

Heathrow bosses eye £10m bonus pool

Payouts will flow if airport chiefs create 'right climate' for third runway

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John Holland-Kaye, Heathrow's CEO, and seven other executives could share an incentive pot worth £10.4m

Eight Heathrow executives could share a £10m bonus pool, with part of the payout dependent on their creating the right "political climate" to approve a third runway.

Senior executives at the airport look to have already earned £414,000 of the bonus after winning over the independent Airports Commission. Last year it chose Heathrow as the best site for a new runway in southeast England. Details of the bonus scheme, seen by The Sunday Times, show that sums ratchet up based on the success of the executives' lobbying.

The eight staff, including chief executive John Holland-Kaye, share £622,000 if they "create a climate of political support that enables the government to give its backing to expansion". That rises to £829,000, 8% of the total payout, if the airport is judged to be "on course to win planning approval" for its £19bn third runway.

The lobbying bonus is one element of Heathrow's new "share in success" incentive scheme for senior staff, which includes punctuality and profit measures and could earn its top executives a maximum £10.4m when it pays out in 2019. The existence of the bonus scheme — initially denied by the airport — underlines the huge stakes at play in the battle for expansion.

Gatwick also has a bonus scheme for senior bosses that will be heavily influenced by the government's decision on where to build another runway in the southeast. That long-delayed decision is due in the summer, and is between a third runway at Heathrow, an extension of

one of its existing runways, or building a second runway at Gatwick in West Sussex. By last April the airports had spent a combined £3.3m on advertising on London's transport network.

Another £829,000 slice of the bonus hinges on getting a favourable settlement from the Civil Aviation Authority (CAA) on how much can be clawed back from customers through charges. Heathrow, which is largely owned by overseas funds, including those of Qatar and Singapore, has demanded a 20-year deal on landing charges from the watchdog in return for building a third runway. It argues that it needs a fundamental review of the regulatory regime if it is to bear the huge risks of expansion.

The CAA recently warned the government that the winning airport's shareholders may try to move the goalposts to extract better profits once ministers have ruled.

Heathrow's expansion plans have come under fire in recent weeks from Willie Walsh, chief executive of its biggest customer, International Airlines Group. The owner of British Airways, which holds more than half Heathrow's take-off and landing slots, has said passenger charges will have to double to pay for the "gold-plated" third runway.

Heathrow said: "Heathrow has a senior management incentive scheme linked to meeting a number of strategic priorities, with the expansion element not awarded unless challenging customer service scores and company profitability metrics are first achieved."