



ORR's guidance on Network Rail's strategic business plans: conclusions

23 February 2017

Contents



Introduction	3
Purpose of the document	3
Background	3
Stakeholder views	4
Structure of this document	4
Next steps	4
1. The submissions	5
The structure of submissions	5
FNPO, the NSO and central functions	6
2. Governance	8
3. Stakeholder engagement	9
Overview of our draft guidance	9
Our response and updates since our consultation	10
4. Route objectives, scorecards and metrics	12
5. Activities, expenditure and net revenue requirements	16
6. SBP assurance & submission and our assessment & grading of the plans	18

Introduction

Purpose of the document

This document discusses the main points raised by stakeholders in response to our [consultation](#) on the draft of the guidance we were developing to give to Network Rail in respect of the preparation of its strategic business plans (SBPs).

We are publishing this alongside the guidance that we have now issued to Network Rail on its SBPs.

Background

Our 2018 periodic review (PR18) will determine Network Rail Infrastructure Limited's (Network Rail's) outputs and funding in control period 6 (CP6), which we expect to run from 1 April 2019 to 31 March 2024. This will feed through into the service passengers and freight customers receive and, together with taxpayers, ultimately pay for.

As part of PR18, Network Rail will produce SBPs for CP6 and beyond. The SBPs are the main source of evidence that we will use to determine Network Rail's funding and outputs for CP6.

We are changing how we regulate Network Rail¹. We are putting an increasing focus on regulating each of Network Rail's route businesses, and tailoring our regulation of the national system operator (NSO). This builds on changes that the company is making to devolve more responsibility to its routes and to create a distinct NSO business unit. The move to 'route-level regulation' will encourage closer working between Network Rail and train operators, and increase the role of local funders. It will allow us to make more use of comparison between routes when we assess the company's plans and then hold it to account for delivery. In parallel, the changes to the regulation of the NSO will provide additional focus on how Network Rail improves its overall management of the network, including important activities such as timetabling.

Together, this approach will provide for greater focus on the issues that matter to passengers and freight customers, and provide additional support for improved efficiency and cost reduction.

The SBPs will consist of a suite of documents. Each geographical route is preparing its own 'strategic plan', and we also expect a separate strategic plan for the freight and national passenger operator (FNPO) route, for the NSO and for Network Rail's other central functions. Network Rail will need to provide a consolidated 'SBP' for England & Wales, and a consolidated 'SBP' for Scotland, as well as some company-wide data.

In the SBPs, Network Rail should set out its plans for operating, maintaining and renewing the network, and how it intends to improve its capability and efficiency. These plans will affect what the railway can deliver – and so have a significant impact on the service that train operators can offer to passengers and freight customers – and the future condition of the network.

¹For more information see: http://orr.gov.uk/_data/assets/pdf_file/0003/23196/pr18-initial-consultation-conclusions-letter.pdf

Network Rail's strategic plans should contain: forecasts of expenditure and income; the outputs it expects to deliver; and its assessment of the revenue it requires. This allows us to assess: whether its plans are consistent with the requirements set out by the UK and Scottish Governments in their high-level output specifications (HLOSs); whether there is sufficient funding available to allow Network Rail to deliver these requirements (set out in the statements of funds available (SoFAs)); and whether the plans are consistent with the safe and sustainable management of the network. More generally, the provision of a five-year settlement provides Network Rail with predictability around its funding position, which allows it to plan work in ways that reduce cost.

Stakeholder views

We received 35 responses to our consultation on the draft guidance (respondents are listed in the appendix). These are available on our website. We would like to thank all those that responded.

Most of the stakeholders welcomed the draft SBP guidance and agreed that ORR's approach would support the evaluation of Network Rail proposals for CP6 and support Network Rail's efforts to get closer to customers.

Structure of this document

The remainder of this document follows the same structure as the draft guidance we consulted on. In each section, it sets out a brief overview of what we said in our draft guidance before summarising and discussing the main points raised in responses.

Next steps

The guidance we have issued to Network Rail sets out our expectations regarding the requirements from those plans and the process for preparing them. The SBPs should be submitted in accordance with the published PR18 timetable.

As part of the periodic review, Department for Transport (DfT) and Transport Scotland will each provide us with a:

- high level output specification (HLOS) setting out what they want to be achieved by Network Rail and, where relevant, the rest of the rail industry during CP6; and
- statement of funds available (SoFA) that sets out the public funds that are, or are likely to be, available to secure delivery of the HLOS.

After receiving the HLOS and SoFA we will consider whether we need to update our guidance to ensure consistency.

1. The submissions

The structure of submissions

Overview of our draft guidance

- 1.1 In our draft guidance we set out our expectation that the submissions consist of a suite of documents including a separate strategic plan for each route (including the FNPO) and the NSO with costs associated with central functions separately identified.
- 1.2 We summarised our thinking regarding the content and structure of different aspects of the submission (see table 1 of the draft guidance), for example what was expected at route-level and at a GB level.

Summary of stakeholder views

- 1.3 Most stakeholders agreed that the structure and content of the draft guidance was reasonable. However, one stakeholder argued that the “devil will be in the detail” regarding the content of the plans. It further stated that it was unclear from the SBP guidance how network and cross-route consistency will be achieved and maintained. A number of other respondents also commented on the need for consistency across the plans particularly if the aim of comparability is to be achieved. However, one party noted that it was also important that the structure is flexible enough to enable the nuances of individual routes to be highlighted.
- 1.4 Some stakeholders commented that, given the geography of the routes, it is important that there is an effective process in place to ensure there is clarity on responsibilities at the boundaries between the different routes.
- 1.5 Some stakeholders also commented on the format of the guidance and suggested some specific minor improvements to the content.
- 1.6 In its response, Network Rail clarified its approach to long term planning, noting that its detailed planning horizon is eight years but that this is supported by longer term models that provide 30 year forecasts.
- 1.7 One party expressed concerns regarding the SBP process within Network Rail, which it felt was heavily ‘production focused’ and led by asset managers rather than customer account executives. It was concerned that this would mean that ORR and industry objectives would not be met.

Our response and updates since our consultation

- 1.8 We welcome the broad agreement of stakeholders on the structure and content of the guidance. We have made some clarifications and refinements to address specific points made by respondents. These include:

- making it clear that the geography and accountability of the routes must be clearly set out in the submissions. This is essential to ensuring that the baseline against which comparisons will be made during CP6 is clear and unambiguous; and
 - clarifying our expectations regarding consistency across the route strategic plans.
- 1.9 We acknowledge the point made by a respondent regarding the level of detail in the guidance and the plans themselves. We believe our guidance strikes an appropriate balance between giving clear direction to the routes and allowing them flexibility in developing their plans. However, we will continue to engage with Network Rail during the coming months to ensure that any issues arising can be resolved.
- 1.10 We are content that the general approach to long term planning proposed by Network Rail should meet our requirement to have a view beyond CP6. We have amended the language in our guidance accordingly.
- 1.11 We note the point made about the processes within Network Rail. By issuing our guidance on the SBP process we are setting out our expectations to Network Rail in a clear and transparent manner. This includes our view on the importance of effective stakeholder engagement, so that plans appropriately reflect customer and wider stakeholder interests.
- 1.12 We have also developed our thinking on our expectations regarding contents of strategic plan 'Tier 1' submissions, and updated the guidance with an updated 'Table 1'. We have not reached a final conclusion on the financial treatment of the NSO but expect to conclude on this in the coming months.

FNPO, the NSO and central functions

Overview of our draft guidance

- 1.13 In our draft guidance we set out our expectations for a separate FNPO strategic plan. We noted that, as the FNPO is not expected to directly own or manage infrastructure assets, it would differ from other routes' plans in certain respects. We also highlighted the need for the FNPO to protect and enhance the interests of its customers.
- 1.14 In setting out our expectation for a separate strategic plan for the NSO, we said that its strategic plan should explain its priorities for CP6 (which should include how it will address the material issues we identified through our system operation work) and include its expenditure projections and the revenue it considers necessary.
- 1.15 We also made clear the need for Network Rail to set out clearly, in a separate strategic plan, information about and expenditure plans related to its central functions.

Summary of stakeholder views

- 1.16 Most stakeholders supported a separate strategic plan for the FNPO route and NSO.

- 1.17 Respondents commented on the need for the FNPO to engage effectively with the geographic routes and sought a better understanding of the formal interfaces between routes.
- 1.18 Respondents were generally supportive of the role of the NSO, including requiring a separate settlement for its function. They were also generally supportive of our proposed approach for the NSO's strategic plan².
- 1.19 Many also stressed the importance of the NSO engaging effectively with its wide range of stakeholders, and want this to be (at least) akin to how the routes engage. This is discussed in Chapter 3 below, in the context of both the routes and the NSO's stakeholder engagement.
- 1.20 Some stakeholders requested greater clarity regarding accountability of the central functions and suggested some adjustments to their description.

Our response and updates since our consultation

- 1.21 Given the broad support from respondents we have not made significant changes to our guidance in this area.
- 1.22 We have updated our text in relation to the FNPO, as the route is now more established, and also clarified our expectations regarding FNPO engagement and the need for a two way dialogue between it and the geographic routes.
- 1.23 Reflecting stakeholders' views, we have clarified our guidance in respect of how we expect the NSO to engage with its stakeholders, namely:
- we expect the NSO to use a similar process of stakeholder engagement to the routes in informing its strategic plan, albeit reflecting the different balance of its stakeholders' interests, as discussed in Chapter 3 below; and
 - we consider the NSO's stakeholders to be wider than just those direct users of the network and include, for example, the Network Rail routes, passengers and freight users (and their representatives), local authorities, local and national funders, and franchising authorities.
- 1.24 We have made some small changes to the description of the central functions reflecting specific comments from respondents.

² Stakeholders also raised points relevant to the NSO's strategic plan in response to our corresponding consultation on the development of the regulatory settlement for the [system operator in CP6](#).

2. Governance

Overview of our draft guidance

- 2.1 In our draft guidance we set out thinking on the governance for preparing the SBPs, including the need:
- for transparency of roles and route ownership of plans;
 - to be able to make comparisons across routes; and
 - for senior route-level sign-off of the strategic plans to help ensure accountability

Summary of stakeholder views

- 2.2 Most stakeholders who expressed a view supported: the governance plans; the increased focus on regulating each of Network Rail's route businesses; transparency of outputs and processes; and the use of impact assessments. Moreover, they stressed the need for this governance to apply consistently across all routes.
- 2.3 One stakeholder stated that the governance framework of the wider arrangements for devolution, including the role of the FNPO, seemed undefined. Another commented on the need to ensure that any changes made to route strategic plans by Network Rail's central functions are kept to a minimum to ensure meaningful route devolution.

Our response and updates since our consultation

- 2.4 We welcome the broad support from respondents of our guidance on governance and recognise the need for the governance process to be applied consistently across routes.
- 2.5 We understand stakeholders' desire for the governance arrangements around how routes will operate to be clearly defined. However, this is still being developed. As PR18 continues, more detail will be settled about the governance arrangements that will be in place for CP6.
- 2.6 We have made some minor amendments to the guidance to clarify our position on any changes made by the centre to route strategic plans.

3. Stakeholder engagement

Overview of our draft guidance

- 3.1 Network Rail's strategic plans for CP6 will need to take account of the priorities of its stakeholders. Our draft guidance set out some ways we would expect Network Rail to approach this engagement, saying that:
- as a minimum, Network Rail should engage with passengers (represented by their representative groups and through market research), freight customers, local transport providers, and local business groups, as well as operators and funders;
 - Network Rail should engage proactively and in different ways, such as formal consultations and face-to-face engagement, to meet stakeholders' different needs;
 - stakeholders should have access to relevant information to enable them to contribute effectively; and
 - as a minimum, routes should meet with their stakeholders in around February 2017 (to discuss the emerging plans) and again before the commencement of CP6.
- 3.2 We also said that we would assess and grade the quality of the routes' stakeholder engagement as part of overall assessment of the business plans.

Summary of stakeholder views

- 3.3 Almost all respondents expressed views on stakeholder engagement, both with respect to day-to-day engagement and engagement informing the strategic plans.
- 3.4 On the scope of stakeholder engagement, many highlighted that the scheduling of maintenance and renewals and the delivery of enhancements were particular areas where Network Rail would benefit from engaging with its stakeholders. However, some respondents also expressed concerns about their ability to influence the strategic plans in a meaningful way, citing their limited resources and technical understanding.
- 3.5 On how Network Rail should engage in the development of the strategic plans, most agreed that it needed to be:
- made-up of a wide range of parties;
 - on-going and transparent; and
 - involve sufficient information and data to enable meaningful engagement.
- 3.6 Most respondents also said they wanted more clarity about how Network Rail would trade-off stakeholders' competing priorities, including what existing evidence and/or research it could make use of to inform its thinking in this area. To provide some insights

into this, Box 1 below provides some examples of existing research, which could be used to inform the strategic plans.

- 3.7 Furthermore, passenger representative groups, local authorities and unions stressed the importance of Network Rail engaging with them. Freight stakeholders said there needs to be more clarity about how the FNPO route engages with them and with the geographical routes. Some funders suggested that we should be clearer about how we expect Network Rail to engage with end users, including their representatives (e.g. Transport Focus and freight customer representatives).
- 3.8 Many respondents³ also stressed the importance of the NSO engaging with its wide range of stakeholders, with some highlighting the need for more formal fora and processes to support this.
- 3.9 Stakeholders also said they wanted Network Rail to start the engagement now and ensure this continues throughout CP6.
- 3.10 Network Rail said there needs to be realistic expectations regarding engagement, pointing to the limited time available and the resources available to some operators.

Our response and updates since our consultation

- 3.11 It is essential that the strategic plans reflect stakeholders' priorities.
- 3.12 We do not want to prescribe exactly how Network Rail should engage with its stakeholders given that, between them, they are best-placed to determine what works well.
- 3.13 However, we have included some new and specific points in the guidance that we expect the routes/the NSO to take account of in their engagement, given the importance of ensuring there is a minimum standard of stakeholder engagement. We have also included some initial thinking on the principles of good stakeholder engagement that we will use to assess the quality of the route/the NSO's stakeholder engagement; this is discussed in section 6 below.
- 3.14 We do not specify how Network Rail should engage with passengers and other end users (including their representatives) in developing their strategic plans. However, we suggest Network Rail considers how it can engage with and make use of the representative groups' expertise to help ensure the strategic plans develop in line with passenger priorities. We note Transport Focus' suggestion that it could "*sense check the broad thrust of the SBPs against passenger opinion*", for example.
- 3.15 We have also clarified in our guidance that we will assess the quality of the NSO's stakeholder engagement alongside the routes' engagement. As part of this, we expect

³ This point was also raised by stakeholders in response to our corresponding system operator consultation.

the NSO to set out how it will engage with its stakeholders in the development of its strategic plans in the coming weeks, reflecting stakeholders' concerns that the NSO needs to be clearer about its approach in this area.

Box 1: Rail passenger research

Decisions around how the rail network should develop and the nature of the services that should run on it are informed by a wide-range of research into what passengers and other rail users want.

Some examples of existing rail passenger research are discussed below; some of this could be used to inform the strategic plans.

- The **Passenger Demand Forecasting Council**, with members including all franchised operators, Network Rail, funders and consultancies, has a rolling programme of passenger research, which it brings together with passenger research from other sources to provide extensive detailed guidance on how different categories of passengers respond to changes in a wide range of service attributes, including service frequency, fares, journey times, service quality and delays. It is used across industry (including by Network Rail, funders, franchise bidders and operators) to inform investment, pricing, timetable, and operating decisions.

- The long-term development of the network (e.g. up to 30 years hence) is informed by the industry's **Long Term Planning Process**. Led by Network Rail, this process involves the development of market studies that consider the strategic goals for different passenger markets (e.g. commuter, long distance) and, in turn, how the network can develop to meet this and at what cost (i.e. route studies). This involves extensive engagement with passenger and freight users, local authorities and operators, including by way of formal consultation.

- In determining who should operate **franchised passenger services**, franchising authorities and bidders consult directly with passengers and other rail users (and their representatives) to understand what they want from future rail services. They also frequently undertake new research to understand passengers' priorities (e.g. on the frequency of services, wi-fi provision etc.).

- The **National Rail Passenger Survey**, undertaken by Transport Focus, consults with over 50,000 rail passengers a year to assess how satisfied they are with the service they receive. It asks for their views on 30 specific areas (e.g. value for money, journey length, cleanliness of train), by all operators. The survey is published twice a year.

4. Route objectives, scorecards and metrics

Roles of scorecards and route objectives⁴

Overview of our draft guidance

- 4.1 In our draft guidance we noted that Network Rail is asking its routes to prepare route objectives that are similar in presentation and content to route scorecards, but set out for CP6 rather than a single year. We explained that we expect the routes to prepare their objectives with extensive input from the routes' stakeholders and that they set out how the interests of taxpayers, passengers and freight customers are protected.
- 4.2 We said that each route's objectives need to be consistent with the applicable HLOS and SoFA. Given that funding is likely to be constrained, any improvements on the status quo should be costed in some proportionate form to inform funding choices. We mentioned other relevant considerations, including franchise commitments and national funders' freight strategies.
- 4.3 We explained that we have not decided on what, if any, regulatory oversight we would give to scorecards, and hence route objectives, but that we want to support Network Rail agreeing route objectives with its stakeholders that could also inform how we hold the company to account, including through regulated outputs.
- 4.4 We said that as a minimum we would expect consistently defined metrics in a number of areas to appear in scorecards, including: traffic levels; asset performance and sustainability; and train performance.

Summary of stakeholder views

- 4.5 While most stakeholders broadly supported our proposed SBP guidance in relation to route scorecards and route objectives, some stated that greater clarity is needed on the link between outputs included in route scorecards, the regulated outputs for Network Rail and other objectives. Stakeholders also wanted to know what form of collaboration will take place between routes when specific improvement plans cut across two or more routes.
- 4.6 One stakeholder was of the view that the role and purpose of route scorecards was vague. It further stated that there is a lack of visibility and understanding around the condition of Network Rail's assets, and that it is difficult for train operators to provide challenge in this particular area if the data is not available.
- 4.7 One stakeholder was concerned about the difference in language describing how stakeholders would shape the strategic plans and objectives for the geographical routes compared to the FNPO.

⁴ This includes the section entitled 'Route forecasts using consistently defined metrics'

Our response and updates since our consultation

- 4.8 We have made some minor changes to improve the clarity of our guidance.
- 4.9 We are still developing our policy thinking with respect to the role of scorecards and regulated outputs in the CP6 regulatory framework. We will be working with the industry, governments and Network Rail to clarify this over the coming months.
- 4.10 We agree that the FNPO strategic plan and objectives should be analogous to the geographic route plans and have amended the language regarding this.

Efficiency & financial performance and asset sustainability

Overview of our draft guidance

- 4.11 Our draft guidance highlighted the importance that Network Rail achieves greater efficiency and makes decisions that are cost effective and consistent with end user priorities. We set out the need for route strategic plans to set out strategies and interventions to manage and improve its financial performance.
- 4.12 We also set out the importance of safety and the need to sustain the condition and capability of the network in the short, medium and long term.

Summary of stakeholder views

- 4.13 Most stakeholders did not comment on or state their agreement with our proposed SBP guidance on efficiency and financial performance, health and safety, and asset sustainability. Some stakeholders referred to the need for a coordinated approach to delivering enhancements. One stakeholder stated that asset sustainability and maintenance should be delivered for all users on an equal basis, and that Network Rail should not just prioritise the principal passenger operators on a route.

Our response and updates since our consultation

- 4.14 As most stakeholders agreed with our guidance in this area we have not made substantive changes but have rather focused on ensuring our guidance is as clear as possible.
- 4.15 With respect to the point made about the need to deliver for all operators on an equal basis: Network Rail has an obligation, under its licence, not to unduly discriminate between persons or parties. This obligation applies across Network Rail's activities including maintenance.

Health and safety

Overview of our draft guidance

- 4.16 Our draft guidance stressed the importance of the SBPs enabling Network Rail to ensure the continued safety of the railway and to exploit all reasonably practicable opportunities for improvement. We also set out that SBP submissions should include proportionate business cases and rationales for any discrete health and safety projects for which Network Rail is seeking funding.
- 4.17 We provided more detailed advice for SBP submissions based on emerging themes from CP5, including: the balance of renewal, inspection and maintenance activities; the importance of effective implementation of strategies for improvement and the need to prioritise improved legal compliance.

Summary of stakeholder views

- 4.18 One respondent focused particularly on this area in its response discussing the element of improvement enshrined in the concept of 'so far as is reasonably practicable'. This related specifically to how the need for business cases to support investment proposals fits with the legal requirements for health and safety. Other respondents expressed a desire for a safety metric to cover the wider rail network (including train operator staff and the supply chain).
- 4.19 A respondent also noted the need for the SBPs to reflect industry H&S strategies. Another thought that the SBPs should set out Network Rail's approach to encouraging safe driving to work, including within its supply chain.

Our response and updates since our consultation

- 4.20 We agree with the comments made by the respondent about 'so far as is reasonably practicable' and have altered and expanded the relevant wording to explain that the business case remark is intended to refer to any 'stand-alone' safety funding proposed by Network Rail to supplement or accelerate reasonably practicable plans in priority areas.
- 4.21 The list of detailed SBP requirements in the guidance already included advice to Network Rail to ensure its plans were consistent with the industry Health and Safety Strategy, but in response to comments we have widened this to include other relevant industry strategies.
- 4.22 We are sympathetic to the point made about route scorecards taking account of passenger and freight operators' staff safety, and can see that such an approach has potential to deliver benefits if it reflects both Network Rail and stakeholder views. The stakeholder engagement underlying the production of scorecards allows for this to be achieved.

4.23 We agree it is right to highlight the importance of road safety. There is already a plan to improve this – monitored under the ‘Home Safe’ project. This project is the means of tracking the implementation of Network Rail’s ‘Transforming Safety and Wellbeing’ strategy. We have placed delivery of this strategy at the heart of our SBP advice on safety.

5. Activities, expenditure and net revenue requirements

Overview of our draft guidance

- 5.1 Our draft guidance explained the need for Network Rail to demonstrate that its plans deliver the outputs and objectives it forecasts. We set out the expected expenditure inputs that will be needed for each route and highlighted the need for these to be prepared in a consistent manner.
- 5.2 We recognised the need for existing third party funding streams to be clearly set out in the plans and for Network Rail to explore new sources of funding for route objectives.

Summary of stakeholder views

- 5.3 Most stakeholders did not comment explicitly on this aspect of the guidance. Some stakeholders voiced their concerns regarding the limited funds available and argued that new funding sources should be explored.
- 5.4 Some stakeholders voiced their concerns regarding the limited funds available and argued that new funding sources needed to be explored. One stakeholder suggested that routes should keep operators informed of their funding sources to avoid duplication and the possibility of chasing the same funding source. Another stakeholder was particularly concerned about how third party projects will be incorporated into Network Rail's SBPs.

Our response and updates since our consultation

- 5.5 We agree with the respondents that opportunities for new funding sources should be explored by the routes. This is already addressed in our guidance.
- 5.6 We have made some minor changes to our guidance to address specific comments made by stakeholders, including:
 - adding some detail on what we expect from the SBPs; and
 - clarifying our expectations regarding central functions and the approach beyond the submission of the SBP.

- 5.7 We have also updated our guidance regarding the net revenue requirement in light of our recent publication on the financial framework.
- 5.8 We recognise the point made by respondents regarding third party funding. We address the role of third party funding in paragraph section of our guidance. It is important that the route plans are compatible with the SoFAs.

6. SBP assurance & submission and our assessment & grading of the plans

SBP assurance & submission

Overview of our draft guidance

6.1 In our draft guidance we set out the need for appropriate assurance in the SBP process. We highlighted the need for Network Rail to engage with us in good time if it wishes to make any material changes to its foundation documents (such as asset policies) and have an appropriate configuration control process in place.

Summary of stakeholder views

6.2 Whilst not an area focused on by most respondents some useful points were raised, specifically that:

- although assurance is an important process it should not distract from the management and operation of the network; and
- the current regulatory accounting guidelines (RAGs) do not specifically cover the NSO or FNPO.

Our response and updates since our consultation

6.3 We have not made substantive changes in this area but have clarified our language in a couple of places. With respect to the specific comments above:

- We acknowledge the point about assurance not distracting from the management and operation of the network. We think our proposals regarding assurance are appropriate and proportionate. Network Rail should have appropriate processes in place to enable assurance of its business planning while also ensuring its focus on managing and operating the network.
- With respect of the NSO and FNPO we have made minor amendments to the wording relating to the RAGs.

Our assessment and grading of the plans

Overview of our draft guidance

6.4 In the draft guidance we set out our plans to grade the route strategic plans when we undertake our assessment of them. We anticipate a two stage process with an initial assessment being completed fairly quickly after plans are submitted. The second stage would form part of our continued wider assessment of the SBPs in order to inform our decision on funding and outputs.

6.5 Our draft guidance set out our expectations of what a good plan might look like and our intention to publish the final results of our grading.

Summary of stakeholder views

6.6 One stakeholder commented that it wanted to understand how ORR will assess the alignment between route objectives that reflect stakeholder priorities and other objectives. Another stakeholder suggested that we should set out some principles for stakeholder engagement against which we could evaluate the strategic plans.

Our response and updates since our consultation

6.7 While we understand the desire from stakeholders to have more detail on how plans will be graded we must also consider the effect of publishing detailed guidance in this area. We want the routes to develop good plans that are primarily designed to meet the needs of stakeholders rather than a set of criteria given by the regulator. There is a risk that, by publishing specific criteria by which we will grade the plans, the routes would focus on those criteria to the detriment of other factors.

6.8 We think our guidance strikes an appropriate balance: providing sufficient detail (in our overarching criteria) to ensure that routes have sight of our expectations while leaving it to the route to show what it has done. As such, we have not made significant changes to this part of our guidance. We have made some minor changes to aid clarity.

6.9 However, we have provided some initial views on the principles of good stakeholder engagement that we could use to inform our assessment of the quality of stakeholder engagement. This should help provide more clarity to the routes/the NSO about what our high-level expectations are in this important area, thus helping to ensure stakeholders are appropriately engaged early in the process. These criteria are intended to be flexible, high-level and outcome-based to enable Network Rail to adopt different approaches that meet stakeholders' diverse needs. They are also intended to facilitate more innovative and best-practice approaches to engagement.

Appendix: List of responses to our consultation on the draft SBP guidance

Arriva UK Trains Ltd

ASLEF

Bootham Network Solutions Limited

Chartered Institute of Logistics and Transport

Chris Fox

DB Cargo (UK) Limited

Department for Transport

Drax Power Limited

East Midlands Trains

Essex County Council

Freight Transport Association

Freightliner Group

Go-Ahead Group

IOSH Railway Group Committee

Merseytravel

Network Rail

Rail Delivery Group

Rail Freight Group

RMT (National Union of Rail, Maritime and Transport workers)

Rail North

Railway Safety Standards Board (RSSB)

SESTran (South East of Scotland Transport Partnership)

Stagecoach Group

Stagecoach South West Trains

Thomas Wheeler

Transport Focus

Transport for London

Transport for West Midlands

Transport Scotland

Travel Watch North West

Travel Watch South West

Virgin Trains East Coast

Welsh Government

West Midlands Rail

West of England Local Enterprise Partnership



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