



## Network Rail chief awarded £100,000 payout despite company's failings



Network Rail failed to meet punctuality and performance targets Gareth Fuller/FA

Philip Pank Transport Correspondent  
Last updated at 5:05PM, May 29 2013

The head of Network Rail will receive an annual bonus of almost £100,000 funded by the taxpayer even though the maintenance company has missed key performance targets.

The company blamed missed punctuality targets on extreme weather, citing the wettest year on record.

Labour and the transport unions said that the pay-out was an insult to commuters who face above-inflation fare rises, late trains and overcrowding on some routes.

The private company, which has no shareholders and is free from direct ministerial interference even though it receives more than £3 billion a year of public money, announced that its executive directors would receive bonuses equal to 17 per cent of their salaries.

Sir David Higgins, chief executive, will receive a bonus of £99,082 on top of his annual salary of £577,000. Patrick Butcher, group finance director, will receive £67,658 on top of his £394,000 salary. Robin Gisby, operations director, and Simon Kirby, infrastructure projects managing director, will receive bonuses of £63,708 in addition to annual pay of £371,000. Paul Plummer, strategy director, will receive a bonus of £59,759 on top of his £348,000 salary.

The public will meet the full cost of the payments even though Network Rail missed its target for running trains on time. 90.9 per cent of passenger trains arrived on time, against a minimum target of 92 per cent. The company also missed targets for freight punctuality and noted that financial efficiency and asset stewardship could have been better. However, it did meet a target for passenger satisfaction.

Richard Parry-Jones, chairman, said that the bonuses could have risen as high as 60 per cent of pay if performance had been better. "Bonuses are only awarded for achievements significantly beyond what is expected of an executive in the delivery of their challenging day jobs," he said.

Last month, Network Rail announced that four directors would receive long-term bonuses funded by the tax-payer totalling £633,000 on top of combined salaries worth £1.4 million.

It said it would pay Mr Butcher a long-term bonus of £168,000, Mr Gisby, and Mr Kirby £158,400 each and Mr Plummer an additional £148,400.

The announcement came the day before a court fined the company £450,000 for health and safety breaches leading to the "entirely preventable" death of a woman at a level crossing in Moreton-on-Lugg, Herefordshire.

The company said that more could have been done to improve workforce safety in the past financial year and the annual bonus

package was reduced by 10 per cent “to reflect these failings”.

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

“With many passengers facing overcrowded services and too many delayed and cancelled trains, it is wrong for Network Rail to be paying out such large sums to its senior managers.” She added: “At a time when people are struggling to make ends meet, this out of touch decision will simply add to the growing feeling that we need real reform to the way the rail industry operates in Britain.”

Manuel Cortes, general secretary of the TSSA union, said: “The rail industry continues to reward failure on a grand scale.


“It adds insult to injury that NR sought to justify such payments by reducing the payments by only 10% 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.”

Previous transport secretaries, including Justine Greening and Philip Hammond, have spoken out against Network Rail bonuses. This year, the Department for Transport said: “As a private sector company, it is for NR’s remuneration committee to determine the value of payments.”

Last May, the rail regulator warned that Network Rail faced a £42 million fine for late-running long-distance trains unless it makes a dramatic improvement to punctuality.

41 comments

livefyre 

 Michael Daventry

3 people listening 

|                          |                              |
|--------------------------|------------------------------|
| <a href="#">+ Follow</a> | <a href="#">Post comment</a> |
|--------------------------|------------------------------|

[Newest](#) | [Oldest](#) | [Most Recommended](#)



**Dr Calum MacInnes**

5 hours ago

Parry-Jones, Execs only get bonuses for performance above what is expected? Get real, either you don't expect enough , or the bonus is 'gift'!!!!

1 [Recommend](#) [Reply](#)



**david giles**

14 hours ago

Compare with Deutsche Bahn, state owned, 2.5 Billion € profit. I have no particular insight into the management of the company, but I guess with these figures it is well managed. Can that be said of Network Rail?

[Recommend](#) [Reply](#)

**Moynihan**

15 hours ago

It is insane to have both high base salaries and extremely high and easily attainable bonuses. The solution is easy- either a high salary and no bonus, OR a low base salary and a potentially high bonus, based on the attainment of reasonably set targets.

Looking into the future, how stable will society be with such a growing gap between self interested kleptocrats at the top, and the man/woman on the Clapham Omnibus at the bottom, who is increasingly suffering economically, whilst listening to the verbal slurry coming out of Cameron and Osbourne's mouths? Increasingly less so. Do we really want to test where the tipping point would be?

2 [Recommend](#) [Reply](#)

**Greg Miles**

15 hours ago

Any company that has been fined for Health & Safety failings should be banned from paying any bonuses at all for that year.

2 [Recommend](#) [Reply](#)

**Mrs Christine Cutter**

16 hours ago

It would be in all our interest for the bonus culture to be abolished with the sole exception of a percentage scheme based on the profits earned, paid at the same rate to all employees. Other than that, if you meet your target you keep your job, if you excel you are eligible for promotion. And, of course, if you fail to meet all your targets, as is the case here, you are either

demoted or shown the door.

5  Recommend Reply



**fred Flint**

Poor effort, must do better. Go to bank and collect £100.000

16 hours ago

[Recommend](#) [Reply](#)



**JOHN THORPE**

Nausiating

16 hours ago

1  [Recommend](#) [Reply](#)



**Melissa Roy**

**@JOHN THORPE** It is, Mr Thorpe I don't know how long I have been writing to Network Rail about their failure to maintain their own infrastructure. Just look at the hundreds of campaigns including scenic/iconic railway bridges up and down the country which Network Rail has deliberately allowed to go to pot with buddleia and other growth which Railtrack and its predecessors always maintained and curtailed. In my area there are huge bushes growing out of the sides of bridges and mortar is falling on the pavement and cars, and the plants are free-seeding rooftops, gardens and walls of nearby properties. I have written to my MP, theatedned them with abatement orders, to no avail. It is no surprise to me at all that the directors are pocketing the money which should have been spent on pruning and weed killer.

15 hours ago

2  [Recommend](#) [Reply](#)



**Nigel Brodrick-Barker**

A specific complaint, Melissa, but highly informative nevertheless. Is the vegetation worse on branch lines?

1 hour ago

[Recommend](#) [Reply](#)



**Paul Hayward**

Utterly disgraceful to think anyone should be rewarded for the abysmal service I and many others have to put up with day in, day out on the way to work.

16 hours ago

2  [Recommend](#) [Reply](#)



**Paul Holmes**

I thank god UKIP is on the rise

16 hours ago

2  [Recommend](#) [Reply](#)



**E Ward**

**@Paul Holmes** What on earth makes you think UKIP, the party of the far right, in favour of things like flat tax rates, is going to do anything about fat cat salaries ??

15 hours ago

1  [Recommend](#) [Reply](#)



**Cheltenham Exile**

Is this a surprise ? When I was down on the farm, when the pigs saw the trough, they fed.

17 hours ago

3  [Recommend](#) [Reply](#)



**cathy jackson**

I am not opposed to bonuses if they reward exceptional endeavour over and above what might normally be expected in their job, or if they have brought about demonstrable improvements /efficiencies . This might still be the case, despite some failings of the system. Presumably as this is a public company we can be informed on what basis or for what endeavour these bonuses were awarded then we can make an informed decision as to whether or not they are appropriate and whether despite the problems that exist they have actually managed to achieve major steps in the right direction. If this is the case, then bonuses are a means of retaining the best people in the job and are reasonable in a free market economy, if not, then they are indeed shameful. But we do need some balanced reporting rather than just biased populist reporting in order to make this judgement - so more details please Times, lets have some balanced reporting.

17 hours ago

[Recommend](#) [Reply](#)



**Cheltenham Exile**

17 hours ago

**@cathy jackson** in principle you are correct, in practice not. PLCs are almost immune - the share holders are other PLCs, funds etc - these people also take bonuses. As long as the kebab turns, they will cut off the meat.

1 [Recommend](#) [Reply](#)



**Peter Wright**

15 hours ago

**@cathy jackson**

Any bonus system should be applied at the same rate across the organisation from boardroom to the cleaners bucket. If those at the top are doing their job correctly, then everyone should be performing and benefiting. Overheated bonuses at elevated levels create resentment and negative performance at all levels below.

1 [Recommend](#) [Reply](#)



**LBeagle**

17 hours ago

Is he any relation to David Nicholson?

1 [Recommend](#) [Reply](#)



**Cerise Pink**

17 hours ago

Just their integrity, honesty, work ethic and narcissistic personality disorder are shared.

3 [Recommend](#) [Reply](#)



**LBeagle**

16 hours ago

**@Cerise Pink** Funny thing, dearest C - I am 72 and have never had a bonus.....

[Recommend](#) [Reply](#)



**matthew lloyd**

17 hours ago

Utterly shameful.

3 [Recommend](#) [Reply](#)



**David O'Gorman**

18 hours ago

This absurd bonus culture puts Beckett, Pinter, Genet and Ionesco in the shade. They couldn't have made it up.

2 [Recommend](#) [Reply](#)



**Nick Gooblar**

18 hours ago

Even though they failed to meet most targets, I'm pleased to see they did meet one important target 100% successfully. Which target? Why, ensuring a bonus was paid to each director! Snouts back in the trough lads!

9 [Recommend](#) [Reply](#)



**Darrell Nicholls**

19 hours ago

We should applaud the fellows good luck, come on how many of us would be be ecstatic working for a company were targets and performance were meaningless, were ther where an endless supply of taxpayers giving us their money without any need for personal accountability...

Come on admit it you, me, we are just jealous.

2 [Recommend](#) [Reply](#)



**Cerise Pink**

18 hours ago

Jealous? Spitting venom more like! These are my taxes! He's not alone. Civil servants negotiated annual contractual bonuses!

At HMRC, bonuses were paid for, 'bringing in a project on time and on budget' ergo, doing yer job and, my personal favourite, 'modelling the behaviours and values set out in the Leadership Competencies.

Grief! And they talk about bankers.....

6 [Recommend](#) [Reply](#)

**Darrell Nicholls**

18 hours ago





**Peter Burgess**

17 hours ago

Are you prepared to pay more? Both systems cost more than ours.

1 Recommend [Reply](#)



**Gresham's law**

15 hours ago

**@Peter Burgess**

Certainly I'd rather pay 100% for a good service than 95% for a poor one,.

1 Recommend [Reply](#)



**Joseph Wyndham**

19 hours ago

I commute everyday by train. I cannot count the amount of delays, lost working hours, bus replacement services, lost time with my daughter and wife, or different BS reasons that are served to fare (very high fares) paying pax for the last three months alone. It is a bonus for me to arrive or depart at the scheduled time.

The salaries alone are far too high, any talk of a bonus is a nonsense. Shame on NR execs for accepting them. They should have some self-respect and do the right thing, but we all know they wont.

11 Recommend [Reply](#)



**Mr Bob Raeburn**

19 hours ago

We hear about this culture of greed without accountability every day - why even Fred Goodwin could claim that it was the bad weather that broke the RBS! - and I won't be commenting on the topic again - but I will be challenging the local MP on government's negligence in supervising such subsidy funding

9 Recommend [Reply](#)



**LBeagle**

17 hours ago

**@Mr Bob Raeburn** Don't waste the stamp, Mr Bob; the MP will wait two months and then send you some garbage spewed out by Central Office.

Just vote for some one else next time - ANYONE.

1 Recommend [Reply](#)



**Cerise Pink**

17 hours ago

Greed is only recognised in the private sector. In the public sector, it's perfectly acceptable.

[Recommend](#) [Reply](#)



**Greg Miles**

15 hours ago

**@LBeagle @Mr Bob Raeburn** I think a lot of us are feeling the same now. The next vote will be for ABC - Anyone But Cameron.

[Recommend](#) [Reply](#)



**Cerise Pink**

17 hours ago

Greed is only rec

[Recommend](#) [Reply](#)

Livefyre

© Times Newspapers Limited 2013 | Version 4.6.0.0(86651)

Registered in England No. 894646 Registered office:

3 Thomas More Square, London, E98 1XY

[My Account](#) | [RSS](#) | [Classified advertising](#) | [Display advertising](#) | [The Times Whisky Club](#) | [Encounters Dating](#) | [Sunday Times Wine Club](#) | [Privacy & Cookie Policy](#) |

[Syndication](#) | [Site Map](#) | [FAQ](#) | [Terms & Conditions](#) | [Contact us](#) | [iPhone](#) | [Android smartphone](#) | [Blackberry](#) | [Windows phone](#) | [Android tablet](#) | [Kindle](#) | [Kindle Fire](#) |

[Place an announcement in The Times](#)