



**Consultation on ORR's
approach to assessing
the quality of
Network Rail's
stakeholder
engagement in CP6**

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1. Introduction

- 1.1 In CP6, we want the routes/SO to engage with their stakeholders in a way that improves delivery for passengers and freight end users, and enhances value for money. Subject to our principles and minimum expectations for good stakeholder engagement¹, it is for the routes/SO to decide how best to achieve this, taking into account the needs and circumstances of their particular stakeholders.
- 1.2 However, we will support improvements in the quality of the routes'/SO's stakeholder engagement by carrying out:
- **Ongoing monitoring of stakeholder engagement.** We will monitor the routes'/SO's engagement on an ongoing basis and use this to inform our approach to escalation and enforcement where issues with Network Rail's performance arise. We could, for example, do this through our ongoing engagement with the routes/SO and wider industry, and through dialogue with the chairs of the routes' new Railway Boards and of the SO's Advisory Board.
 - **Annual assessments of stakeholder engagement.** These will supplement our ongoing monitoring, providing a reputational incentive for the routes/SO to maintain and improve the quality of their engagement, and highlighting and promoting the adoption of good practice in this area across Network Rail.

Purpose of this document

- 1.3 The main purpose of this document is to seek stakeholders' views on what the scope of our annual assessments of stakeholder engagement should be. We also present an outline of our proposed approach to assessing the quality of the routes'/SO's stakeholder engagement in CP6 and invite stakeholders to comment on this.
- 1.4 This consultation will close on 25 January 2019. See Annex A for information on how to respond and how we will treat responses.

Question 1: Do you agree with our proposal to focus our assessment in the first year of CP6 on the routes'/SO's engagement on annual business planning and on developing and agreeing scorecards? Are there other areas on which you think we should assess the quality of the routes'/SO's engagement? If so, what should we exclude from the scope of our assessment to accommodate this?

¹ As set out in Chapter 3 of our *PR18 Final determination – overview of approach and decisions*, which may be accessed [here](#).

Question 2: Do you have any comments on our proposed approach to assessing the quality of Network Rail's stakeholder engagement in CP6?

2. Scope of our assessment of the routes'/SO's stakeholder engagement

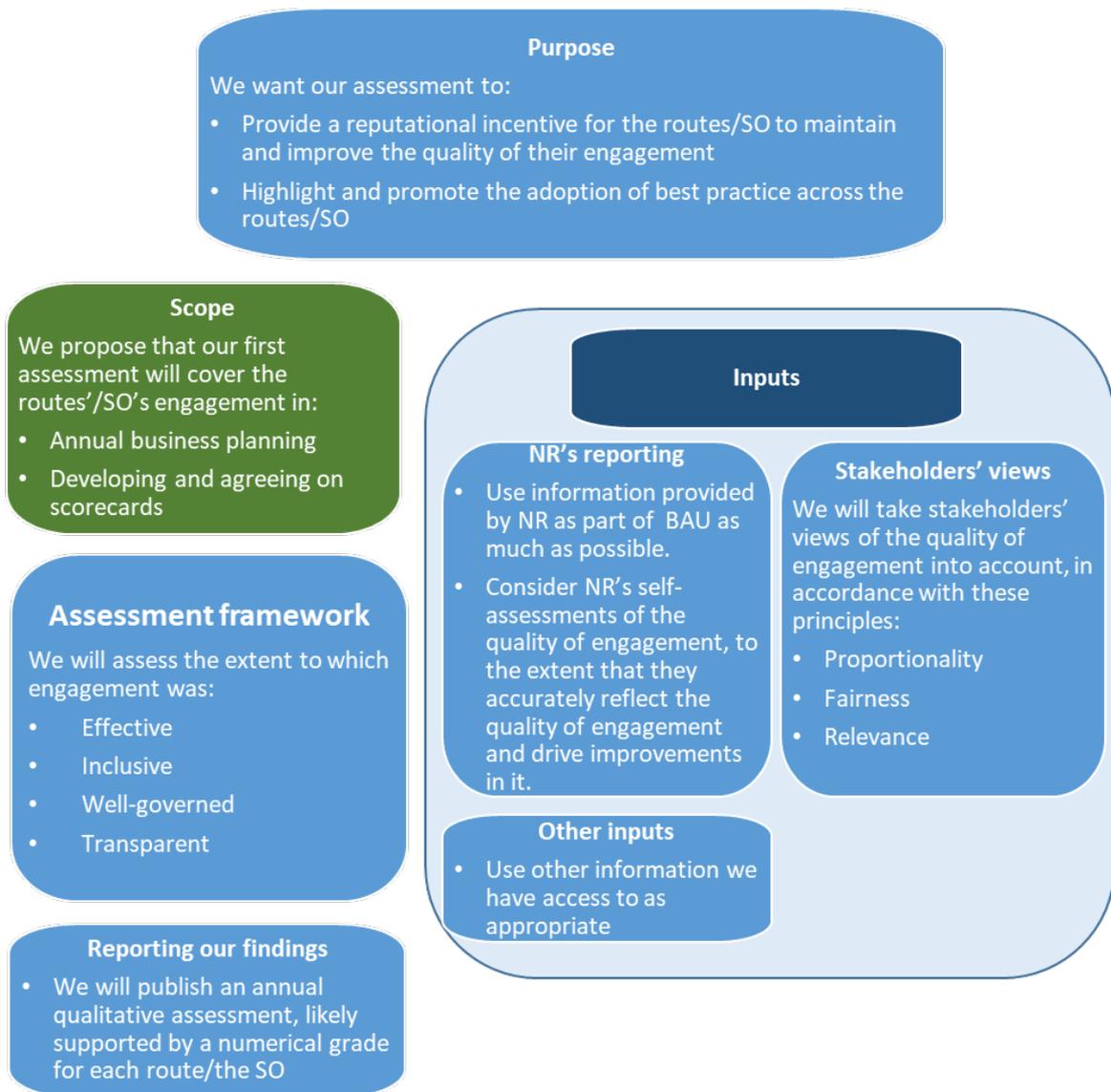
- 2.1 There is a broad span of activities in which good stakeholder engagement by the routes/SO is likely to lead to improved outcomes for end users and the taxpayer. These range from strategic matters, such as annual business planning, to detailed tactical decisions, such as planning individual possessions. It is important that the routes/SO engage with their stakeholders in all of these areas.
- 2.2 However, in the interest of proportionality and of using our resources wisely, we intend to focus our assessment on those areas where improved stakeholder engagement might be expected to add the most value, and where there appears to be most room for improvement in the quality of engagement.
- 2.3 In the first year of CP6, we propose to focus our assessment on how well the routes/SO engage with their stakeholders on annual business planning and on developing and agreeing scorecards. This reflects that:
- the routes'/SO's engagement on annual business planning and scorecards is at a relatively early stage of development, and our assessment could help the routes/SO to unlock significant additional benefits;
 - securing stakeholder input to business planning is crucial to ensuring that the routes/SO are seeking to deliver the things that matter to their stakeholders; and
 - our review of engagement on scorecards during and after the strategic business planning (SBP) process raised a number of concerns that need to be addressed in CP6.
- 2.4 Alternatively, we could (instead of the above) assess the routes'/SO's engagement on other matters, such as (this is not intended to be an exhaustive list):
- developing operational policies (e.g. access policies);
 - material operational decisions (such as the planning of major possessions); or
 - performance management (against scorecards or more generally).
- 2.5 In principle, we could attempt to assess the quality of the entirety of the routes'/SO's stakeholder engagement. This would require significant additional resources, which we do not expect to have available. We are also mindful that our structured review will have an impact on all participants - who will need to engage with and respond to our requests for information and views - and that a narrow scope is likely to deliver a richer set of findings.

Question 1: Do you agree with our proposal to focus our assessment in the first year of CP6 on the routes'/SO's engagement on annual business planning and on developing and agreeing scorecards? Are there other areas on which you think we should assess the quality of the routes'/SO's engagement? If so, what should we exclude from the scope of our assessment to accommodate this?

3. Our approach to assessing Network Rail’s stakeholder engagement in CP6

3.1 Figure 3.1 gives an overview of why and how we propose to assess the quality of Network Rail’s stakeholder engagement in CP6.

Figure 3.1: Overview of our proposal for assessing the quality of the routes’/SO’s stakeholder engagement in CP6



Information and self-assessments produced by Network Rail

3.2 A significant input to our assessment will be information provided by the routes/SO in the normal course of their business (e.g. in routes’ delivery plans).

- 3.3 We understand that the routes/SO will carry out annual self-assessments of the quality of their stakeholder engagement, supported by moderation/assurance by Network Rail centre. We will take these self-assessments into account in our own assessment to the extent that is appropriate.
- 3.4 However, to ensure that stakeholders have confidence that Network Rail is being properly held to account for the quality of its stakeholder engagement, we will continue to carry out independent assessments of the quality of the routes'/SO's stakeholder engagement until Network Rail has established that:
- the self-assessments (supported by the centre's moderation and assurance) are a robust reflection of the quality of engagement by each route/the SO; and
 - they effectively drive improvements in the quality of engagement by the routes/SO.
- 3.5 We will keep these matters under review throughout CP6.
- 3.6 Where we require information beyond that set out above, we will ask Network Rail to provide it (which could impose a cost on Network Rail).

Stakeholders' views on the quality of engagement

- 3.7 Stakeholders' views were an important input to our assessment of the quality of the routes'/SO's SBP engagement (which we published in our draft and final determinations). Several stakeholders said in their responses to our overall framework consultation² that they wanted their views to feed-in to the assessments of the quality of the routes'/SO's stakeholder engagement in CP6, and more recent informal consultation with a number of stakeholders has reinforced this view.
- 3.8 For these reasons, we will seek to incorporate stakeholders' views in our annual assessments of the quality of Network Rail's stakeholder engagement during CP6, while being mindful of the burden on stakeholders of providing such information.

How we will gather stakeholders' views

- 3.9 We will ask stakeholders for their views on the routes'/the SO's stakeholder engagement annually, following completion of Network Rail's annual business planning and scorecard development and agreement processes (meaning that, under current processes, we would be likely to undertake the assessment in late spring or early summer each year).

² *Conclusions on the overall framework for regulating Network Rail - Summary of comments and our response, January 2018.* This may be accessed [here](#).

3.10 We will develop our detailed approach in due course. This could involve a mix of surveys and in-person or telephone interviews. In deciding how to gather stakeholders' views, we propose to have regard to the following principles:

- **Proportionality.** Any burden imposed on stakeholders should be proportionate;
- **Fairness.** Any method we use should facilitate both positive and negative feedback of the routes'/the SO's engagement and should limit the risk of inaccuracies; and
- **Relevance.** The focus should be on obtaining stakeholders' views to inform our assessment of whether engagement was effective, inclusive, well-governed and transparent.

Question 2: Do you have any comments on our proposed approach to assessing the quality of Network Rail's stakeholder engagement in CP6?

Annex A: Responding to this consultation

1. We invite stakeholders to comment on these proposals by 25 January 2019.
2. Please submit your responses, in electronic form, to our PR18 inbox pr18@orr.gsi.gov.uk.
3. We plan to publish all responses to this consultation on our website. When sending documents to us, we would prefer that you send your correspondence to us in Microsoft Word format or Open Document Format. This allows us to apply web standards to content on our website. If you do email us a PDF document, where possible please:
 - create it from an electronic word processed file rather than sending us a scanned copy of your response; and
 - ensure that the PDF's security method is set to "no security" in the document properties.
4. Should you wish any information that you provide, including personal data, to be treated as confidential, please be aware that this may be subject to publication, or release to other parties or to disclosure, in accordance with the access to information regimes. These regimes are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004). Under the FOIA, there is a statutory code of practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.
5. In view of this, if you are seeking confidentiality for information you are providing, please explain why. If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on ORR.
6. If you are seeking to make a response in confidence, we would also be grateful if you would annex any confidential information, or provide a non-confidential summary, so that we can publish the non-confidential aspects of your response.



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