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MailOnline

Network Rail boss gets £100,000 bonus in 'reward for failure' as one in 10 trains is late

- Sir David Higgins gets payout on top of £577,000 salary
- Top bosses get 17% bonuses - but could have been much higher
- Payouts cut from 60% after missing targets on safety and lateness

By [Peter Campbell, City Correspondent](#)

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Bonus: Network Rail chief executive David Higgins is to receive £100,000 extra on top

The boss of Network Rail triggered outrage yesterday after pocketing a lavish £100,000 bonus at a time when passengers face soaring fares and overcrowded trains.

One in ten trains ran late last year, but Sir David Higgins was one of five rail executives who shared a £350,000 bonus pool despite missing targets over safety, punctuality and financial efficiency.

Sir David is chief executive of Network Rail, which receives more than £3billion a year of taxpayers' money.

He received a bonus of £99,082 on top of his salary of £577,000, while four fellow chiefs were paid sums of between £59,000 and £67,000.

If more than 92.5 per cent of trains had run to time, the executives would have been entitled to an even bigger bonus. But the figure was only 90.9 per cent.

There was also a bonus cut of 10 per cent 'to reflect failings' in workforce safety.

Maria Eagle, Labour's shadow transport secretary, said: 'Commuters facing inflation-busting annual fare rises will be outraged at the scale of the bonus packages being enjoyed by a few at the top of the rail industry.'

Network Rail chairman Richard Parry-Jones defended the payouts, describing 2012 as a year of 'positive progress'.

He said punctuality rates were 'particularly impacted by a year of extreme weather, the wettest on record'.

Sir David will get a bonus for 2012-13 of £99,082 while Group finance director Patrick Butcher, who is on a salary of £394,000, will get a bonus of £67,658.



© PA Wire/Press Association Images

Concerns: The Network Rail remuneration committee reduced bonuses for top bosses by 10 per cent over concerns about staff safety

Robin Gisby, the network operations managing director, and Simon Kirby, infrastructure projects managing director, will both get bonuses of £63,708.

Paul Plummer, the company's group strategy director, is being awarded a bonus of £59,759.

Network Rail's remuneration committee also claimed more could have been done to improve workforce safety and decided to reduce the overall bonus award by 10per cent 'to reflect these failings'.

But Sir David and his fellow top bosses will be getting pay rises of 2.5 per cent for 2013-14 'in line with the management pay award for the rest of the company'.

NR chairman Richard Parry-Jones said: '2012 was a year of positive progress for the company with some great highs - delivering seamless transport for the Olympics - to lows of frustration with a slowdown in our rate of delivering better train punctuality.

'While this was particularly impacted by a year of extreme weather, the wettest on record, we are working to improve the resilience of our network to cope with such demands.'

He went on: 'Our executive bonus payments for this year correctly reflect successes as well as shortcomings and as a result have been significantly reduced from a potential award of 60per cent of salary to 17per cent for the financial year just completed.

'Bonuses are only awarded for achievements significantly beyond what is expected of an executive in the delivery of their challenging day jobs.

'The remuneration committee felt that while performance was good in most areas, truly exceptional performance had not been achieved in financial efficiency and asset stewardship, and our train performance targets were not met.

'But we also needed to recognise the significant successes that had been delivered in the business during the year.'



Crowds: Bonuses were reduced after Network Rail missed targets for 92.5 per cent of trains to arrive on time

A Department for Transport spokesman said: 'As a private sector company, it is for Network Rail's remuneration committee to determine the value of payments.

'It is the independent Office of Rail Regulation's job to ensure that the company's new incentive schemes only reward where performance delivers real value for taxpayers and farepayers.'

But Manuel Cortes, general secretary of transport Union TSSA, said: 'The rail industry continues to reward failure on a grand scale. Again, NR have missed their punctuality and safety targets and still awarded directors massive bonuses.

'As passengers face yearly fare increases, they will be puzzled why the directors across the rail industry, who cannot make their trains run on time, continue to reward themselves with taxpayers' money. Such announcements by the industry are the equivalent of several great train robberies each year.'

He went on: 'It adds insult to injury that Network Rail sought to justify such payments by reducing the payments by only 10 per cent to reflect the failure to improve workforce safety.

'Coming only a month after NR was yet again being fined over a level crossing death, life is starting to sound very cheap indeed.'

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Whilst I don't see the point in paying employees bonuses to do the job and meet the targets they are supposed to do (or face the consequences of dismissal), I think one point is good one in 10 trains are late.....I wish I could say the same about my car journeys where it is nearly impossible to predict the length of time to drive. Three times this year I have been to Italy by road and haven't seen either a cone or a traffic jam.

- [Vicar of Dibley](#) , Tatton, 30/5/2013 09:57

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Why do they get bonuses when they are already overpaid for the work they do, especially when their projects are not working well. It's time the bonus culture was stopped.

- [Crash33](#) , Richmond, United Kingdom, 30/5/2013 09:38

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Next year he is aiming for two in ten trains being late so he can double his bonus to £200,000

- [Steve](#) , Warrington, United Kingdom, 30/5/2013 09:29

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I work for a well known organisation which specialises in weather forecasting and I see 'reward for failure' constantly being dished out to so called managers who couldn't run a wheel stall. The trouble is that elite guard at the top make the rules and provide themselves self protection when pay and perks are concerned.

- [Trepoopuddle Martyr](#) , Helston Cornwall, United Kingdom, 30/5/2013 09:28

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Surely bonuses should be paid if you exceed targets, not if you just meet them. Meeting targets is part of the job for which you are already paid. And if these people embrace a bonus culture, how come it never works the other way around, with money taken off them if they fail to meet targets? Seems to me they are in a head-I-win, and tails-I-don't lose situation.

- [lodge60](#) , abergavenny, 30/5/2013 09:22

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Failure wins in this country . Just take a look at the last Government and the results of this one . Just about everyone who heads an Organisation that fails in this country, gets rewarded, not with pennies but with hundreds or thousands of pounds, along with Gold plated Pensions . While those who work get less and less, and those who do nothing seem to get more and more. Those who work for a company , have to pay their taxes because they have no choice. The companies they work for, especially with connections in high places can avoid paying . Is this very fair ?

- [C.M.Calvert](#) , Poole, United Kingdom, 30/5/2013 09:02

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They're YOUR Railways. Why do you people go along with this?

- [What Really Happened](#) , Manchester, United Kingdom, 30/5/2013 08:59

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This along with the other 100's of stories like this are reported, we get irritated, then nothing. What is the point in winding us all up and rubbing our noses in it. Most workers in the UK are having to do more work for less, paying more to live, and many are struggling to get by. The salary divide between higher management and workers has increased to the extreme over the last two decades, and bonuses seem to be given to the very few.

- [optimist68](#) , Suffolk, United Kingdom, 30/5/2013 08:45

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Only in our society do we reward failure. This example illustrates how well our current crop of politicians will benefit when THEY are eventually discarded due to their own incompetence. This isn't democracy - this is theft.

- [Dave](#) , Oban, 30/5/2013 08:36

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It was the people of this country who voted in this present government, and if they now realise their mistake, then they can always vote UKIP come 2015..!!!

- [Spencer L Mather](#) , Bradwell-Great Yarmouth, 30/5/2013 08:35

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