Annual Assessment of Network Rail's stakeholder engagement April 2023 to March 2024

7. System Operator

Summary of performance

The System Operator (SO) met the requirements of the self-assessment, scoring well in the areas of inclusivity and well governed. However, there are clear areas of improvement within the principles of transparency and effectiveness.

This year, the SO was the joint weakest performer relative to the other business units within the scoring of the assessment and criteria used to review the self-assessment submissions (with North West & Central region). This does not necessarily denote a reduction in the quality of its stakeholder engagement performance but reflects its position relative to others.

We recognise that the SO has a unique role within Network Rail, and therefore is required to undertake different forms of engagement with different stakeholders (e.g. operational communication with freight operators and also internal communication with regions over direction etc). The focus of our annual assessment is on Network Rail's compliance with the stakeholder engagement duty in its licence, with stakeholders as defined in Chapter 1 of this report. Therefore, we have assessed the SO's engagement in this context.

The annex of the SO's submission outlines ORR's year 4 feedback and the accompanying actions it has taken, which we welcome. While the annex structure is clear, the improvements made by the

SO were not very well evidenced or articulated. It would be helpful to see the SO ensure that engagement is inclusive to a range of stakeholders within different categories, including regions, funders and operators.

Overall, there seems to be different formats of engagement with different stakeholder groups, and there is evidence of opening up engagement and receiving more feedback, but the change of actions taken needs to be better evidenced and articulated.

Consumer Expert Panel

Performance by principle of stakeholder engagement

Effective

The SO used a variety of different tools such as passenger research, and customer surveys, as part of its engagement with external stakeholders. It would have been helpful to provide further detail on how this stakeholder engagement has informed internal thinking and business planning and provide more examples of where stakeholder feedback has changed the SO's decisions or approach.

While the self-assessment contains some useful case studies, it would be helpful to ensure a consistent approach across all stakeholder groups.

Inclusive

Each section of the self-assessment contained stakeholder mapping, and the submission highlighted a good understanding of different stakeholders both internally and externally. However, there could have been more evidence behind statements of inclusivity to help substantiate the claims and provide further examples of engaging all relevant stakeholders.

Transparent

The self-assessment includes some examples of changes being made because of feedback from stakeholders, such as the freight Stakeholder Engagement Forum. The forum was set up by the SO in response to stakeholder feedback which highlighted the preference for one key interface, which

led to the creation of an integrated Railfreight team. This has now taken place, unifying Network Rail and

GBRTT colleagues to drive business improvement, advocacy and engagement with freight operating companies.

The SO also provided some examples of instances where the stakeholder feedback has been shared with the relevant teams within the SO. For example, the findings from the SO's annual Customer Advocacy survey, and accompanying action plan was shared with the SO leadership team and with stakeholders.

The SO needs to better demonstrate how stakeholders' feedback has impacted business decisions. It should also ensure stakeholders are able to see how their feedback has been taken onboard in the decision-making process.

Well-governed

The SO provided evidence of its different roles and responsibilities which exist with regards to external stakeholder engagement. The self-assessment also provided evidence of strong internal collaboration, which is necessary to deliver good external engagement. Overall, there seem to be positive developments in developing more effective processes and governance arrangements.

Good practice from self-assessment submission

Customer advocacy survey (transparent, well governed): The SO shared findings and actions from the survey with the stakeholders interviewed. The survey was carried out by an impartial independent expert organisation then the results analysed and shared with the leadership team.

DB Cargo Satisfaction survey (effective): The SO undertook a customer satisfaction survey with DB Cargo and will feed the responses into a new action plan to create more meaningful engagement.

Recommendations

Activity to continue or build on

The SO should continue to build on the good freight stakeholder engagement undertaken, sharing best practice with other Network Rail business units.

Areas requiring improvement

The SO should consider how to demonstrate that external stakeholder feedback has informed internal priorities and thinking. It should also consider how to consistently measure and demonstrate the impact of engagement rather than just stating that it took place.

In particular, there is scope for the SO to learn from the Southern region on stakeholder engagement best practice, including creating a vision for stakeholder engagement.

- ← Previous 6. Southern
- → Next 8. Wales & Western