

## Network Rail executives in line for £900,000 bonuses

Network Rail executives will enjoy bonuses of up to £900,000 each next year as passengers struggle to cope with above inflation fare rises.

(L-R) Network Rail's Simon Kirby, Patrick Butcher and Robin Gisby Photo: HANDOUT

By Steven Swinford

6:09PM GMT 13 Jan 2013

Rail travellers are facing six years of inflation-busting fare rises after Network Rail announced last week the biggest investment in the network since Victorian times.

However, executives at the railway company are in line for a bumper year in which they could receive bonuses worth more than double their salaries.

The bonuses are likely to see the take-home pay of three executives at Network Rail rise to more than £1million in 2014.

Maria Eagle, the shadow transport secretary, said: "Commuters facing nine per cent fare rises will be outraged at the scale of the bonus packages being enjoyed by a few at the top of the rail industry.

"It will be unacceptable if payouts on this scale are made when performance remains deeply inadequate, with many passengers facing overcrowded services and too many delayed and cancelled trains.

"The Government should sit down with Network Rail and look again at whether a bonus scheme on this scale is really appropriate in a company funded by the taxpayer by more than three billion pounds every year."

Next year, executives at Network Rail will benefit from three different bonus schemes. Three directors at the company will get payments of £300,000 each just for turning up to work.

The payments for Robin Gisby, the operations director, Patrick Butcher, the financial director and Simon Kirby, the infrastructure director, are aimed at stopping them from leaving Network Rail for other employers.

They will also be in line for long-term bonuses of up to £350,000 each for their work between 2009 and 2011, alongside Paul Plummer, another executive.

Network Rail said last week that it is on track to hit financial targets which form the basis of the bonus.

Executives are also entitled to annual bonuses worth up to 60 per cent of their salary if they exceed a series of financial and operational targets.

The bonuses mean the overall pay of Butcher, Gisby, and Kirby could exceed £1.2million next year.

Paul Plummer, the strategy director, could be paid £960,000.

David Higgins, the chief executive of Network Rail, does not qualify for the earlier long-term bonuses because he became chief executive in February 2011. He will still, however, be in line for a pay package of more than £1million.

Last year, Network Rail bosses gave up their annual bonus payments amid political pressure to restrain high pay outs at a time of public sector austerity.

Manuel Cortes, leader of the TSSA rail union, said: "Hard pressed passengers will be furious at a time that they have just suffered their latest inflation plus hike in fares, Network

Rail bosses are looking at vast bonuses at what is, in effect, a publicly funded monopoly.

"They seem to be running their own gravy train during what is meant to be an age of austerity. They are certainly not sharing the pain of passengers during the recession and Ministers must act to stop taxpayers money being abused in this cavalier fashion."

According to new punctuality figures released by the railway industry last month, more than 40 per cent of trains are not arriving on time.

For the first time train operators were forced to release internal industry figures showing how many services are more than one minute late.

Before then the only publicly available statistics were those which allowed commuter services five minutes' leeway and long distance operators 10 minutes before trains were classified as being late.

A spokesman for Network Rail "no decision" has been made about the level of bonuses in 2014.

A spokesman for the Department for Transport said that while it is "important" that Network Rail "attracts, retains and motivates executive talent", any bonuses should be "proportionate and related to performance".

© Copyright of Telegraph Media Group Limited 2013