

Evening Standard

Rail chiefs get £300,000 NOT to find other jobs

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03 July 2012

Three Network Rail bosses are to each receive “golden handcuff” payments of £300,000 to stop them being poached by rival firms.

They are among five directors who are to share a £1.7 million pot in 2014, which will see them paid bonuses of 30 to 60 per cent of salaries that are between £360,000 and £560,000.

News of the bonuses sparked outcry today, three weeks after the company was condemned by the controlling Office of Rail Regulation (ORR) for having missed many punctuality targets last year.

Manuel Cortes, leader of the TSSA transport union, who leaked a Network Rail letter setting out the bonus payments, said: “These people must be living on Planet Zog if they do not understand the public’s outrage over unjustified bonuses.

“Where have they all been for the past three years while the public and politicians have all repeatedly said they have clearly had enough of fat-cat bonuses?”

“Whatever happened to the idea of public service in Britain? David Higgins [Network Rail’s chief executive] already earns four times more than the Prime Minister. I would have thought that was more than enough. These people just don’t get it, do they?”

Less than six months ago, Justine Greening, the Transport Secretary, stopped an even more generous scheme amid growing passenger and taxpayer anger over bonus payments at the company which depends on a £4 billion public subsidy.

In February, Sir David Higgins — who is expected to collect a £340,000 bonus — and five of his senior bosses, waived their bonus payments and decided to rethink a future remuneration scheme, a decision that Ms Greening said was “sensible and welcome”.

Network Rail argues that it has made huge improvements to the national network and needs to protect its senior staff from being poached by rival engineering companies or other countries.

The union said the men are among the five directors to share the long-term bonus payments which they will receive, in 2014, on top of their salary and

annual bonus. This is money said to be “owed” to them after the scheme was effectively scuppered by Ms Greening.

The new scheme is today being put for approval before Network Rail’s 74-strong public members group — they act as shareholders — at a meeting in Euston by Steve Russell, chairman of the company’s remuneration committee. The leaked letter warns members that to oppose his latest plans “would be to invite losses” among the six full-time directors.

The golden handshakes would be paid to Robin Gisby, operations director, Simon Kirby, infrastructure director and Patrick Butcher, finance director.

Gisby and Kirby will both receive £330,000, Butcher £350,000, Peter Henderson, asset management director £440,000 and Paul Plummer, strategy director, £310,000.

A Network Rail (NR) spokesman said: "Nothing is being decided today.

"Any scheme regarding bonuses will have to be put to the (NR) annual general meeting on the 19th of this month."

The spokesman added there would be no annual payment for executive directors this year, a decision taken in February reported in the Evening Standard.

He said: "As for long-term payments," there is "no determination of the extent of payments or timescale of award for the scheme between 2009 and 2012.

"The remuneration committee will look at that later this year and this is dependent on the Office of Rail Regulation's (ORR's) final determination of financial value added (ie how much NR is saving taxpayer money).

"Any further long-term scheme (2012-2015) will be voted on by members."