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## On the gravy train: Rail bosses in line to get big payouts as fares soar

- Industry figures have hit out at claims they are profiteering on the back of disruption
- Analysis of pay reports reveals hidden share bonuses and company cars

By [Rob Davies](#)

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'Fat Controller' rail bosses are preparing to award themselves huge payouts this year despite passengers being hit with punishing fare increases.

The astonishing largesse on offer to train company chiefs was revealed even as they leapt to the defence of inflation-busting ticket price rises.

Industry figures hit back at claims that they are profiteering on the back of disruption, overcrowding and daily misery for commuters travelling 'cattle class'.



**Payout: Rail bosses are to award themselves huge payouts this year despite passengers being hit with punishing fare hikes**

Thomas Abelman, commercial director of Chiltern Railways, said 'every pound being spent by passengers on this railway is running the train services or is going back to government'.

But analysis of pay reports published by transport groups shows passengers' money also being spent on hidden share bonuses, company cars and even tax advice.

FirstGroup – whose rail franchises include First Great Western – made a very public show in June of freezing executive pay, while boss Tim O’Toole forfeited his bonus.

The firm was less vocal about the fact that Mr O’Toole stands to pick up share awards in 2013 worth nearly £1million, based on current share prices.

On April Fool’s Day this year Mr O’Toole will be able to cash in 224,996 shares from previous years’ bonus schemes worth £472,000.

He will also get 214,826 shares, worth £451,000, on November 1 as a loyalty bonus for staying in his job for just two years.

The award comes on top of an £846,000 basic salary, a £134,000 top-up instead of a pension contribution and ‘allowances’ worth £75,000. These include £12,000 for a company car and £15,555 worth of US private medical insurance for the American executive.

FAT CONTROLLERS		
Company	Boss	Latest reward package*
 Serco	Christopher Hyman, left	<b>£4m</b>
Arriva UK (Deutsche Bahn)	Dr Rudiger Grube	<b>£2.8m</b>
National Express	Dean Finch	<b>£2.65m</b>
FirstGroup	Tim O’Toole, right	<b>£2m</b>
Stagecoach	Sir Brian Souter	<b>£1.76m</b>
Go-Ahead	David Brown	<b>£1m</b>

\*depends on share price and individual performance

FirstGroup will also pick up a £47,000 tab for Mr O’Toole to receive advice on his tax affairs after moving to the UK.

Union bosses lashed out at the generosity of pay packages given that passengers forking out for regulated fares, which include commuter season tickets, have had to swallow increases of up to 6.4 per cent.

‘These executives have transformed themselves into Fat Controllers at the taxpayer’s expense,’ said Manuel Cortes, leader of the TSSA rail union. ‘They get all the rewards and the passengers get all the pain.’

Transport minister Norman Baker said on Wednesday that train companies were providing travellers with a ‘premium service’.



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**Handout: Dean Finch of National Express will get a reward package of £2.65million**

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But Mr Cortes said: 'The rewards for running the most expensive rail service in Europe bear no relationship to the quality of the service that passengers have to pay eye-watering fares for.'

The boss of National Express, which runs the c2c franchise in the South East, is also in line for hefty share windfalls in 2013.

Dean Finch will pick up 454,000 shares worth £953,000 in March.

That comes on top of a basic salary of £550,000, a cash-and-shares bonus of £687,000 and a cash top-up instead of pension contribution worth £192,000. Mr Finch's 'benefits', worth £25,000, also include a company car.

Stagecoach is similarly generous to its founder-boss Sir Brian Souter. He enjoyed basic pay and bonuses worth £853,000 in 2012.

His bonus was reduced by £250,000 after he paid for staff in the bus division to have medical screening. But share awards from previous years' bonus schemes will net him stock worth more than £910,000 in 2013.

David Brown, chief executive of Go-Ahead, took home a £906,000 pay-and-bonus package in 2012, as well as £116,000 of shares which he must keep for three years before he can cash them in.

Serco chief executive Christopher Hyman has a pay-and-bonus deal worth £1.9million, while share windfalls payable this year are worth another £2million.

Arriva UK is owned by Germany's Deutsche Bahn, whose boss Dr Rudiger Grube was paid £2million including bonuses and benefits in 2011, as well as a pension contribution worth £780,000.

All the share awards on offer to train bosses are based on their performance, so actual payouts could prove to be lower or even nothing.

FirstGroup said its remuneration policy is determined by independent non executive directors and advisers to attract, retain and motivate the executives necessary for the firm's development.

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I won't travel by train in Britain on a point of principle.

- [Malcolm](#) , Burton on Trent, United Kingdom, 04/1/2013 10:22

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Now you know what the fare increases are being spent on. The disgusting aspect of this is that we are now subsidizing the railways to a greater extent than we were when they were nationalised.

- [Malcolm](#) , Burton on Trent, United Kingdom, 04/1/2013 10:21

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And THIS is the REAL reason that the FARES have gone UP .---- To line the fat cats Pockets and the Pubkic cannot see it

- [Alan Hammond](#) , Egham Surrey, United Kingdom, 04/1/2013 10:18

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Sickening, and don't you just hate their smug faces. Pigs at the trough. Only a revolution will ever stop this!

- [Free Speech is Dead](#) , London, 04/1/2013 10:09

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SamuiDunc , Koh Samui Thailand, Thailand, 04/1/2013 09:34 - You have obviously travelled on the British railways in the pre- and post privatisation eras?

- [Michael McDermott](#) , Eastbourne, United Kingdom, 04/1/2013 10:05

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"Where is the problem for the taxpayer here ? These are all private companies so are free to pay their bosses whatever they wish. If you have a problem with this or object then simply do not use the train. I found in most cases it was not only cheaper to drive but more comfortable and convenient.- SamuiDunc , Koh Samui Thailand, Thailand, 04/1/2013" the problem for the British taxpayer is that these companies are taking billions of pounds in subsidies from us whilst at the same time taking billions of pounds from passengers in inflation busting price increases the increase in revenue from passengers should be being reinvested in the service to reduce the amount of tax payers money required NOT being used to pay these huge salaries whilst still taking tax payers money

- [Just one little cog](#) , North of Watford, United Kingdom, 04/1/2013 10:02

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I only occasionally use rail ( I have a £1500 annual tube pass that covers rail in my 4 zones) but all this really infuriates me its so unfair how can it be stopped they need to put a cap on it or something, what is their profit ?? Im no accountant but surely running costs come out of profit first and everyone gets whats left over We are all in this together .... WE ARE ALL WE ARE ALL MUGS

- [scarah](#) , London, United Kingdom, 04/1/2013 09:43

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- Hillbilly , Dorset, United Kingdom, 04/1/2013 08:36 and the rubbish service now ? we had it just as bad but cheaper then , we didnt have second hand trains from europe passed off as new and we didnt have fat cats making fortunes out of us !!

- [delman666](#) , london, United Kingdom, 04/1/2013 09:42

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Where is the problem for the taxpayer here ? These are all private companies so are free to pay their bosses whatever they wish. If you have a problem with this or object then simply do not use the train. I found in most cases it was not only cheaper to drive but more comfortable and convenient.

- [SamuiDunc](#) , Koh Samui Thailand, Thailand, 04/1/2013 09:34

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I think any reader would get a better idea if they pretended they had a stutter when they tried to say 'fat controller' (try 'big controller' for just the same fun !)

- [Fed Up Already](#) , Birmingham, United Kingdom, 04/1/2013 09:27

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