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The Great Train Robbery: Four Network Rail bosses handed £600,000 in bonuses while commuters face record ticket prices and delays

- Network Rail receive £4billion in public funding each year
- This is on top of pension and 'golden handcuffs'
- Comes as passengers face overcrowding, lateness and fare hikes

By [Daily Mail Reporter](#)

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Four top Network Rail bosses have been awarded bonuses totalling more than £600,000.

Network Rail, who run the railway tracks, receive £4billion in public funding each year.

The news will infuriate commuters and train travellers facing huge hikes in rail fares for an 'inadequate service', in which trains are often overcrowded and more than 40 per cent do not arrive on time.



Bonus: Four top Network Rail bosses have been awarded bonuses totalling more than £600,000

The long-term incentive plan payments, including £168,000 to finance director Patrick Butcher, come at a time when rail regulators have been critical of Network Rail's performance on the railways.

Under the plan, network operations managing director Robin Gisby and infrastructure projects managing director Simon Kirby both get £158,400, while group strategy director Paul Plummer picks up £148,400.

The payments, reflecting the company's performance in the period 2009-12, could have been higher but National Rail said 20 per cent had been cut 'to take account of specific safety and train performance issues.'

David Sidebottom, passenger director at Passenger Focus, said:

'Passengers are not interested in salaries and bonuses given to industry figures. What is important to them is that they can rely on their service to get them in on time, and that their ticket is good value for money. It's up to Network Rail to justify performance-related bonuses by working with operators to deliver an on-time railway and to continue to drive down the costs of this.'



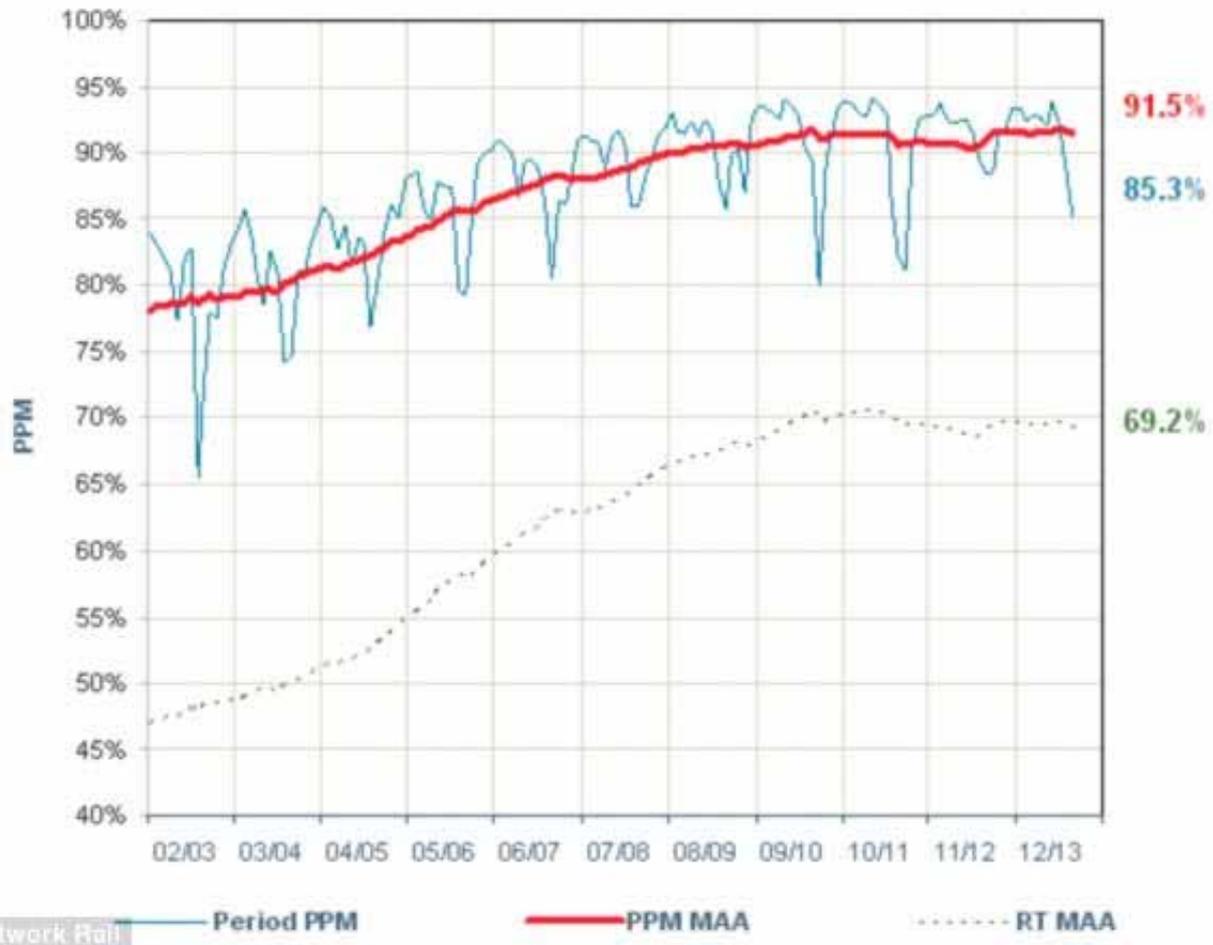


Top bosses: The long-term incentive plan payments, including £168,000 to finance director Patrick Butcher, right, and £158,400 to network operations managing director Robin Gisby

Network Rail executives are some of the highest paid in the public sector, as the head of its remuneration committee admitted at a meeting in December.

But non-executive director Graham Eccles stressed that they remain in the 'lower quartile' of private sector organisations, and the company needs to be able to attract and retain top employees.

The news comes after Network Rail bosses gave up their bonuses last year, amid pressure to reduce high payouts at a time of public sector austerity.



Punctuality: The blue line shows what proportion of trains arrive on time month-by-month; the red line shows a moving annual average; and the green line shows the trains arriving within one minute of schedule (i.e. not precisely on time)

Network Rail also said that the payments would be phased, with 60 per cent paid now and the balance to be reviewed at the end of the 2013/14 financial year.

The company added that the award had been delayed by a year.



Claims: Network Rail chairman Richard Parry-Jones said: 'The railway today is considerably more efficient than in 2009'

The Office of Rail Regulation (ORR) has repeatedly expressed dissatisfaction with Network Rail's performance, particularly on long-distance routes.

Of late there have been a series of overhead line problems that have caused serious delays on some busy routes, including the East Coast main line where trains-on-time figures have fallen.

Network Rail said today that under the terms of the 2009 long-term incentive plan (LTIP), the four directors had qualified for a 100 per cent payout.

However, the company's remuneration committee had decided to reduce the award by 20 per cent.

Of this figure, 10 per cent reflected 'workforce safety, level crossing safety and enforcement notices over the period' while the other 10 per cent took into account the fact that train performance targets were not met.

Network Rail pointed out that during the period 2009-12 it had cut the cost of running the railway by £1.6 billion and achieved £526 million in incremental savings above the ORR's original target.

The number of passengers arriving on time had risen 13 per cent and projects worth £12 billion had been completed.

Network Rail chairman Richard Parry-Jones said: 'The railway today is considerably more efficient, carries more passengers and freight, and is in a much better state than it was in 2009.'

'Taxpayers have benefited from very significant savings, with a further £526 million saved over and above our tough targets. Passengers have benefited not just from more trains, but also more of those trains arriving on time. And we have made real progress in renewing our Victorian legacy.'

He went on: 'Not everything has been perfect - and the 20 per cent reduction we have made reflects that. But it would be flying in the face of reality not to acknowledge the real progress NR has made in this period, and these payments reflect and recognise that success.'

Network Rail's chief executive Sir David Higgins was not eligible for any LTIP bonus as he was not with

the company in 2009.

Network Rail which is responsible for track, signalling and some stations, is a not-for-dividend company.



Last year transport secretary Justine Greening ratcheted up the pressure saying she would attend the rail giants annual members' meeting in an attempt to shame directors into abandoning plans for hefty payouts

It is effectively a public company in that it has no shareholders and its debt is guaranteed by the Government.

As of March 31 2012 Sir David was on an annual basic salary of £560,000 while Mr Butcher was on £382,000.

Mr Gisby and Mr Kirby were both on £360,000.

Manuel Cortes, leader of the TSSA rail union, said: 'This is rewarding failure on a grand scale. For the second year running, NR have missed their punctuality targets and still awarded themselves massive long-term bonuses.

'The timing looks like Tom Kelly (former Number 10 press secretary and now NR head of PR) has lost little of his ability to try to bury bad news. He has used the arrangements for Mrs Thatcher's funeral as a cover to try to avoid passenger outrage.

'As passengers faced a 4.2% fare increase in January, they will be puzzled why the people who cannot make their trains on time are rewarding themselves with taxpayers' money. This is yet another Great Train Robbery.'

In February 2012 the Network Rail directors rejected bonus payments worth up to £20million and instead offered the money to be spent on safety improvements.

The decision was taken after they faced growing pressure to turn down the payouts in the wake of the row over bonuses for banking staff.

Each of the six board members was entitled to receive up to 60 per cent of their annual salary as a bonus - which could have amounted to £1.39million.

Over the next three years the total bonus package they could have received would have been £20million.

Last year transport secretary Justine Greening ratcheted up the pressure by saying she would take the unprecedented step of attending the rail giant's annual 'members' meeting' in an attempt to shame directors into abandoning plans for hefty payouts.

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