in controller grades and those covered by the National Maintenance Council and the National Operations Council, including Bands 5-8 – See Appendix C.

I look forward to receiving your acceptance of this offer.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Shoveller', with a stylized, cursive script.

Tim Shoveller

Regional Managing Director, North West and Central

Encls

Appendix A Schedule of Productivity items: Operations

Appendix B Working Arrangements ("WA") Maintenance and Works Delivery
(Construction Services)

Appendix C Attendance and Sickness Absence at Work

APPENDIX A: SCHEDULE OF PRODUCTIVITY ITEMS - OPERATIONS

SIGNALLERS, AND SUPERVISORS	
Job Security	1. National principles for bands 5 to 8 (<i>the people process</i>) agreed and communicated
Recruitment and training	<ol style="list-style-type: none"> 1. The re-introduction of a 6-month probationary period for new starter contracts. All roles that require training to be given a second opportunity to complete training if not successful first time around, if this second opportunity extends beyond the 6-month probationary period that probationary period will be extended in line. 2. Fixed term contracts will not be used to cover signalling/supervisory grades, unless agreed at National Operations Council. 3. Standardised training salaries for external new starters to signalling roles: <ul style="list-style-type: none"> ○ During initial IST training the training salary will be at grade 2. On completion of IST training and when location training commences on a panel / workstation, the individual will move to grade 4 (unless it is a lower graded post that they are training for). ○ Upon passing competent for first workstation/panel commitment to keep employee off the base roster until full required competency is achieved unless cover is required or as part of agreed training plans. 4. Revised notice periods: <ul style="list-style-type: none"> ○ 4 months' notice from the employee to the company after 5 years' service ○ 4 months' notice from the company to the employee after 5 years' service ○ Birmingham New Street dispatchers remain unchanged 5. New hires to be hired into a general geographical area as consulted at Route council. There will be no demotion because of this. 6. Ability to hire comparable roles without readvertising. Where a post has been advertised and filled, should a similar post (same grade, same location) become available within 18 weeks of the original post being advertised. 7. Ability to hire post from candidate pools. Where there is a sufficient quality pipeline of candidates in an appropriate location, we hire directly from this list without advertising, within 18 weeks of advertising as in the above point. 8. Reintroduction of the 52-week rule for new entrants (and for those

	<p>that have joined within the last 12 months), so that the individual cannot move to a new post within the year of their appointment (consideration will be given to exceptional circumstances).</p> <p>9. For existing employees, the introduction of a 26-week rule so that the individual cannot move to a new post within 26 weeks of their appointment, (consideration will be given to exceptional circumstances).</p> <p>10. Employees to be released within 4 months of appointment into a role unless mutually agreed.</p>
Flexibility	<p>1. Introduction of employer justified retirement age to match state pension age. The details of how this will be phased in and over what period, etc. will be discussed with the trades unions, for agreement by end 2023.</p> <p>2. Internal mobility – affording displaced employees from other disciplines the opportunity to appreciate signalling roles so that they can consider applying for these.</p> <p>3. Mobile Operations Managers will respond to support incidents on adjoining areas, where competent to do so and in line with the MOM role-based manual.</p> <p>4. Secondments:</p> <p>a) Secondments from Sig / Sup roles to Sig / Sup roles to cease and HGD to be used.</p> <p>b) Secondments from non Sig. / Sup. roles to Sig. / Sup. cease unless circumstances agreed at Route council. Graduate placements to continue as normal.</p> <p>c) Sig. / Sup secondments to non Sig. / Sup roles to continue as part of career development.</p>
Competence Management	<p>1. Competence evidence acquisition & demonstration in Railsmart EDS– evidence based linked to progression and promotion.</p> <p>2. A proactive approach to managing own competence by providing evidence and incorporate this competence evidence into the recruitment process.</p>
Signalling technology	<p>1. The mandated adoption of traffic management, but with the agreement that only a signalling competent person will have with the authority to change the path of live trains within a defined window of time.</p>
ELECTRICAL CONTROL OPERATORS (ECO)	
	<p>1. Revised notice periods:</p> <p>a. Notice period of 4 months from employee after 5 years' service, employees will receive 4 months' notice from company after 5 years' service.</p> <p>2. The reintroduction of a 6-month probationary periods into new starter contracts - All roles that require training to be given a second opportunity to complete training if not successful first time around, if this second opportunity extends beyond the 6-month probationary period that probationary period will be extended in line.</p>

3. Introduction of employer justified retirement age to match state pension age. The details of how this will be phased in and over what period, etc. will be discussed with the trades unions, for agreement by end 2023.
4. The mandated adoption of technology that is fit for purpose.

MANAGED STATIONS

1. Engagement with managed stations intervention on Southern Region & Anglia Route
2. New and improved Managed Stations contract
3. New operating model design

BANDS 5 TO 8

1. Agreement of National Principles for bands 5 to 8 (the people process) agreed and communicated.

CONTROLLERS GRADES

1. Revised notice periods:
 - a) 4 months' notice from the employee to the company after 5 years' service
 - b) 4 months' notice from the company to the employee after 5 years' service
2. The re-introduction of a 6-month probationary period for new starter contracts. All roles that require training to be given a second opportunity to complete training if not successful first time around, if this second opportunity extends beyond the 6-month probationary period that probationary period will be extended in line.
3. Introduction of employer justified retirement age to match state pension age. The details of how this will be phased in and over what period, etc. will be discussed with the trades unions, for agreement by end 2023.
4. Competence evidence acquisition & demonstration – evidence based linked to progression and promotion:
 - a) A proactive approach to managing their own competence by providing evidence and incorporate this competence evidence into the recruitment process.
5. The mandated adoption of traffic management, but with the agreement that only a signalling competent person will have with the authority to change the path of live trains within a defined window of time.

SIGNALLERS, SUPERVISORS, ECO AND CONTROLLERS

Employees who are stood down from duty for any circumstances other than for disciplinary matters, for more than 12 weeks, will from the 12th week, be paid against their base roster and not sick pay, where certified as fit by their GP but not by Occupational Health.

- Rostered Sundays in their base roster: these will also be paid along with any night premium.
- For those without rostered Sundays in their base roster: an average will be taken of the Sundays and any night premium worked by the individual in the 12 weeks

when last in work prior to being stood down, and this will be paid together with any flexibility premium.

Where an employee has had the Occupational Health referral and is still unfit for work following this, (or fit with restrictions that we cannot accommodate with reasonable adjustments), then they would be treated as sick (as per the DWP guide) and their existing sick pay from their original sickness will continue.

**APPENDIX B: WORKING ARRANGEMENTS (“WA”) MAINTENANCE AND WORKS
DELIVERY (CONSTRUCTION SERVICES)**

Maintenance appendices to follow

APPENDIX C: ATTENDANCE AND SICKNESS ABSENCE AT WORK

- Network Rail will implement a new attendance and sickness absence management policy to replace all other policies, effective from 01 April 2023. The policy will focus on supportive and early interventions.
- The absence triggers will apply to controller grades and those employees covered by the National Maintenance Council and the National Operations Council, including Bands 5-8 for fairness and consistency (see table below).
- A rolling 12-month sick pay period will be implemented, from 01 April 2023; there is no change to entitlement to contractual sick pay.
- There will be joint training for Managers and trade union representatives on the new attendance and sickness absence management policy, which will begin from March 2023.

Note that sick pay benefit and how it is accrued will not be changed in this proposal.

Standardised Absence Triggers and Warning Stages are below:

ABSENCE TRIGGERS	<ul style="list-style-type: none"> • 3 instances or more of sickness absence or any 7 days or more of sickness absence within a 13-week period or; • 6 instances or more of sickness absence or any 14 days or more of sickness absence within a 52-week period.
STAGES <i>(as per ACAS guidelines)</i>	<ul style="list-style-type: none"> • Stage 1: Informal stage • Stage 2: Possible action: First written warning • Stage 3: Possible action: Final written warning • Stage 4: Possible action: Dismissal