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

Annex A: Summary of recommendations

Recommendations applying across Network Rail

Across its business, Network Rail should ensure that it:

Systematically obtains, understands, and responds to stakeholder views in a consistently high-quality manner, adopting recognised best practice. We will engage with Network Rail about whether it signing up to a stakeholder engagement standard might be useful and reduce the need for ongoing ORR intervention in this area.

Demonstrates consistently high-quality stakeholder engagement is embedded across its business. Network Rail needs to better demonstrate how it has fostered a culture of continuous improvement and how it embeds best practice, such as crisis communication management in storm events, throughout the organisation.

Replicates areas of mature and well-governed stakeholder engagement across all stakeholder groups. We have seen evidence that there are mature approaches to Network Rail's stakeholder engagement in some areas and with certain groups (e.g. elected officials). We want to see this being adopted and maintained across all stakeholder groups.

Adopts consistent, comparable, quantitative metrics to monitor stakeholder satisfaction across

business units. In our PR23 policy framework consultation, Network Rail provided us assurance that this is already the case, and we are reviewing existing measures to see if we need to establish potential future measures in this area.

Consistently monitors the impact of its stakeholder engagement activity, using this to improve and refine its processes. We have seen pockets of improvement from last year, but this has not been consistent across the organisation.

Ensures that its regions can demonstrate that they are working constructively with the System Operator to undertake engagement with their freight customers. While we recognise the work done by the SO on engagement with external freight stakeholders, we do expect other regions to support the work of the SO with their own freight customer engagement activities. Each region will work toward a target for growth in the freight sector for the first time across CP7.

Recommendations applying to specific business units

Eastern

Activity to continue or build on

Eastern should continue to consider how to evidence and articulate the impact of its stakeholder engagement activities.

Eastern should continue to build on the positive examples provided through its 'Focus Weeks', with a priority on consistently reflecting on the lessons learned and taking forward committed actions.

Areas requiring improvement

The region should consider how to embed stakeholder feedback into its business decision-making processes.

North West & Central

Activity to continue or build on

NW&C should consider adopting its existing embedded processes of sharing feedback with key stakeholders to a wider range of stakeholder groups.

It should also reflect on the timeliness of its engagement, to ensure that planned early stakeholder engagement prevents the need for additional remedial work.

Areas requiring improvement

NW&C has committed to producing and submitting stakeholder engagement strategies to refresh its stakeholder management in line with updated objectives and priorities by the end of Summer 2024. We expect it to deliver these to the committed timescales and share the outputs with ORR.

Scotland

Activity to continue or build on

Network Rail Scotland should consider how to further embed stakeholder feedback into its day-to-day business decisions.

It should embed quantitative data into its processes to effectively monitor and illustrate the scale and success of its stakeholder engagement activity are transparent.

We welcome the plans proposed for the development of a stakeholder engagement strategy document and encourage Network Rail Scotland to progress with this.

Areas requiring improvement

Network Rail Scotland needs to ensure that there is appropriate focus on its engagement with freight customers, and the governance and coordination aspects of this approach.

Southern

Activity to continue or build on

Southern should continue the high-quality stakeholder engagement processes that it has in place. It could also consider how to help other regions to raise the overall level of engagement across Network Rail, through continued sharing of learnings and successes.

Areas requiring improvement

Southern could consider how to further embed engagement with passengers and lineside

neighbours around strategic and longer-term issues focused on the core aspects of planning and delivery, rather than just issues linked to service, complaints and planned work.

System Operator

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.

Wales and Western

Activity to continue or build on

Wales & Western should continue to build trust with stakeholders. For example, it was positive, to see the region build relationships with lineside neighbours and build trust via joint business planning forums with operators.

We recommend that the region continues its focus on inclusion, ensuring that different groups of stakeholders have communication tailored to their needs.

Areas requiring improvement

The region could do more to ensure that targets are consistently applied, and engagement is measured across all stakeholder activities.

While it was positive to see that Wales & Western followed up on feedback from stakeholders, it must ensure that this is done consistently, to enable stakeholders to be informed on how their feedback has been implemented.

It is positive that Wales & Western has identified areas for improvement in its stakeholder engagement. Wales & Western should consider how to address these going forwards.

In addition to the recommendations highlighted above, we also expect the region to take forward the recommendations highlighted in our recent train performance investigation:

(a) Network Rail has described a wide range of engagement touchpoints with its stakeholders. It is clear Wales & Western takes stakeholder engagement seriously with significant time commitment dedicated to it. As part of our recommendation to Network Rail to take a lead in seeking to drive greater cross-industry performance improvements, it should also reflect on its stakeholder engagement touchpoints to make sure that they are structured to most effectively govern performance improvement (NR5).

b) Stakeholders have highlighted incident learning as a significant area for Network Rail to improve on. In addressing our incident learning recommendation (NR10), Network Rail should make sure that it takes a joined-up approach to incident learning with train and freight operating companies, to achieve appropriate participation in each other's incident learning reviews and transparency in tracking delivery of improvement actions.

(c) Lastly, we would urge Network Rail to adopt a renewed focus on passenger communication to make sure that passengers understand what is driving poor performance, what the region is doing to remedy this and when passengers can expect improved reliability and punctuality. Network Rail should continue to work with train operating companies to achieve timeliness and transparency of communications to passengers during delay incident.

- ← Previous 8. Wales & Western