

**General
Performance
Related
Pay Scheme**

2019 / 2020

Contents

Page	Section
3 & 4	General Performance-Related Pay Introduction
5	Who can participate and potential awards
	Dashboards
6	How the scheme works
6 & 7	Examples of how the scheme works
8	General Performance-Related Pay calendar
	Review of overall performance
9 & 10	General Performance-Related Pay rules

General Performance-Related Pay Introduction

Colleagues are able to share in Network Rail's success through the General Performance-Related Pay scheme.

It is our role to deliver a safe, reliable, efficient and growing railway that delivers for Network Rail's customers and meets the needs of the passengers and freight businesses.

For 2019/20, General Performance-Related Pay has changed to reflect feedback around the complexity of the scheme and passenger satisfaction not being fully reflected in the previous measures.

The performance measures have been simplified into a national dashboard of output focused

measures, which more effectively reward delivery. Reducing the number of measures enables sufficient weightings to each measure so that it is significant enough to reward success.

The new dashboards are designed to bring together the priorities of our customers, passenger satisfaction, our financial performance, efficiency and, of course, our continued prioritisation of safety.

The new measures give an appropriate weighting to passenger satisfaction by combining; train performance, the National Rail Passenger Satisfaction (NRPS) measure and passenger safety (measured through Train Accident Risk Reduction (TARR)), demonstrated in the table below.

Measure	Weighting %	Passenger Satisfaction	Safety	Financial	Other
Fatalities and Weighted Injuries (FWI)	10%		10%		
Train Accident Risk Reduction (TARR)	10%	10%			
Public Performance Measure (PPM)	15%	15%			
Freight Delivery Metric (FDM-R)	5%	5%			
National Rail Passenger Satisfaction (NRPS)	20%	20%			
Financial Performance Measure (FPM)	20%			20%	
Investment Milestones	10%				10%
Composite Reliability Index (CRI)	10%				10%
Employee Engagement*	0%				0%
Total	100%	50%	10%	20%	20%

*Employee Engagement is zero weighted for 2019/20, the engagement index from the 2019 Your Voice survey will be used as a baseline for the target for future years.

The National Rail Passenger Satisfaction (NRPS) measure will be a single national measure for all colleagues, to recognise that passengers move across our routes and regions and to encourage cross region working. This supports Network Rail's focus on Putting Passengers First.

Performance against these measures will be reported each period to enable us to continuously improve performance as we work to achieve our targets; performance updates can be found on [MyConnect](#).

At the end of the financial year, our performance against the targets (which we call the dashboard out-turn) is reviewed by key internal and external stakeholders before being communicated to colleagues.

For colleagues working in the regions and property function, the payment amount available will depend on the out-turn of the specific region or property dashboard.

The General Performance-Related Pay scheme is designed to:

- Reward colleagues for achieving national and where appropriate, regional targets
- Link the interests of colleagues to those of Network Rail and its stakeholders and customers
- Reinforce the company strategy and key goals of putting passengers first
- Provide an incentive to improve results and the company's performance.

Who can participate and potential awards

General Performance-Related Pay applies to colleagues on a Network Rail contract paid through payroll in the following grade/band:

Who is eligible	Target Performance Award (dashboard targets achieved)	Maximum Performance Award
Role Clarity Band 5-8 All operations and maintenance employees including <ul style="list-style-type: none"> • Signallers • Supervisors • Electrical Control Room Operators • Controllers • Managed stations employees • Maintenance employees unless covered by other performance-related pay arrangement Employees who join under TUPE, unless covered by other performance-related pay arrangement	£750	£1,500

Dashboards

For General Performance-Related Pay, Network Rail is moving from route/region/function scorecards to a new dashboard with a set of output focused measures. The national dashboard has been designed to ensure our customers and, through them, our passengers are at the heart of how we operate.

Our regional dashboards include measures which match each regions' responsibilities along with universal measures such as safety and financial performance. To view the dashboards or to find more information, visit [MyConnect](#).

- The performance measures on the dashboard are calculated independently.
- No payment will be made in respect of any

performance measure which fails to exceed the minimum level of performance (worse than target threshold).

- Achievement between the minimum performance level and the target performance level will be calculated on a pro rata basis; as will achievement between the target performance level and the maximum.
- Evidence of under reporting against safety would result in the outcome of the safety measures being reviewed and reducing performance accordingly, including potentially to zero.

How the scheme works

In line with Putting Passengers First non region-based colleagues will be incentivised on national performance only (**100 per cent national**).

For regions, the local weighting has increased from 60 per cent regional and 40 per cent national to **70 per cent regional and 30 per cent national** to recognise the national NRPS measure on each regional dashboard.

Property will have their own dashboard and the weighting remains unchanged at **60 per cent property and 40 per cent national**.

Local scorecards will still be used to manage business performance at a local level, but they will not be linked to General Performance-Related Pay.

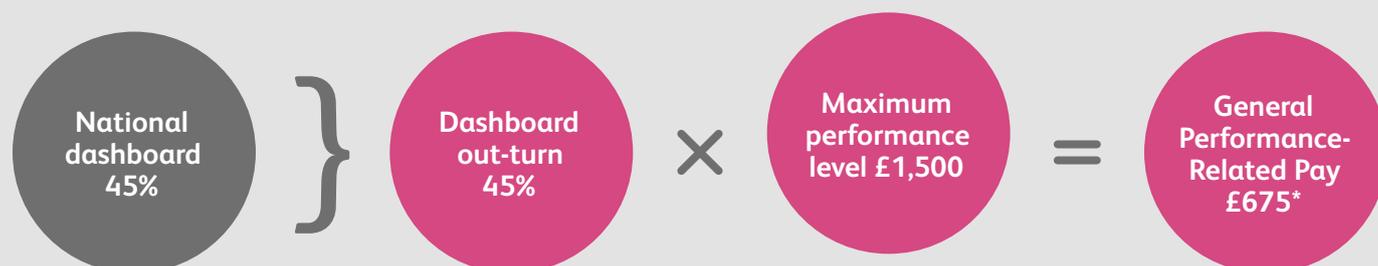
For 2019/20, there have been significant changes to our business, therefore the scheme will award any payments based on the business area you are working in on 31 March 2020.

Examples of how the scheme works

For colleagues aligned to the **national dashboard** the figure below demonstrates how General Performance-Related Pay is calculated:



Example based on a national dashboard out-turn of 45%:



*£675 General Performance-Related Pay (before any deductions due to scheme rules)

(Continues on next page)

Examples of how the scheme works

(Continued from previous page)

For colleagues aligned to the **regional dashboard** the figure below demonstrates how General Performance-Related Pay is calculated:



Example based on a regional dashboard of 40%, a national dashboard out-turn of 50%;



*£645 General Performance-Related Pay (before any deductions due to scheme rules)

For colleagues aligned to the **property dashboard** the figure below demonstrates how General Performance-Related Pay is calculated:



Example based on a property dashboard of 60% and a national dashboard out-turn of 45%;



*£810 General Performance-Related Pay (before any deductions due to scheme rules)

General Performance-Related Pay calendar

1 April 2019 to 31 March 2020 Scheme Year

Pre April 2019	Performance targets for the year are agreed for national, regions and property by Finance and the business
Ongoing	Performance is measured against targets throughout the scheme year Performance against dashboards are published on MyConnect. Performance results will be published at the end of the performance period
June/July 2020	Performance results finalised General Performance-Related Pay approved (see review of overall performance) Results are communicated to colleagues and published on MyConnect
July/August 2020	General Performance-Related Pay paid to eligible colleagues, if applicable

Review of overall performance

Network Rail faces a challenging CP6 settlement and therefore needs to be far more disciplined in how it spends tax payers' money. For this reason, poor financial performance will result in reduced performance related pay and potentially no payment i.e. if financial performance is below 'worse than target performance', the outturn will be reduced on a sliding scale down to zero if financial performance is 'twice worse than target'. Network Rail also retain the right to reduce or withhold payment in the event of a significant safety incident.

The nomination and remuneration committee will review the results of the dashboard at the end of the scheme year and will consider all factors, including overall business performance and safety. The nomination and remuneration committee may then reduce/increase the overall payment to take account such factors. Further approvals from internal and external stakeholders are required before the final dashboard results can be announced.

General Performance-Related Pay rules

The General Performance-Related Pay scheme does not form part of your contractual terms and conditions. Colleagues will be eligible to receive payment in accordance with the following rules:

Category	Type	Description
General	Scheme year	The scheme year is 1 April 2019 to 31 March 2020.
Payment	Payment date	Payment date will be announced after 31 March 2020 once the outcome against performance measures has been finalised. Payment to qualifying leavers will be made at the same time as they are made to existing employees.
	Tax, National Insurance and Pensions	Payments under the scheme are subject to statutory deductions and are not pensionable.
	Eligibility	Poor financial performance will result in reduced performance related pay and potentially no payment i.e. if financial performance is below 'worse than target performance', the outturn will be reduced on a sliding scale down to zero if financial performance is 'twice worse than target'. Network Rail also retain the right to reduce or withhold payment in the event of a significant safety incident.
New joiners, changes to business area & part time working	New joiners	If you join on or before 31 December 2019 you will qualify for a pro rata payment based on the number of calendar days employed in the scheme year. If you join after 31 December 2019 you will not receive any General Performance-Related Pay payment for the 2019/20 scheme year.
	Changes to business area	Due to the Putting Passengers First programme and the significant number of changes to data during the scheme year, for 2019/20 any total payment will be based on the business area you are in on 31 March 2020.
	Part time working	Payments will be calculated on a pro rata basis based on the weekly full time equivalent contractual hours for the role and your number of contractual hours. In the event your hours change during the scheme year, payments will be calculated on a pro rata basis based on the number of calendar days for each set of contractual hours.
Absence	Absence from work	If you are absent for 28 or more calendar days your participation in the scheme will be maintained, however your payment will be subject to a deduction based on the total number of calendar days you have been absent for. If you are absent due to maternity, adoption, paternity, parental leave or shared parental leave, the first 28 calendar days will not form part of the reduction. If you are absent due to jury service, volunteer leave, or Territorial Army leave, this will not trigger an absence reduction. If you consider that you have a disability that may cause absence from work that should not be considered as part of the General Performance-Related Pay deduction, please refer to the reasonable adjustment policy. If you take a career break, your payment will be subject to a deduction based on the total number of calendar days that you have been on a career break for.
Individual performance	Performance & disciplinary	Participants who receive a formal disciplinary warning in the scheme year will not receive a payment.
	Industrial action	The underlying principle of the scheme is to reward employees for the achievement of the company's performance targets. Therefore, if you take part in any industrial action during the performance period you will no longer be eligible to participate in the scheme and you will not receive any General Performance-Related Pay.

(Continues on next page)

General Performance-Related Pay rules

(Continued from previous page)

Category	Type	Description
Leavers	Terminations of employment (e.g. resignations, any retirement and dismissal)	You are only entitled to a payment if you are in Network Rail's employment on 30 June 2020.
	Ill health severance & death in service	If you have left employment due to ill health or severance, you or your nominees will be eligible to receive a payment. Any payment made will be pro-rated based on the number of calendar days employed in the scheme year. This also applies in the case of employees who have died in service.
	Redundancy (including voluntary severance)	If you leave under redundancy, voluntary severance or TUPE transfer you are eligible to receive a payment. Any payment made will be pro-rated based on the number of calendar days you were employed in the scheme year.