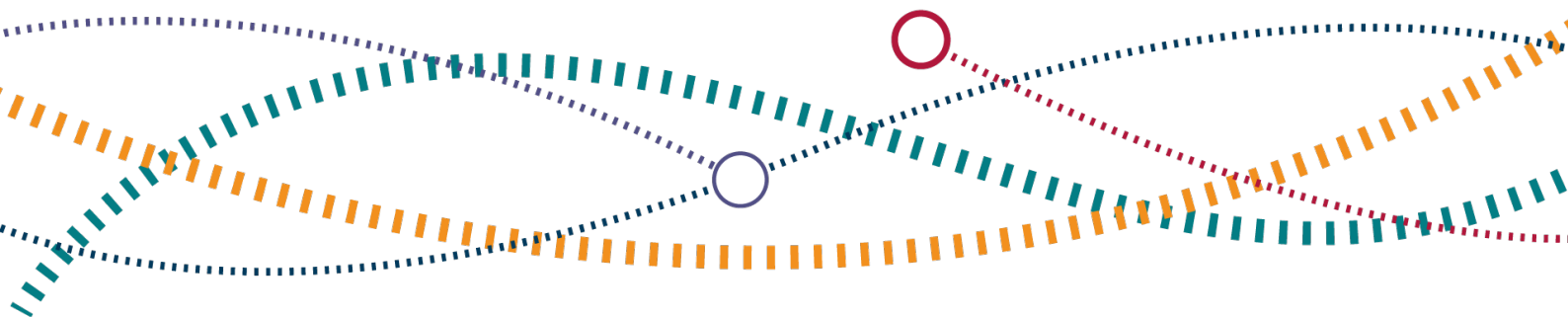# Annual Assessment of Network Rail's stakeholder engagement for Year 4 of Control Period 6 (April 2022 to March 2023)

21 September 2023

Contents

Executive summary

In Network Rail's own words, stakeholder engagement is fundamental to improving its performance, allowing it to focus on, and drive its business by, the needs of its diverse range of stakeholders. Network Rail's performance on stakeholder engagement remains reasonably strong. The evidence does not indicate any reduction in performance, but we expect Network Rail to continuously improve and it has not demonstrated this. We have seen positive examples and previous issues that have been addressed, but performance varies by business unit and there is overall room for improvement, particularly around governance and transparency of its engagement.

While in most cases business units have sought to address the recommendations from last year's assessment, we were disappointed to find that some have not been adequately addressed; some over successive years. We expect Network Rail to action our recommendations from this report and are asking Network Rail Scotland to provide evidence in advance of next year's self-assessment submission that they have actioned previous recommendations. This was also highlighted by our Consumer Expert Panel, which emphasised the need for Network Rail to address our recommendations and encouraged business units to investigate how stakeholder engagement is approached in other sectors, such as water and energy.

We have increased our focus on the relative performance of Network Rail's business units. We found that, taking account of all sources of evidence, the Southern region was the best performing; Eastern, North West and Central and Wales and Western regions were mixed performers with some strengths but clear areas for improvement; while the System Operator function and Network Rail Scotland were – comparatively – the weakest. Table 1 below sets out our summary findings.

This does not necessarily mean that the lowest ranked business units are poor performing, but that they can clearly learn from the others. We found examples of good practice among the lower performing business units which they should find encouraging and build upon. That said, both Network Rail Scotland and the System Operator have not addressed some of our recommendations from previous years. Conversely, the strongest performers still have areas where their processes can be improved. We also want to see all business units use the Enhancements Delivery Plan (EDP) in their discussions with stakeholders about enhancements.

Table 1.   ORR's comparative ratings of each business unit

Business unit	ORR assessment
Southern	**Strongest** performance
Eastern	**Some strengths** with areas for improvement
North West & Central	**Some strengths** with areas for improvement
Wales & Western	**Some strengths** with areas for improvement
System Operator	**Mixed** performance with significant areas for improvement
Scotland	**Some weaknesses** with instances of good practice

Our year 4 recommendations for each of Network Rail's business units focus largely on improving governance and transparency. Business units also need to demonstrate the impact of their stakeholder engagement activity, not simply that it has taken place.

We have also made recommendations to Network Rail as a whole. These are aimed at fostering a culture of continuous improvement, sharing insight and best practice, embedding genuine transparency, responding to ORR recommendations, and measuring and demonstrating the impact of engagement. It is also important that Network Rail learns lessons from both what worked well and what did not from the Better Timetables for Passengers & Freight (BTPF) programme, given the mixed response from industry and passenger groups.

1. Introduction

1.1 This report sets out ORR's assessment of the quality of Network Rail's stakeholder engagement for the fourth year of Control Period 6 ((CP6), April 2022 to March 2023), referred to as 'year 4' throughout this document.

1.2 Our assessment is based on the requirements placed upon Network Rail in its network licence, in particular the extent to which it meets the four overarching principles of good stakeholder engagement specified in the Stakeholder Engagement Duty.

1.3 As well as assessing Network Rail's overall performance, we also assess the performance of its business units. An overview of each business unit, including their function, geographic extent and operators can be found in our most recent Annual assessment of Network Rail.

1.4 This year's assessment builds on the previous three annual reports which have been published through CP6.

Purpose of report

1.5 This report aims to provide a proportionate, evidence-based assessment of Network Rail's performance. It is focused on encouraging Network Rail to conduct and promote good quality stakeholder engagement across its organisation, incentivising continuous improvements each year by:

- assessing Network Rail's own understanding of the quality of its stakeholder engagement activity, and what processes and policies it puts in place around these; and

- reporting on Network Rail's performance, providing reputational and comparative regulation while promoting and protecting stakeholder's interests.

1.6 The report also looks at how well Network Rail engaged with stakeholders on its Enhancements Delivery Plan (EDP).

Our approach and methodology

1.7 To arrive at our year 4 overall conclusions we have taken into account a range of evidence, including:

- Network Rail's Strategic Business Plans (SBPs) for 2024-2029 (Control Period 7 or CP7);

- the business units' self-assessment submissions; and

- an ORR-commissioned survey of Network Rail's stakeholders.

1.8   We supplemented these with insight from our routine monitoring of Network Rail's business units, for example, the BTPF programme. Our Consumer Expert Panel has also reviewed the business units' self-assessments and their insight has contributed to our analysis. Our assessment has taken a holistic view across all the evidence, recognising that each has advantages and limitations.

1.9   In the absence of any other indication, we must take the quality of evidence provided in the SBPs or self-assessment submissions as indicative of the quality of stakeholder engagement it relates to. For example, where a business unit did not provide evidence on governance arrangements, we have to assume that they are lacking.

1.10   Due to report length, we have not referenced every instance of good practice and instead have highlighted examples.

Principles of stakeholder engagement

1.11   We have assessed Network Rail against the overarching principles of stakeholder engagement specified in its licence as:

(a)   **Inclusive**: engagement seeks to involve all relevant stakeholders in a fair and proportionate manner;

(b)   **Transparent**: engagement provides sufficient information to stakeholders to enable proper engagement; and they can demonstrate how they have engaged with their stakeholders and how this has influenced their actions and delivery;

(c)   **Well-governed**: engagement is underpinned by effective processes and governance arrangements that encourage meaningful engagement; and

(d)   **Effective**: engagement supports the delivery of a safer, more efficient and better used rail network, including by ensuring that stakeholders' views are duly taken into account.

Definition of 'stakeholder'

1.12   Our assessment focuses on engagement with external stakeholders, reflecting the definition of 'stakeholder' in the licence. However, effective two-way internal engagement, particularly between the System Operator (SO) and the regions, is required for good stakeholder engagement. We considered that evidence of this internal engagement does not in itself contribute to meeting the stakeholder engagement licence condition; for this requirement to be met the business units must demonstrate how this benefited engagement with external stakeholders.

1.13   For the purposes of this assessment, in our guidance to the business units' for year 4's self-assessments we categorised external stakeholders into the following:

- all operators (including passenger, freight, open access, heritage, charter and prospective operators);

- passengers, passenger bodies and rail communities;

- elected representatives / public affairs;

- funders / regulator bodies;

- supply chain partners; and

- lineside neighbours, currently defined by Network Rail as anyone who lives or runs a business within 500 metres of a railway.

Sources of evidence

Strategic Business Plans

1.14   This year's annual assessment coincides with important milestones in the periodic review 2023 (PR23) process. Earlier this year, Network Rail published its SBPs for CP7. As part of the PR23 review of the SBPs, we assessed how well Network Rail engaged with its stakeholders in the development of its plans. We set out our initial assessment of this in the PR23 draft determination.

1.15   Where we received further evidence relating to the CP7 planning process in the self-assessment submissions and CP7 planning questions in the stakeholder survey, we have combined this with our initial assessment to inform the findings in this report.

Self-assessment submissions

1.16   As in previous years, each of Network Rail's regions (Eastern, North West & Central, Southern and Scotland) plus the SO were required to submit a self-assessment reflecting on its stakeholder engagement activities during year 4 of CP6.

1.17   The submissions were based on ORR guidance. This stressed that a high-quality self-assessment would be impact-focused, targeted, and comparable across business units. We stated business units must include detail on:

● business planning – both annual and for CP7;

● day-to-day business performance issues;

● lineside neighbours;

● actions taken in response to recommendations in our year 3 assessment; and

● a consistent culture of stakeholder engagement.

1.18   The self-assessment is a particularly important piece of evidence as it gives an opportunity for the business unit to outline the breadth of its stakeholder engagement activities, processes and outcomes.

Stakeholder survey

1.19   We commissioned Opinion Research Services (ORS), an independent social research practice, to conduct an online survey of Network Rail's stakeholders. Its report of the results is published alongside this report. The survey ran from 30 March to 30 April 2023 and collected both qualitative and quantitative data. The survey asked questions about Network Rail's overall performance, the performance of the business units and performance in relation to specific activities such as business planning, scorecards and the EDP.

1.20   As discussed in the survey report, although a range of Network Rail stakeholders were surveyed, the sample cannot be considered fully representative of all stakeholders in statistical terms. For this reason, throughout the ORS report and this report, we refer to 'respondents' rather than 'stakeholders' when reporting the survey results.

1.21   Furthermore, results are also subject to sampling tolerances and not all differences are statistically significant. Where differences are not described as

'significant' then they are indicative of a possible difference only (i.e. they could be due to chance).

1.22   It is not feasible to survey all Network Rail stakeholders. Network Rail's business units provided details of their stakeholders and we invited them to participate in the survey. In a change to previous years, we did not include lineside neighbours, as we considered the survey to be less relevant to them. Instead, we asked Network Rail to provide information about how it managed its relationship with lineside neighbours in its self-assessments.

1.23   The robustness of the survey results is in part reliant on Network Rail providing us a suitably extensive and diverse range of stakeholders. The quantity and range of stakeholder contacts provided to us varied considerably between business units.

1.24   Some didn't provide any contacts in particular categories. For instance, North West & Central (NW&C) and Southern provided no freight operators, and NW&C, Wales & Western (W&W) and the SO provided no public sector bodies. All business units have stakeholders in these categories and so the absence of contact details could indicate a failure to engage with them, although we recognise that business units took different approaches to providing contact details (e.g. NW&C contacted stakeholders in advance to ask if they were happy to participate in the survey while other business units did not).

1.25   The range and quantity of stakeholders who respond to the survey is not necessarily consistent across categories. We will continue to refine our survey methodology, and work with business units to ensure as wide a range of stakeholders are able to participate in as possible.

Structure

1.26   This report first summarises our key findings on Network Rail's stakeholder engagement on a national level and across all business units reviewed, making recommendations for improvement which apply across the entire business. It also presents our assessment of how well Network Rail engaged with stakeholders on its EDPs.

1.27   It then presents the individual business units, considering the evidence provided and including specific recommendations to business units.

Next steps

1.28   We expect Network Rail and its business units to implement all of the recommendations made in this report, which we are summarised in Annex A.

1.29   We will review our guidance to Network Rail on their self-assessments ahead of year 5, to assist the business units in showcasing their progress in stakeholder engagement.

1.30   We will work with Network Rail to run a seminar on stakeholder engagement to foster the sharing of best practice between business units and seek lessons and insights from other sectors as appropriate.

2. Key findings

2.1 This chapter sets out our main findings and recommendations and also summarises specific areas of Network Rail's engagement, such as its Enhancement Delivery Plans (EDPs) and planning for CP7.

Overview and recommendations

2.2 Our overall assessment is that Network Rail's stakeholder engagement remains largely consistent over time and reasonably strong, although there is some variation by business unit and some clear areas for improvement. We expect Network Rail to continuously improve and consider there is more that it can do.

2.3 Our findings by business unit are set out in the following chapters and are summarised in Table 2.1, with more detail provided in Annex A.

2.4 Across all its business units, Network Rail should ensure that it:

- fosters a **culture of continuous improvement** in stakeholder engagement, consistently looking to improve processes to benefit stakeholders;

- can **measure and demonstrate the impact of engagement**, as opposed to simply identifying that it took place. Good stakeholder engagement is influential, not just transactional;

- effectively **shares best practice and stakeholder insight** between business units. We identified lots of good practice, but fewer examples of how it is shared and embedded across Network Rail to the benefit of stakeholders;

- **embeds genuine transparency of engagement**, both by keeping stakeholders informed in an open and candid way, but also by **demonstrating to stakeholders how their feedback has impacted business decisions**, or by explaining to stakeholders how it considered feedback even if it decided not to act on it;

- ensuring that engagement is **inclusive to a range of stakeholders within different categories,** for example including small and medium (SME) suppliers as well as larger suppliers;

- **investigates effective or innovative approaches to stakeholder engagement in other sectors**, applying any learning to its own approach to stakeholder engagement.

Specifically in relation to the EDP, Network Rail should:

- continue to **publish quarterly updates** of the England & Wales EDP, making it clearer to stakeholders when new versions are available and where to find them;

- **undertake a gap analysis** to identify what information is missing in the CP6 EDP and how this information gap should be addressed in CP7; and

- use the EDP as a **main reference document when briefing stakeholders on enhancement projects** – linking its focus groups, press releases and newsletters to what is in the plan, and ensuring this is reflected in its stakeholder engagement self-assessments.

What our evidence showed us

2.5   There was some variation in our assessment by source of evidence, with our key findings per evidence source being:

- **SBPs**: There was evidence that all business units have sought to engage on the development of their SBPs to a varying degree of quality. Some business units provided strong evidence and well-governed processes, but in some places evidence of a clear feedback loop (i.e. how stakeholders' views influenced final plans) was lacking or minimal. As all business units faced the same planning challenges, which were known about in advance, the fact that some units managed to complete a feedback loop meant that these business units stood out as better performers. We considered that continuing to engage with stakeholders in the face of uncertainty (e.g. reviewing scenarios) is as important as being able to share robust plans.

- **Self-assessment submissions**: Business units' self-assessment submissions were of generally good quality, though there were areas that require further development or greater focus, highlighted in the subsequent chapters of this report.

- **Stakeholder survey**: The majority (62%) of respondents surveyed as part of our assessment thought the overall quality of Network Rail's stakeholder engagement was good or very good, and 40% thought it had improved since the previous year. Despite some variation between how positively

respondents rated different business units against each principle of stakeholder engagement, there were no significant outliers in performance. Feedback from this year's survey remained broadly positive and consistent with last year's results, although some respondents highlighted areas where Network Rail could do better.

2.6   Our overall assessment is based on a holistic assessment across all the evidence sources, taking into account the strengths and limitations of each.

Relative ratings of business units

2.7   Table 2.1 sets out our comparative assessment across the business units' performance against the principles of stakeholder engagement across all the evidence sources considered. Our rationale for these assessments can be found in the chapters on each business unit and more detailed ratings, broken down by principle and evidence source, can be found in Annex A.

2.8   Our comparative assessment does not signify good or poor quality stakeholder engagement but instead reflects each unit's performance relative to the others, bearing in mind that we judged Network Rail's performance to be reasonably strong overall. In some categories business units performed equally well, while in others there were clear differences.

Table 2.1   ORR's comparative RAG ratings of each business unit, taking into account all sources of evidence

Business unit	ORR assessment
Southern	**Strongest** performance
Eastern	**Some strengths** with areas for improvement
North West & Central	**Some strengths** with areas for improvement
Wales & Western	**Some strengths** with areas for improvement
System Operator	**Mixed** performance with significant areas for improvement
Scotland	**Some weaknesses** with instances of good practice

Change year-on-year

2.9   Overall, and at the level of individual business units, Network Rail's stakeholder engagement has remained largely consistent from year 3 to year 4 with improvements in some areas.

2.10   This is supported by the quality of year 4 self-assessments remaining similar to year 3, and also by stakeholder survey results. Despite issues with the representativeness of the stakeholder survey, as the methodology has remained comparable between years 2, 3 and 4, it is a useful indicator of how the quality of engagement may have changed over time.

2.11   In year 4, 40% of stakeholder survey respondents stated they thought the quality of Network Rail's engagement improved or somewhat improved, and 42% stating it stayed the same.

2.12   Although there has been some fluctuation in how survey respondents have rated engagement in different years and some business units have been rated more consistently than others, there is no clear overall trend. This may indicate a lack of consistent improvement over time across the business units and principles of stakeholder engagement.

2.13   Annex B provides a breakdown of how the proportion of stakeholders responding to the survey that rated business units' stakeholder engagement as 'good' or 'very good' by principle has changed year-on-year.

2.14   Qualitative comments from the survey also give some insight into individual Network Rail stakeholders' perspectives on how engagement has changed over time:

> *"I have been very grateful for the recent change in culture and the level of engagement that I have been able to enjoy on behalf of the communities that I work with. Well done to all." –* **Survey respondent**

> *"NR have started to engage with us more frequently at a senior management level, and share more information, which has been very helpful. At a more middle level, NR seem to have a frequent turnover of strategic planners, which makes it difficult to develop strong long term relationships." –* **Survey respondent**

> *"Network Rail engagement with our organisation has worsened over the past year. Engagement has not been inclusive or transparent and it is therefore ineffective and not well governed. For example, CP7 plans appear to have been developed without the level of engagement we have seen in the past."* **– Survey respondent**
>
> *"It is better than it was, but still below expectations."* **– Survey respondent**

There is a need for year-on-year improvement and we are concerned that the majority of business units are not demonstrating this. This annual process is designed to support more effective stakeholder engagement over time, and we would expect to see significant improvement across a range of areas next year. ORR recommendations are not always being fully adopted and that this has the potential to undermine progress. It is vital that Network Rail meets these recommendations.

Similarly, we are concerned that the level of progress made by Network Rail in CP6 lags behind changes made by other sectors to improve the quality of stakeholder engagement and place it at the heart of their business models. We would encourage the business units to investigate how stakeholder engagement has become a key focus of business plan development for many of the water companies and the energy industry's distribution network operators.

Consumer Expert Panel feedback

Findings for specific activities

Enhancement Delivery Plans

2.15   At the start of CP6 we agreed with Network Rail that it would publish EDPs for England & Wales and Scotland in order to provide transparency to funders and stakeholders on the enhancement schemes that Network Rail is delivering. The EDPs do not include schemes that are in development.

2.16   Both EDP documents are published on the Network Rail website. The EDP for England & Wales is published quarterly and was last published June 2023. The EDP for Scotland was last published in September 2022.

2.17   Last year we recommended that the EDP should be published quarterly with clear milestones and updates on any changes. Network Rail has subsequently re-established quarterly updates of the England & Wales EDP.

Survey results on enhancements

2.18   As in previous years, the year 4 stakeholder survey contained questions on the EDP. 91% of survey respondents indicated they were aware of the EDP, compared with 84% of respondents in year 3. This small but significant increase is a positive sign and may reflect the fact that the England & Wales EDP has returned to quarterly updates following a pause.

2.19   However, only 37% of respondents said they had a strong or good knowledge of the EDP, which is in line with last year. Network Rail should improve awareness by ensuring stakeholders are made aware of EDP updates and where to find them.

2.20   Last year, we recommended Network Rail ensures that the EDP is updated with clear milestones for planned work and that it works with stakeholders to ensure that the plan contains the information that they need. There have been no changes to the format of the EDPs this year, and significantly fewer survey respondents than last year felt the EDPs fully provide them with the information required to plan their business.

2.21   Just over half (51%) feel that they have all the information about Network Rail's enhancements they need to plan their business, which means that almost half do not. Looking across the business units, the result was poorest in Scotland with just 39% saying yes, compared with 49% in W&W. Network Rail should undertake a gap analysis with stakeholders to understand what information is needed to ensure the EDPs meet their needs.

2.22   When asked to consider all the sources of information they have on enhancements (not just the EDP), there has been little change since last year in the proportion of respondents who feel they need more information from Network Rail to plan their business. Stakeholders require better visibility and transparency of milestones and it is essential that Network Rail works with them to improve visibility of information in the design of the EDPs for CP7.

Enhancements in business unit self-assessments

2.23   We note that none of the self-assessments mentioned the EDP as a tool for engagement on enhancements. Instead, the business units gave examples of how they engaged on enhancements using tools such as focus groups and newsletters on key projects. This suggests that business units have not taken our recommendations on board and are not seeking to make EDPs a useful tool for stakeholders. Network Rail should demonstrate how EDPs fit into its suite of engagement tools.

CP7 planning

2.24   Our initial assessment of the SBPs is reflected in the [PR23 draft determination](#). Responses to the draft determination have included comments on our assessment of Network Rail's stakeholder engagement. The responses broadly supported ORR's assessment, noting some strong engagement and other areas where it could be improved. Nine responses highlighted concerns around a lack of consistency across Network Rail, and called for a more coordinated approach in future. We will publish all responses alongside our Final Determination. We will take this feedback into account in reaching our final determination, and also in our approach for CP7. Further detail on how the SBPs fed into our assessments of each business unit can be found in the business unit chapters below. A detailed summary of our assessment of the SBP engagement can be found in Annex A.

2.25   As in year 3, this year's stakeholder survey contained questions on Network Rail's engagement on its plans for CP7. Full details can be found in the Opinion survey report.

2.26   This year, the proportion of respondents rating CP7 planning as 'very good' or 'good' has significantly decreased. Some respondents, particularly small suppliers, highlighted issues with inclusivity, which Network Rail should reflect on.

> *"There have been CP7 presentations by some of the regions. However, they were geared towards Tier 1 & 2 suppliers/contractors and as SMEs, we are left to fight amongst ourselves to provide joint ventures with Tier 1 & 2s"* – Survey respondent
>
> *"Network rail aim all of their engagement at their Tier 1 suppliers and forget the SMEs"* - Survey respondent

Network Rail's internal engagement

2.27   As stated in paragraph 1.11, the definition of stakeholders in the network licence does not include internal stakeholders. However, the SBPs often referred to engaging stakeholders, when they meant engaging other Network Rail business units. We did not consider this constituted evidence of good stakeholder engagement under the licence.

2.28   When considering internal engagement between regions, the SO, and other business units, we looked for evidence of how it benefitted engagement with external stakeholders (or where its absence may have negatively impacted them).

We found instances of this working well in the evidence we reviewed but are aware that this two-way internal engagement has sometimes broken down, to the detriment of external stakeholders.

2.29   Difficulties working across multiple business units and issues with Network Rail's internal communication was raised in some survey respondents' comments.

> *"There are many major infrastructure projects happening across network rail regions. there are many working groups set up to support the ongoing delivery of the projects, e.g. access planning. steering group, programme board, etc. however, the communication between these individual groups for the projects is very disjointed and information received by stakeholders could be scattered."* **– Survey respondent**
>
> *"Overall, Wales and Western has improved throughout the year, however there are still too many examples of silo working. System Operator tends to operate remotely with little engagement."* **– Survey respondent**
>
> *"On an individual level, some of the engagement is fantastic. However, too many simple things need to be escalated to a high level to get done. Small things are ridiculously over engineered and getting prompt and swift action is rare. our direct route team are good, but once we have to liaise with more than one part of network rail, it is a struggle to get even the most simple things over the line."* **– Survey respondent**

Management of enquiries, feedback and complaints

2.30   This year, three business units (Eastern, Southern and W&W) provided detail in their self-assessments on actual and target response times to enquiries and complaints. We welcome this transparent approach and will explore whether to request other business units to provide similar data in their year 5 submissions.

2.31   We have seen much evidence of Network Rail making efforts to improve how quickly it responds to enquiries and provide different ways for stakeholders to give feedback. While it is important to get the basics of communication right, Network Rail needs to show that it uses the information it receives from stakeholders to improve. Feedback from the Consumer Expert Panel also emphasised this point, with the Panel encouraging Network Rail to learn from how organisations in other sectors systematically look at complaints to learn from them.

3. Eastern

Summary of performance

3.1   The evidence Eastern provided indicated that they are performing well against the principles of stakeholder engagement. This is supported by strong stakeholder engagement content in the SBP and a self-assessment with some strengths.

3.2   As highlighted in previous years, Eastern's decision to devolve much stakeholder engagement to the routes may create inconsistencies across the region, although we recognise it may have other advantages.

3.3   Eastern gave some information in its self-assessment on how stakeholder engagement is coordinated across routes, but we expect to see more progress to ensure that processes, knowledge, and learning are shared.

3.4   Although there was some evidence that Eastern took aspects of our year 3 recommendations on board, the self-assessment submission did not specifically respond to each of our recommendations, which made it more difficult to assess whether and how they had been implemented.

3.5   The survey partially aligns with our overall assessment but presents a mixed picture. Respondents rated Eastern's overall engagement good or very good which was more than any other business unit except NW&C. However, respondents rated the transparency, governance, and effectiveness of Eastern's engagement lower than other business units.

Eastern are very good at responding to enquiries and complaints from elected officials, meeting with them and handling lots of correspondence. Complaints and enquiries are a rich source of information about areas for improvement. Rather than congratulating themselves on responding very quickly, they should utilise complaints and enquiries to improve the way they do business.

Consumer Expert Panel feedback

Performance by principle of stakeholder engagement

Effective

3.6   Eastern provided some good examples of where its stakeholder engagement had had a clear effect on its decision-making, particularly in its SBP. However, some examples provided in Eastern's self-assessment did not articulate their impact or relevance to stakeholder engagement clearly. This has impacted our assessment of the effectiveness of its stakeholder engagement overall.

Inclusive

3.7   Eastern has shown that it is adapting its approach to suit stakeholder needs. Its self-assessment showed very good evidence of candidly identifying and addressing areas requiring development, such as supply chain management and its need to improve engagement with SMEs. Its SBP showed good evidence of inclusivity although there may have been opportunities to engage a wider range of stakeholders at certain stages in the process, such as accessibility groups.

Well-governed

3.8   Eastern has demonstrated that it has governance structures and regular meetings in place around its stakeholder engagement. It provided some good evidence on how it has adapted its governance in response to stakeholder feedback. Eastern set out clearly how responsibilities are assigned between its devolved routes, but more information on how insight is shared and how Eastern works with other parts of Network Rail, e.g. the Freight and National Passenger Operators (FNPO) function, would be welcome.

Transparent

3.9   Eastern provided some good evidence of transparent stakeholder engagement practices. This included sharing stakeholder mapping information between routes in real time, however clarity on how transparency forms part of stakeholder engagement processes would be welcome.

Good practice from self-assessment submission

Broxbourne closures: Very effective multi-channel engagement with lineside neighbours and other community stakeholders in its Anglia case study. This demonstrated how timely engagement enabled Eastern to identify local concerns, respond to issues raised, and adjust its approach to minimise disruption **(inclusive, effective)**.

Ketton Bridge strike: Following significant damage to a bridge, Eastern communicated effectively with freight customers, freight operators, CrossCountry Trains, local community, political stakeholders and the SO. This engagement kept stakeholders informed while enabling a diversionary route to keep freight moving safely on critical dates for customers **(inclusive, effective, transparent)**.

York Central development: This development project highlighted genuine transparency via an action tracker which allowed stakeholders to check progress on tracked actions in the project, as well as a responsibility matrix which defined internal and external responsibilities on the project **(well-governed, transparent)**.

Recommendations

Activity to continue or build on:

3.10   **Well governed, transparent:** Given its highly devolved business model, Eastern provided some good evidence of a model for updating stakeholder mapping across routes. Eastern should continue to develop processes for sharing knowledge, feedback and best practice between routes more widely. *This recommendation builds on year 2 and year 3 recommendations.*

3.11   **Inclusive, effective:** Eastern should ensure that the good practice relating to lineside neighbours and communities highlighted in its case study on the Broxbourne Closures is embedded across all its routes.

Areas requiring improvement:

3.12   **Effective:** Eastern should consider how to evidence and articulate the impact of its stakeholder engagement.

3.13   **General:** Eastern should ensure it clearly responds to our recommendations in the evidence it provides to us on its stakeholder engagement activity.

4. North West & Central

Summary of performance

4.1   Overall, NW&C performed relatively well against all principles of stakeholder engagement in year 4, although there remain a number of areas for improvement. Whilst there is evidence of some progress against year 3 recommendations, we would encourage the region to continue to build further incremental progress in the highlighted areas to enhance the quality of engagement further.

4.2   NW&C were one of the highest performing business units in our SBP assessment, demonstrating a phased approach to engagement which was initiated well in advance of preparing its SBP. This aligned with our survey results, as 70% of respondents rated NW&C's engagement over the last 12 months as good or very good, the highest proportion of any business unit.

4.3   However, our grading of its self-assessment scored slightly lower, with less evidence of how its approach had been transparent. The region itself identified that there was an inconsistent approach to engagement, which is in the process of being rectified. We welcome this honest and open approach to self-assessment and look forward to hearing the steps it has taken to address this.

4.4   NW&C's self-assessment submission set out a strong intention to improve and develop its stakeholder engagement. It would have benefitted from more transparency and detail on milestones and timings to enable monitoring of progress.

Performance by principle of stakeholder engagement

Effective

4.5   NW&C has provided evidence that their engagement has been timely, particularly as part of the CP7 planning process. The region has taken on feedback and sought to address it in situations where improvements could be made. It has included a commitment to develop route-level stakeholder engagement strategies. NW&C has also showcased a willingness to build and maintain relationships to inform and educate stakeholders throughout its activity.

Inclusive

4.6   A refreshed stakeholder mapping and prioritisation was undertaken ahead of this year's self-assessment submission. New processes have been planned, but not yet put in place for local-level stakeholder engagement strategies and relationship managers for key stakeholders. As 'a more strategic and inclusive approach' was our recommendation last year, we would have expected these processes to have already been put in place. Failing implementation, we would have found it helpful to have been provided implementation timelines to ensure confidence in the delivery of these key stakeholder engagement mechanisms. Further evidence could have been provided on how NW&C engages with its minority stakeholders.

Well-governed

4.7   The evidence provided suggests that there is more to be done to embed improved governance processes across the region. Progress has been made, with clear accountability and defined roles being established across the region demonstrated via day-to-day relationship managers for key stakeholders, such as the NW&C customer account managers creating a new regular forum between executive teams at West Midland Trains (WMT) and the West Coast South route (WCS) to improve the working relationship.

4.8   However, problems with existing processes have been identified, but this seems to be very much work-in-progress. We look forward to seeing progress made in this area as part of year 5's assessment.

NW&C's approach to governance feels like a work in progress. They rely on long-established forums to guide strategic thinking and problems with existing processes have been identified, but there are few signs of innovation.

Consumer Expert Panel feedback

Transparent

4.9   NW&C demonstrated a very strong and transparent CP7 planning process, with a three-staged phased engagement plan starting in March 2021 enabling stakeholders an opportunity to feed into CP7 planning at iterative stages. Stakeholders were provided opportunities for constructive, two-way engagement. However, NW&C identified itself that there was an inconsistent approach to its stakeholder engagement approach more generally, which is in the process of being rectified. We would expect to see further detail on progress as part of next year's assessment.

Good practice from self-assessment submission

Station accessibility: Working with the SO and disability groups, NW&C have begun to roll out British Sign Language screens to managed stations. NW&C have also rolled out GoodMaps, an audible aid that provides directions to people with visual impairments **(inclusive, effective)**.

Customer information campaign – QR codes: The codes can be scanned using a mobile device and allow passengers to take information with them upon leaving the station, this could include departure information, onward travel information, local events and retail offers. A trial began in the region during the spring of 2022 and was extended to major events, including the Commonwealth Games. Three of the other four regions have adopted this approach because of the successful trial **(inclusive, effective)**.

NW&C performance summit: After identifying that performance across the region was at risk, NW&C called together a summit, attended by all relevant performance partners from train and freight operators, DfT, GBRTT and route and regional teams to have an honest discussion about how all could work together to improve performance and break down any silos. Outputs from the summit included development of a programme of work that will be returned to at future summits, aiming to demonstrably improve performance and doing so as a collective industry **(well-governed)**.

Recommendations

Activity to continue or build on:

4.10   **Well-governed:** NW&C should build on its post-reorganisation approaches to governance with a focus on stakeholder engagement. The development of its stakeholder strategy should include a review of the governance of its stakeholder engagement, including setting clear milestones on commitments made. ***This recommendation builds on our year 3 recommendation.***

4.11   **Inclusive:** The region should build on its understanding of inclusive stakeholder engagement and develop a more strategic and inclusive approach to its stakeholder engagement, addressing pre-existing gaps identified. ***This recommendation builds on our year 3 recommendation.***

4.12   **Transparent:** NW&C should continue to reflect and embed a consistent approach to transparency across the region, enabling stakeholders to see how their feedback has been taken onboard in the decision-making process.

4.13   **Effective:** Continue to build processes to enhance the region's lineside neighbour relationships, including considering how proactive, tailored engagement can improve stakeholder's experience.

Areas requiring improvement:

4.14   **Inclusive, well-governed:** NW&C should consider its approach to engaging with its supply chain and whether the current governance structures in place enable frequent enough engagement with its customers.

4.15   **Well-governed:** NW&C should implement (or at a minimum confirm implementation timelines) local-level stakeholder engagement strategies and put relationship managers for key stakeholders in place.

5. Scotland

Summary of performance

5.1   Network Rail Scotland provided a well-presented but brief self-assessment, which contained a set of strong, isolated case studies highlighting areas of positive stakeholder engagement throughout the year. However, there was a lack of detail on how these examples came together as part of a more cohesive and consistent approach that made it clear it was embedded across the region.

5.2   Taking all sources of evidence together, Network Rail Scotland was, relative to other business units assessed, the lowest performing business unit of this year's assessment. Its self-assessment and SBP submissions both lacked detail on its approach to governance arrangements and transparency of its engagement. For this reason, we are carrying forward several recommendations which we have made in previous years.

5.3   We are disappointed that Network Rail Scotland has not provided evidence or commentary as to how they have actioned certain recommendations from our year 2 and year 3 reports.

5.4   While the self-assessment submission provided some good examples that we have highlighted as good practice, they were not enough to provide a comparatively better score to other business units who were able to demonstrate a more consistent and embedded approach. It was pleasing to see the progress Network Rail Scotland has made in relation to engagement with its lineside neighbours and the acceptance that there is still more that could be done. We look forward to seeing further progress in this area as part of next year's assessment.

5.5   Network Rail Scotland performed less well against other business units and against the four principles of good stakeholder engagement in its interim SBP. We recognise that timescales were tight between the publication of the Scottish Ministers' statement of funds available (SoFA) and high-level output specification (HLOS), and this may have impacted Network Rail Scotland's engagement with its wider stakeholders on details around its plans.

5.6   Network Rail Scotland's engagement with its funder, Transport Scotland, has been strong. However, the interim SBP was light on detail and lacked information on processes and systems in place to ensure consistent, effective engagement with a wider range of stakeholders which (as with some other regions) could have begun

prior to receiving the HLOS / SoFA. In our draft determination we set out that we expected to see improvements in Network Rail Scotland's approach to stakeholder engagement and that we would assess this further through this report. Network Rail Scotland have since engaged with us and have submitted supplementary evidence detailing a summary of engagement which has taken place prior to, and after, publishing its 'final' SBP. It also sets out its plans for future engagement up until the CP7 delivery plan. The further evidence also included specific areas we highlighted were missing (e.g. evidence of a stakeholder mapping process). It is positive to see that the region has acted on our request, and it will be important that going forward the region continues to evidence engagement in future plans, as well as recommendations highlighted in our report.

5.7   Network Rail Scotland scored relatively highly across the stakeholder survey for effectiveness of its engagement and inclusivity, indicating that a range of different survey respondents thought they were getting things right in these areas. However, it scored lowest of the business units on overall quality of engagement with 56% of respondents rated it as good or very good.

Good practice from self-assessment submission

Worker behaviour complaint reduction: At the end of the year, worker behaviour complaints were down 21% from 2021/22 and the number of advance notice complaints shows a 29% reduction year-on-year, as a result of improved engagement schemes and redesigned pre-notification letters and system **(effective)**.

Public consultations on station design plans including a first look at the plans for the new stations being delivered as part of the Levenmouth Rail Link project and providing locals the chance to provide feedback on three design options for the Troon station rebuild **(transparent, inclusive, effective)**.

Tactile paving scheme: Bringing forward certain station installations and upgrades as a result of engagement with elected members and local constituents, with work being reprioritised and completed nine months ahead of schedule at Baillieston station **(transparent, effective)**.

Saltmarket bridgeworks: Network Rail Scotland considered local community feedback to reassess the delivery of the renewals and enhancements work programme to create less disruption and decrease noise disruption and subsequent stakeholder complaints **(transparent, effective)**.

Performance by principle of stakeholder engagement

Effective

5.8 Whilst there were specific case studies showcasing effective elements of stakeholder engagement, we observed less evidence which showcased how stakeholder insights are used to drive continuous improvement in the region's business planning, performance and processes.

Inclusive

5.9 There were positive examples of ensuring stakeholders had the opportunity to provide feedback on proposals ahead of final decisions being made in specific case studies provided, including evidence of some accessible engagement and a focus on local stakeholders.

Well-governed

5.10 Network Rail Scotland failed to provide further information relating to last year's recommendation to set out how the region has improved governance across the region, including a potential strategic review of these governance arrangements. We expect to Network Rail Scotland to provide us with further information on their governance arrangements in advance of next year's self-assessment submission to demonstrate they have actioned previous recommendations. We recognise that the Network Rail Scotland has a strong relationship with its funder Transport Scotland, however it should ensure that it has robust direct arrangements in place with a broad range of stakeholders – and provide evidence of these structures.

Transparent

5.11 Network Rail Scotland have taken onboard last year's recommendation on transparency and have provided information from an updated stakeholder mapping process as part of their self-assessment. However, we judged its transparency in the SBP as being the weakest across the business units, and the lowest proportion of survey respondents rated Network Rail Scotland as good or very good on this principle compared to other business units (54%), although W&W scored very similarly (55%).

Network Rail Scotland's self-assessment shows some good examples of good things that it is doing, but rarely does it show systematic process for engaging; how stakeholder engagement is embedded in day-to-day operations; and how the engagement has shaped Network Rail Scotland's deliberations or actions.

Consumer Expert Panel feedback

Recommendations

Activity to continue or build on:

5.12   **Effective:** This year has seen Network Rail Scotland taking positive steps to improve the quality and consistency of the information provided to lineside neighbours. We would encourage it to maintain this progress moving into year 5.

Areas requiring improvement:

5.13   **Well-governed:** Clarify how the region has improved governance across the region. This could include a strategic review of the governance arrangements around stakeholder engagement to ensure there is clarity of roles and responsibilities and an emphasis to engage with a broad range of stakeholders to drive decision making and facilitate improvements. *This recommendation has been carried forward from years 2 and 3.*

5.14   **Effective:** The region should outline how it shares the success of any improved governance structures across the region. *This recommendation has been carried forward from years 2 and 3.*

5.15   **Inclusive:** Provide further evidence that Network Rail Scotland have engaged with all operators in Scotland, noting that these operators are not mentioned in its self-assessment material.

5.16   **General:** Provide more evidence of how the region has a consistent and well-embedded approach to stakeholder engagement.

6. Southern

Summary of performance

6.1   Overall, Southern provided the most comprehensive evidence of its stakeholder engagement activity across the year. It scored the strongest across the principles of inclusivity, transparency, and effectiveness.

6.2   We ranked Southern's self-assessment as the strongest submission, providing a well-structured and detailed summary of its activities across the year. The region has identified and addressed recommendations from year 3 and provided evidence of continuous improvement.

6.3   Just over half of respondents to the stakeholder survey who engaged with Southern said that the quality of engagement had improved (51%). However, respondents were less likely to rate Southern's overall stakeholder engagement as 'good' or 'very good' compared to all other business units except Scotland, although against the individual principles it scored relatively highly.

6.4   Southern presented evidence of its engagement throughout the development of its SBP. This culminated in two stakeholder challenge panels at which it set out the final plan. However, more tangible evidence as to how the feedback helped to shape the plans as they developed would have strengthened the transparency of this engagement.

> *"Southern was ahead of the game and was fully engaged and transparent about their business planning for CP7. All other regions have had poor information flow, little transparency of the business planning, and are changing direction in terms of how they will procure in CP7. This is causing issues with how the supply chain can react to shape the business to help serve the needs of the CP7 plan."* **– Survey respondent**

Performance by principle of stakeholder engagement

Effective

6.5   Southern demonstrated a clear and transparent approach about what it wants to achieve from its engagement activity, with a set of clear routes for analysing and acting on any feedback it receives as part of its governance processes. Reflecting on a recommendation from year 3, it has sought to use its CP7 business planning

process to include stakeholder feedback in its overall planning processes. However, stakeholder respondents suggested they were less informed about how this feedback was subsequently used in final plans.

Inclusive

6.6   The region provided a detailed stakeholder map with information on the specific interests of stakeholders. This principle scored highest in Southern's stakeholder survey results. There is very strong evidence that Southern has a good level of understanding of the key stakeholders, categorising different stakeholder groups and ensuring they are engaged in a proportionate and suitable manner. Southern has attempted to make this engagement suitable and tailored for a range of stakeholders.

Well-governed

6.7   Southern's approach to stakeholder engagement is well-governed, which has supported the behaviours, processes, and outcomes it is trying to drive. There is consistent evidence across engagement with all stakeholder groups that the region uses best practices. Southern is open to innovation to improve the process and outcome of engagement.

Transparent

6.8   Southern provided strong evidence to showcase the transparency of its operations across each stakeholder category. The region has been proactive in sharing data and information, keeping stakeholders informed about what is happening which affects them (such as use of explanatory videos across social media). Feedback has also been taken into consideration.

Good practice from self-assessment submission

Social media communication campaigns: example of best practice communications during disruption, when there are infrastructure faults that impact passengers and require further explanation. These include regular video updates and explainers to why there are problems and how attempts to rectify the problems are progressing **(transparent, effective)**.

Updating design standards (Putney footbridge): Design standards precluded the installation of a bike rack on a footbridge. After feedback from stakeholders and local elected officials, Southern updated design standards for footbridges so that they could

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facilitate such stakeholder requests and aspirations at other sites **(effective, inclusive, transparent)**.

Access for All: providing passengers a 'one-stop shop' overview of existing work. Local residents and passengers can see visualisations of improvement schemes and understand impacts of upcoming programmes of work **(inclusive, transparent)**.

Recommendations

Activity to continue or build on:

6.9   **General:** Continue to maintain the level of ambition and quality of engagement externally and to work internally to create value from the engagement for the company and its customers.

6.10   **Transparency:** Continue to focus on how stakeholder feedback is used to aid decision making (including areas where it did not influence the final decision/position).

There is clear evidence that Southern seeks to engage with stakeholders proactively, strategically and responsively and genuinely seeks input and feedback from stakeholders before making decisions. It is clear and transparent about what it wants to achieve from the engagement activity and has clear routes for analysing and taking action on the feedback. The region should continue to maintain the level of ambition and quality of engagement.

Consumer Expert Panel feedback

7. System Operator

Summary of performance

7.1   We have rated the SO's self-assessment submissions and SBP lower than other business units, except Scotland. Although there appears to have been progress in some areas, the SO's responses to our year 3 recommendations did not clearly demonstrate that previous areas for improvement have been addressed. For this reason, we are carrying forward several recommendations which we have made in previous years. We expect the SO to ensure it properly addresses our recommendations in year 5 of CP6.

7.2   We recognise that the SO's engagement may differ from that of the regions, being more project-driven or operationally-driven via FNPO. There are indications the SO is conducting some effective stakeholder engagement through a range of industry groups, although the presentation of the self-assessment and SBP made it more difficult to assess its impact and significance.

7.3   This was also reflected in the stakeholder survey, as respondents were more likely to rate the transparency and governance of the SO's stakeholder engagement as good or very good compared to respondents rating other business units, although it scored relatively less well for inclusivity and effectiveness.

Better Timetabling for Passengers & Freight (BTPF) programme

7.4   The BTPF programme, which proposed changes to how rail timetables are produced, included a sustained stakeholder engagement effort in year 4 which the SO developed and led. We recognise that is challenging to achieve the level of consensus needed to make significant changes to the industry's processes, and also that the formal governance arrangements are very tightly focused on Network Rail and train operators. However, the mixed response from industry and passenger groups suggests Network Rail should learn from what went well and what did not.

7.5   ORR was a key recipient of aspects of engagement on BTPF. We also undertook our own extensive [independent engagement with industry and passenger groups on matters related to BTPF](). This generated differing feedback to that received by Network Rail. This independent engagement gave us insight into the SO's approach, alongside the references to BTPF in the SO's self-assessment.

7.6   It is to the SO's credit that it secured sufficient industry support for its proposed changes to be conditionally approved by the formal governance authority that oversees the industry's Network Code. To achieve this, the SO engaged effectively with operational planning specialists and senior managers across numerous train operators. The SO refined its plans regularly in response to the feedback it received, so that the third iteration of its formal proposals attracted sufficient support to progress.

7.7   However, when we consulted industry and passenger groups on the same matter to facilitate a related change to Network Rail's licence, it was clear from stakeholders' feedback that important groups were either unaware of the change (for example, representatives of customers with disabilities), did not understand its implications (for example, some train operators), or were opposed to it despite being fully informed (for example, Transport Focus). Some opponents were the same train operators who had voted positively for BTPF during the industry process. Significant concern was expressed about the impact of the BTPF changes on passengers, and the SO's engagement had not developed sufficient evidence to answer these concerns. This meant the changes could not be taken forward.

7.8   This indicates that although the SO's engagement on BTPF was extensive and effective in obtaining formal approval from those closest to the timetable process in industry, the changes were not more widely understood and the practical impact on passenger journeys was not fully assessed.

7.9   We have identified a number of specific issues:

- The SO convened a high-level group of the industry's funders, train operator representatives and ORR to provide oversight of the BTPF programme at its outset. Later, the remit of the group was expanded to included oversight of the Industry Timetable Technical Strategy (ITTS). However, the group was not sustained as an effective mode of governance: it did not meet after December 2022, even though the project it was overseeing was experiencing challenges with senior buy-in. Significant changes to ITTS were also made over the same period without the group meeting.

- The SO established and led a separate BTPF Programme Board, involving relevant technical experts and senior leads in operational planning from across the industry to oversee the development of the proposals. The programme board originally included train operator participants empowered to offer views and evidence on the commercial and passenger-facing impacts

of the BTPF proposals, but when key individuals in this capacity left they were not replaced. Network Rail told us it was assured by operators that they were content for senior planners to give representative views, but the outcome of our consultation suggested this did not work in practice. Network Rail did develop and supply some case study evidence to the programme board of the limited passenger impacts of one key aspect of the BTPF changes. Plainly, this was not sufficient to resolve the underlying concerns that came to light when we consulted on the matter.

- Although a broad range of stakeholders were engaged by the SO, at times there seemed to be a reliance or expectation on a single individual, sometimes a technical specialist, representing the broad view of their company; or on representatives from one or two companies representing the views of the whole sector.

- There were significant stages in the project where the SO was not able to get key decisions locked down by important stakeholder groups. For example, the key proposition to move the timetable finalisation deadline (for amended timetables for engineering work) from 12 to 8 weeks prior to operation was discussed extensively at both the high-level group and programme board. The SO considered this change as agreed. However, the commitment of those represented at these meetings to this 'decision' proved unreliable.

Performance by principle of stakeholder engagement

Effective

7.10 The SO provided some evidence of gathering and analysing stakeholder views and one strong case study demonstrating how engagement with charter operators influenced the SO's business decisions. However, the SO did not demonstrate how it feeds back to stakeholders how their priorities were addressed (or if not, why). In response to the recommendation to demonstrate that stakeholders can participate and influence decisions, five examples are referred to but only two provide evidence that the outcome of the stakeholder engagement influenced a decision.

Inclusive

7.11 Although the SO has demonstrated that it values inclusion in a broad sense, including though inclusive initiatives such as White Ribbon Day and its Diversity and Inclusion Working Group, it is less clear that it is engaging with the full range of stakeholders which it needs to. In the self-assessment, important stakeholder

groups, such as lineside neighbours, were not referred to in the SO's self-assessment, even though the importance of engaging with lineside neighbours was highlighted in the SO's SBP.

Well-governed

7.12   The SO has provided some good evidence of taking a coherent and structured governance approach to stakeholder engagement, including implementing a stakeholder engagement process, appointing single points of contact to manage different areas of engagement, and maintaining an advisory board with a range of independent representatives from stakeholder groups. From our monitoring of Network Rail, we are aware of more than one instance where the SO established governance mechanisms to oversee projects involving stakeholder engagement but did not use these effectively. It is unfortunate that the SO did not run its customer advocacy survey in year 4, but positive that it is to resume this in year 5.

Transparent

7.13   In responding to our year 3 recommendation to review whether transparency is properly embedded across the business unit, the SO referred to CP7 planning but only in terms of internal engagement. It is important that external transparency is embedded in the business unit. If the external engagement is delivered through the regions, the SO needs to consider how it ensures that its internal engagement feeds through to the end user or external stakeholder.

Good practice from self-assessment submission

System Operator Advisory Board: The SO has established an independently chaired advisory board including representatives from passenger operators, freight operators, funders and Network Rail to provide candid feedback to inform its business decisions **(transparent, effective)**.

Identifying strategic priorities with charter operators: By working with charter operators to identify strategic priorities, listening to feedback to identify key concerns and agree appropriate mitigations, the SO demonstrated how listening to its stakeholders has shaped its priorities. It also explained plans it has put in place plans to act on that feedback. **(inclusive, effective)**.

Recommendations

Activity to continue or build on:

7.14　**Effective, inclusive:** Building on work with charter operators to identify strategic priorities, demonstrate how stakeholders can participate and effectively influence decisions. ***This builds on our year 2 and year 3 recommendation.***

7.15　**Well-governed, effective:** Demonstrate the impact and influence of the SO Advisory Board.

Areas requiring improvement:

7.16　**Transparent:** Review the merits of feeding back collectively or publicly on how priorities were addressed and if not, why. ***This recommendation has been carried forward from year 2.***

7.17　**Transparent:** Review whether transparency is properly embedded across the business unit. ***This recommendation has been carried forward from year 2.***

7.18　**Effective:** Demonstrate that good practice is embedded across the business and that there is an SO corporate stakeholder engagement strategy, based on good practice principles, driving systemic and cultural change ***This recommendation has been carried forward from year 2.***

7.19　**General:** Reflect on its approach to the self-assessment, in particular how evidence is presented and signposted, ensuring all evidence presented clearly illustrates how it meets the principles of stakeholder engagement. The SO should ensure the evidence it provides in its self-assessment addresses to the recommendations we have made.

7.20　In addition, we have identified the following areas for improvement arising from the BTPF programme:

(a)　**Well-governed:** Ensure that groups established or designated to oversee key decisions and programmes are kept active and consulted on key changes within their remit until the decision has been made or the programme delivered.

(b)　**Inclusive, effective:** Ensure that engagement is conducted with an empowered and engaged range of stakeholders from any organisation the SO is engaging.

(c) **Effective, well-governed:** If individuals are to be engaged with as representatives an organisation or group, ensure they are accountable for communicating across their organisation or constituency.

(d) **Effective, well-governed:** Ensure that key decisions made as part of engaging with stakeholders are clearly agreed, recorded and confirmed in writing if necessary.

8. Wales & Western

Summary of performance

8.1   W&W's SBP was among the strongest examples and demonstrated a well-embedded, large scale stakeholder engagement process. W&W was the first business unit to establish an independent stakeholder challenge group during the development of its plans.

8.2   W&W scored consistently well across the four principles of stakeholder engagement in its self-assessment submission, although there was room to evidence and articulate the impact of stakeholder engagement activities more effectively, including how stakeholder feedback influenced plans and how this impact was communicated to stakeholders.

8.3   W&W has sought to improve responsiveness to stakeholders, whether enquiries from members of the public. However, it needs to demonstrate that it is learning from feedback, comments and queries from stakeholders and demonstrating effective rather than transactional engagement.

8.4   While we appreciate W&W's ambition to simplify governance, ownership and points of contact for stakeholder groups by dedicating named owners for each stakeholder group, it is important that this does not lead to reduced visibility and ease of contact, particularly for supply chain stakeholders.

8.5   In our year 3 report, we highlighted a significant drop in the proportion of survey respondents rating the business unit as good or very good against the principles of stakeholder engagement. This decline partially reversed in the year 4 stakeholder survey which may indicate some improvement in the region's stakeholder engagement.

8.6   However, the proportion of stakeholders rating W&W as good or very good against certain principles was relatively low. Respondents were least likely to rate the governance of W&W's stakeholder engagement as good or very good, and less likely to rate the transparency of W&W's stakeholder engagement as good or very good compared to all other business units except Scotland. However, survey respondents were relatively likely to rate the inclusivity of W&W as good or very good.

Performance by principle of stakeholder engagement

Effective

8.7   We have seen good evidence of the effectiveness of some of W&W's stakeholder engagement, however some examples in the region's self-assessment did not demonstrate their relevance to stakeholder engagement or how stakeholder feedback influenced plans, outcomes or processes. W&W has demonstrated how it has communicated with stakeholders and gathered views, for example through drop-ins with elected officials or stakeholder panels. Less detail was provided on how feedback and insights from this communication was actually used.

Inclusive

8.8   W&W has demonstrated an understanding of who its stakeholders are and why it needs to engage with them. Its engagement with local and national accessibility groups demonstrated inclusivity, as did its approach to strategic business planning. Its self-assessment included some detail on how it adapted its approach to suit the needs of stakeholders and used digital communications to help it communicate with lineside neighbours although it could have provided more detail on how it is managing issues it highlighted such as digital exclusion.

Well-governed

8.9   The region has employed independent and external scrutiny and research to gather feedback and stakeholder views, including its independent stakeholder challenge panel, third party surveying of elected officials, and research into passenger needs. While we understand W&Ws efforts to simplify governance by reducing the number of points of contact its stakeholders have, it needs to ensure that this does not negatively impact the level of engagement they receive.

Transparent

8.10   Transparency was the area in which W&W's SBP needed more development, particularly in how findings and feedback of engagement were communicated within the plan and to stakeholders. Similarly, W&W's self-assessment contained some good evidence of transparency and clearly identified stakeholders' desire for transparency but was less clear on steps the region is taking to genuinely embed it.

Evidence on W&W's transparency is patchy, with some good initiatives but still some substantial gaps. There are good examples of effective transmission of information, but little understanding of the difference between communicating outwards and genuine

transparency. Commentary by the Stakeholder Engagement Group and of passenger research conducted by Transport Focus, is an example of good practice on transparency. However, W&W's evidence on passengers and communities emphasises outward communication from the region rather than genuine engagement. For example, capturing passenger feedback on satisfaction is mentioned, but this falls far short of interactive, in-depth engagement.

Consumer Expert Panel feedback

Good practice from self-assessment submission

Stakeholder Engagement Group: W&W created an independent challenge group of stakeholders as part of its strategic business planning process to ensure the needs of current and future passengers and freight users were reflected in its plans. W&W was the first to establish such a group and engaged with it throughout the planning process **(transparent, well-governed, inclusive)**.

Station audio maps and British Sign Language (BSL) station information: W&W worked with local and national accessibility stakeholders to create station audio maps to help those with sight loss navigate Bristol Temple Meads station during refurbishment works and is replicating the success of this initiative in its Oxford Rail Station and Area Upgrade. It is also rolling out BSL information screens in all of its managed stations **(inclusive, effective)**.

Recommendations

Activity to continue or build on:

8.11   **Transparent**: W&W should ensure it shares good practice on accessibility (station audio maps and BSL information) more widely across Network Rail and the industry (e.g. with train operating company managed stations).

Areas requiring improvement:

8.12   **Effective, transparent**: W&W should demonstrate how (or if) simplified ownership of stakeholder groups has impacted visibility and ease of contact for stakeholders, particularly supply chain.

8.13   **Effective**: W&W should consider how to evidence and articulate the impact of stakeholder engagement activities more effectively, including how stakeholder feedback influenced plans and how this impact was communicated to stakeholders

Annex A: Tables presenting ORR findings and survey results

Table A.1   ORR's comparative rating of each business unit based on SBPs

Key:

■ Relatively one of the **strongest** performances
■ Relatively **some strengths** with areas for improvement
■ Relatively **mixed** performance with significant areas for improvement
■ Relatively **some weaknesses** with instances of good practice
■ Relatively one of the **weakest** performances

Principle assessed	Eastern	North West & Central	Scotland	Southern	Wales & Western	System Operator
Inclusive	Some strengths	Strongest	Some weaknesses	Some strengths	Strongest	Strongest
Transparent	Strongest	Strongest	Some weaknesses	Some strengths	Some strengths	Mixed
Well-governed	Strongest	Strongest	Weakest	Strongest	Strongest	Mixed
Effective	Strongest	Strongest	Mixed	Some strengths	Strongest	Mixed

Table A.2   ORR's comparative rating of each business unit based on self-assessment submissions

Key:

■ Relatively one of the **strongest** performances
■ Relatively **some strengths** with areas for improvement
■ Relatively **mixed** performance with significant areas for improvement
■ Relatively **some weaknesses** with instances of good practice
■ Relatively one of the **weakest** performances

| Principle assessed	Eastern	North West & Central	Scotland	Southern	Wales & Western	System Operator
Inclusive	Strongest	Some strengths	Some strengths	Strongest	Some strengths	Mixed
Transparent	Some strengths	Mixed	Mixed	Strongest	Some strengths	Mixed
Well-governed	Some strengths	Mixed	Some weaknesses	Some strengths	Some strengths	Some strengths
Effective	Some strengths	Some strengths	Mixed	Strongest	Some strengths	Mixed
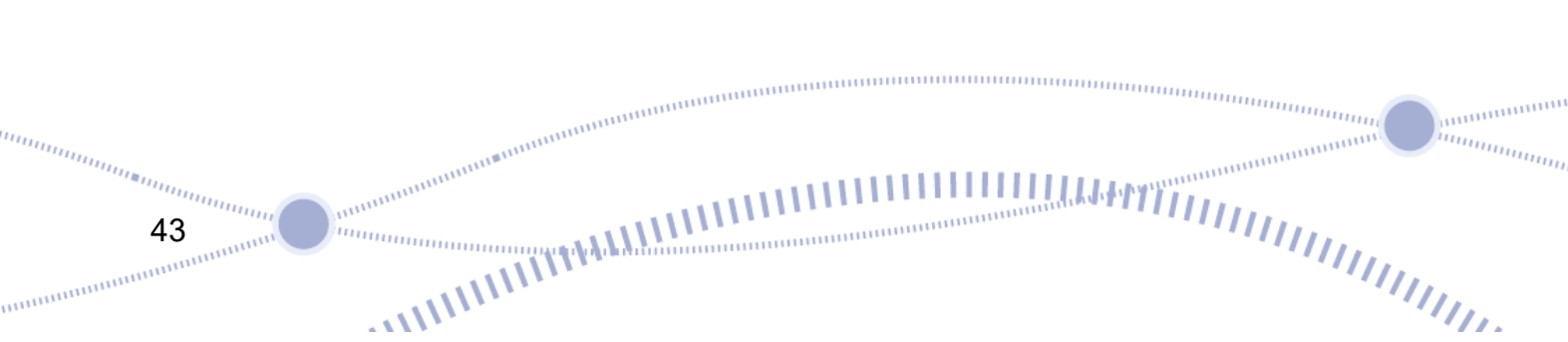
Office of Rail and Road | Annual Assessment of Network Rail's stakeholder engagement for Year 4 of Control Period 6 (April 2022 to March 2023)

Table A.3   The proportion of survey respondents rating each business unit as good or very good by each principle of stakeholder engagement and in terms of the business unit's overall engagement

Key:

■ Fifth quintile (highest proportion of survey respondents rating business unit as good or very good relative to other business units)

■ Fourth quintile

■ Third quintile

■ Second quintile

■ First quintile (lowest proportion of survey respondents rating business unit as good or very good relative to other business units)

(Quintiles = five equal groups)

Principle assessed	Eastern	North West & Central	Scotland	Southern	Wales & Western	System Operator
Inclusive	69% Fourth quintile	72% Fifth quintile	67% Third quintile	72% Fifth quintile	71% Fifth quintile	63% First quintile
Transparent	59% Third quintile	60% Fourth quintile	54% First quintile	59% Third quintile	55% First quintile	63% Fifth quintile
Well-governed	57% Third quintile	56% Third quintile	62% Fifth quintile	58% Fourth quintile	52% First quintile	61% Fifth quintile
Effective	58% First quintile	63% Third quintile	68% Fifth quintile	65% Fourth quintile	62% Second quintile	63% Third quintile
Overall	66% Fourth quintile	70% Fifth quintile	56% First quintile	61% Second quintile	63% Third quintile	62% Third quintile

Annex B: Changes in stakeholder survey results

Table B.1 Year-on-year change in stakeholder survey results by principle and by business unit between year 2 and year 4 of CP6

Business unit	Principle of stakeholder engagement	Year 2 respondents rating as good or very good	Percentage point change between year 2 and year 3	Year 3 respondents rating as good or very good	Percentage point change between year 3 and year 4	Year 4 respondents rating as good or very good
Eastern	Inclusive	70%	+5▲	75%	−6▼	69%
Eastern	Transparent	55%	+4▲	59%	0	59%
Eastern	Well-Governed	57%	0	57%	0	57%
Eastern	Effective	71%	−12▼	59%	0	59%
NW&C	Inclusive	67%	+5▲	72%	0	72%
NW&C	Transparent	61%	−5▼	56%	−4▼	60%
NW&C	Well-Governed	60%	+3▲	63%	−8▼	56%
NW&C	Effective	65%	0	65%	−2▼	63%
Scotland	Inclusive	73%	+3▲	76%	−9▼	67%
Scotland	Transparent	68%	−10▼	58%	−4▼	54%
Scotland	Well-Governed	64%	−4▼	60%	+2▲	62%
Scotland	Effective	70%	−15▼	55%	+13▲	68%
Southern	Inclusive	63%	+4▲	67%	+5▲	72%
Southern	Inclusive	55%	+3▲	58%	0	59%
Southern	Transparent	56%	+2▲	58%	0	58%
Southern	Well-Governed	66%	−6▼	60%	+5▲	65%
W&W	Inclusive	66%	+1▲	67%	+4▲	71%

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Business unit	Principle of stakeholder engagement	Year 2 respond-ents rating as good or very good	Percent-age point change between year 2 and year 3	Year 3 respond-ents rating as good or very good	Percent-age point change between year 3 and year 4	Year 4 respond-ents rating as good or very good
W&W	Transparent	66%	−20▼	46%	+9▲	55%
W&W	Well-Governed	59%	−9▼	50%	+2▲	52%
W&W	Effective	70%	−13▼	57%	+5▲	62%
SO	Inclusive	64%	+11▲	75%	−8▼	63%
SO	Transparent	53%	+6▲	59%	+4▲	63%
SO	Well-Governed	42%	+14▲	56%	+5▲	61%
SO	Effective	58%	+10▲	68%	−5▼	63%

Annex C: Summary of recommendations

Recommendations applying across Network Rail

General

C.1   Network Rail should foster a culture of continuous improvement in stakeholder engagement, consistently looking to improve processes to benefit stakeholders.

C.2   Network Rail should measure and demonstrate the impact of engagement, as opposed to simply identifying that it took place.

C.3   Network Rail should effectively share best practice and stakeholder insight between business units.

C.4   Network Rail should embed genuine transparency of engagement, both by keeping stakeholders informed in an open and candid way, but also by demonstrating to stakeholders how their feedback has impacted business decisions, or by explaining to stakeholders how it considered feedback even if it decided not to act on it.

C.5   Network Rail should ensure that engagement is inclusive to a range of stakeholders within different categories, for example including small and medium (SME) suppliers as well as larger suppliers.

C.6   Network Rail should investigate effective or innovative approaches to stakeholder engagement in other sectors, applying any learning to its own approach to stakeholder engagement.

EDP

C.7   Network Rail should continue to publish quarterly EDP updates, making it clearer to stakeholders when new versions are available and where to find them.

C.8   Network Rail should undertake a gap analysis to identify what information is missing in the CP6 EDP and how this information gap should be addressed in CP7.

C.9   Network Rail should use the EDP as a main reference document when briefing stakeholders on enhancement projects, linking its focus groups, press releases

and newsletters to what is in the plan, and ensuring this is reflected in its stakeholder engagement self-assessments.

Recommendations applying to specific business units

Eastern

Activity to continue or build on:

C.10   **Well governed, transparent:** Eastern should continue to develop processes for sharing knowledge, feedback and best practice between routes more widely. *This recommendation builds on year 2 and year 3 recommendations.*

C.11   **Inclusive, effective:** Eastern should ensure that the good practice relating to lineside neighbours and communities highlighted in its case study on the Broxbourne Closures is embedded across all its routes.

Areas requiring improvement:

C.12   **Effective:** Eastern should consider how to evidence and articulate the impact of its stakeholder engagement.

C.13   **General:** Eastern should ensure it clearly responds to our recommendations in the evidence it provides to us on its stakeholder engagement activity.

North West & Central

Activity to continue or build on:

C.14   **Well-governed:** NW&C should build on its post-reorganisation approaches to governance with a focus on stakeholder engagement. The development of its stakeholder strategy should include a review of the governance of its stakeholder engagement, including setting clear milestones on commitments made. *This recommendation builds on our year 3 recommendation.*

C.15   **Inclusive:** The region should build on its understanding of inclusive stakeholder engagement and develop a more strategic and inclusive approach to its stakeholder engagement, addressing pre-existing gaps identified. *This recommendation builds on our year 3 recommendation.*

C.16   **Transparent:** NW&C should continue to reflect and embed a consistent approach to transparency across the region, enabling stakeholders to see how their feedback has been taken onboard in the decision-making process.

C.17   **Effective:** Continue to build processes to enhance the region's lineside neighbour relationships, including considering how proactive, tailored engagement can improve stakeholder's experience.

Areas requiring improvement:

C.18   **Inclusive, well-governed:** NW&C should consider its approach to engaging with its supply chain and whether the current governance structures in place enable frequent enough engagement with its customers.

C.19   **Well-governed:** NW&C should implement (or at a minimum confirm implementation timelines) local-level stakeholder engagement strategies and put relationship managers for key stakeholders in place.

Scotland

Activity to continue or build on:

C.20   **Effective:** This year has seen Network Rail Scotland taking positive steps to improve the quality and consistency of the information provided to lineside neighbours. We would encourage it to maintain this progress moving into year 5.

Areas requiring improvement:

C.21   **Well-governed:** Clarify how the region has improved governance across the region. This could include a strategic review of the governance arrangements around stakeholder engagement to ensure there is clarity of roles and responsibilities and an emphasis to engage with a broad range of stakeholders to drive decision making and facilitate improvements. *This recommendation has been carried forward from years 2 and 3.*

C.22   **Effective:** The region should outline how it shares the success of any improved governance structures across the region. *This recommendation has been carried forward from years 2 and 3.*

C.23   **Inclusive:** Provide further evidence that Network Rail Scotland have engaged with all operators in Scotland, noting that these operators are not mentioned in its self-assessment material.

C.24   **General:** Provide more evidence of how the region has a consistent and well-embedded approach to stakeholder engagement.

Southern

Activity to continue or build on:

C.25   **General:** Continue to maintain the level of ambition and quality of engagement externally and to work internally to create value from the engagement for the company and its customers.

C.26   **Transparency:** Continue to focus on how stakeholder feedback is used to aid decision making (including areas where it did not influence the final decision/position).

System Operator:

Activity to continue or build on:

C.27   **Effective, inclusive:** Building on work with charter operators to identify strategic priorities, demonstrate how stakeholders can participate and effectively influence decisions. ***This builds on our year 2 and year 3 recommendation.***

C.28   **Well-governed, effective:** Demonstrate the impact and influence of the SO Advisory Board.

Areas requiring improvement:

C.29   **Transparent:** Review the merits of feeding back collectively or publicly on how priorities were addressed and if not, why. ***This recommendation has been carried forward from year 2.***

C.30   **Transparent:** Review whether transparency is properly embedded across the business unit. ***This recommendation has been carried forward from year 2.***

C.31   **Effective:** Demonstrate that good practice is embedded across the business and that there is an SO corporate stakeholder engagement strategy, based on good practice principles, driving systemic and cultural change ***This recommendation has been carried forward from year 2.***

C.32   **General:** Reflect on approach to the self-assessment, in particular how evidence is presented and signposted, ensuring all evidence presented clearly illustrates how it meets the principles of stakeholder engagement. The SO should ensure the evidence it provides in its self-assessment addresses to the recommendations we have made.

C.33   Specifically in relation to BTPF:

(a) **Well-governed:** Ensure that groups established or designated to oversee key decisions and programmes are kept active and consulted on key changes within their remit until the decision has been made or the programme delivered.

(b) **Inclusive, effective:** Ensure that engagement is conducted with an empowered and engaged range of stakeholders from any organisation the SO is engaging.

(c) **Effective, well-governed:** If individuals are to be engaged with as representatives an organisation or group, ensure they are accountable for communicating across their organisation or constituency.

(d) **Effective, well-governed:** Ensure that key decisions made as part of engaging with stakeholders are clearly agreed, recorded and confirmed in writing if necessary.

Wales & Western

Activity to continue or build on:

C.34   **Transparent**: W&W should ensure it shares good practice on accessibility (station audio maps and BSL information) more widely across Network Rail and the industry (e.g. with train operating company managed stations).

Areas requiring improvement:

C.35   **Effective, transparent**: W&W should demonstrate how (or if) simplified ownership of stakeholder groups has impacted visibility and ease of contact for stakeholders, particularly supply chain.

C.36   **Effective**: W&W should consider how to evidence and articulate the impact of stakeholder engagement activities more effectively, including how stakeholder feedback influenced plans and how this impact was communicated to stakeholders.