



**Grading Network  
Rail's routes' and the  
System Operator's  
strategic plans for CP6**

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# Summary

1. This document sets out the results of our grading of Network Rail's route and System Operator (SO) strategic plans. This grading enables us to compare the quality of the plans, and to recognise high quality plans or elements of plans.
2. Overall, we have found that the route, SO and other supporting plans represent an important step forward in Network Rail's business planning relative to previous periodic reviews. The evidence from our wider assessment is that the plans are broadly fit for purpose.
3. Our commitment to grade the plans, which we set out in our February 2017 [guidance on Network Rail's strategic business plans](#), may have improved the quality of the plans by engendering a sense of competition between the routes/SO in developing those plans. Separately to this, Network Rail centre also undertook its own assurance of each iteration of the plans. This was effectively an internal grading of the plans and we consider that this has likely helped improve the quality of the plans.
4. It is important to clarify that the results of our grading have not informed the settlements that we have awarded to each route/the SO. Rather, the grading is a reputational incentive designed to encourage the routes/SO to adopt an effective process in developing their business plans (and, in turn, to inform their annual business planning process). This document also intends to provide useful feedback to Network Rail in the development of its future plans (including annual business plans and the delivery plan).
5. This grading is not a comment on a route's or SO's overall performance in running the railway or our view of its likely performance over control period 6 (CP6) – rather, our grading is focused on one specific activity: business planning for the purpose of the CP6 strategic plans produced in February 2018. We also recognise that any assessment of a plan ahead of its implementation can only go so far. The real test of how good a plan is whether it delivers what is promised and if it is flexible enough to deal with changing circumstances. We will monitor and report on Network Rail's performance over CP6 to help inform a view of the routes'/SO's performance against their plans.

# Introduction

## Our objectives in grading the plans

6. In our February 2017 [guidance on Network Rail's strategic business plans](#), we said that we would grade Network Rail's route (including the Freight and National Passenger Operator, or the FNPO, route) and SO strategic plans. This would enable us to compare the quality of the plans, and to recognise high quality plans or elements of plans.
7. The key objective of this grading is to provide a reputational incentive to the routes/SO to improve the quality of their plans. We also expect this grading to add value during CP6 by helping to identify areas of best practice that can be reflected in future business plans.
8. We consider that our grading has contributed to the overall improvement in business plan quality, and we will consider refining and repeating this process for PR23 (the process for determining what Network Rail should deliver in CP7). We also note that Network Rail centre has undertaken its own internal grading of the plans at each iteration of the process. This has also improved the quality of the plans, by providing feedback on the plans, and by encouraging a sense of rivalry between the routes/SO.
9. It is important to note that the focus of the grading is the strategic plans that each route/the SO submitted in February 2018, not the route/SO's overall performance in running the railway. The grading has not focused on the work that Network Rail has undertaken since February 2018 as part of the PR18 process, such as the additional options Network Rail identified to improve asset sustainability.

## Our methodology for grading the plans

10. Since we published our guidance in early 2017, the scope of our grading has evolved in response to circumstances. In particular, Network Rail conducted its own internal assurance of the plan, whereby subject matter experts at Network Rail undertook reviews of the route and SO plans (as well as other central functions' plans). This assurance took place at each iteration of the plans and there was a general increase in scores over time. This indicates that this process has contributed to the quality of the final plans.
11. We graded the plans against six 'overarching criteria'. These were based on the overarching criteria we originally set out in our February 2017 guidance, but we have refined them as we developed our grading methodology. In particular, we focused more on those areas of the plans where there was the greatest scope to adopt different and innovative approaches rather than those areas of the plans which were strictly defined by central templates or policies. These overarching criteria reflect

elements of a good business plan which we considered particularly important and are set out below:

- Criteria A:** A **robust business planning process**, including a comprehensive and high quality set of submissions, with information presented clearly and concisely in the main plan and in supporting documents.
  - Criteria B:** **Engagement with the full range of stakeholders** in a collaborative and meaningful way that provides them with appropriate opportunities to input into and influence the strategic plans.
  - Criteria C:** **Scorecards** that meet our expectations, in that they are balanced, enable comparison, meet the governments' High Level Output Specification (HLOS) requirements with appropriately challenging targets and are transparent.
  - Criteria D:** Expenditure plans that deliver the route/SO objectives at **efficient cost**.
  - Criteria E:** Realistic **strategies**, including Network Rail and industry strategies to improve capability.
  - Criteria F:** Appropriate identification and assessment of **uncertainty and risk**.
12. We have deliberately not included a specific criterion for safety. We have established mechanisms for reviewing the safety capability of organisations, most notably [RM3](#), and we would not want to risk confusing our messaging around this.
  13. To inform our grading, we have drawn on the evidence from our wider assessment of the strategic plans. We have also considered our grades in the context of the assurance work that has been undertaken by Network Rail centre.
  14. To score each plan we broke the criteria down into more specific 'key points' to improve the objectivity of the assessment. We considered the extent to which the plans met each of the 'key points' before forming a view on the score for the 'overarching criterion' as a whole. This approach was informed by processes used in assessing tendering bids and was similar to the process Network Rail centre used in considering the plans.
  15. In our grading of the strategic plans, we seek to recognise that a 'good plan' may still have to deliver 'bad news' – we are particularly trying to recognise those plans that transparently justified what the route/SO would be able to deliver given the challenges and constraints it faces. We also note that the strategic plans should be useful to a range of stakeholders. While we have graded technical elements of the plans, we have attempted to do so from the perspective of a reasonably informed stakeholder rather than a subject matter expert.

## Summary of results

16. Overall, we found that the route and the SO plans (as well as other supporting plans) represent an important step forward in business planning for Network Rail compared to previous periodic reviews. The evidence from our wider assessment is that the plans are broadly fit for purpose.
17. The results of the grading exercise reflect the degree of variety between the plans, which were built up from centrally produced templates for consistency. Overall, the plans generally scored reasonably well against our criteria.
18. Where the plans were of particularly high quality, we seek to draw this out by providing specific examples of best practice throughout this document to support continuous improvement in the future.
19. It is not possible to compare scores between criteria in any reliable or meaningful way as the criteria were evaluated on different bases. Similarly, it is not necessarily possible to identify a 'top scoring' route/SO across all of the criteria because to do so would require an implicit weighting of the various criteria. We also accept that there may be some elements of good plans that are not covered by our grading. We therefore do not consider that identifying a 'best plan' would add anything to our overall aim of constructively influencing the quality of future plans so have not attempted to do this.

**Figure 1: Results by criteria**

	A. Quality & process	B. Stakeholder engagement	C. Scorecards	D. Efficient costs	E. Strategies	F. Risk
Anglia	4	3	3.5	4	4	4
FNPO	2.5	2.5	3.5	N/A	3	2
LNE&EM	3.5	3.5	3.5	4	3.5	3
LNW	3.5	2.5	3.5	3	3.5	4
Scotland	3.5	3	3	4	4	2.5
South East	4.5	4	4	4	4.5	3.5
System Operator	3.5	3.5	4	N/A	3	3.5
Wales	3.5	3	4	4	3	2.5
Wessex	4.5	2.5	4	3	4	3
Western	4	3.5	4	4	3.5	3.5

## **Structure of this document**

20. The remainder of this document is broken into two parts. The first half of the document is structured around the six overarching criteria that we have graded the plans against. These sections explain the results in more detail, discussing broad themes and examples of best practice.
21. This document also includes route/SO-specific annexes explaining the scores for each plan, and provides more focused examples of areas for improvement or best practice.

## Overview of criterion A: A robust business planning process

22. This criterion focuses on the evidence to suggest there has been **a robust business planning process, including a comprehensive and high quality set of submissions, with information presented clearly and concisely in the main plan and in supporting documents.**
23. Clear and accessible plans, which have been produced according to a robust process, are essential for communicating the key messages of the plans to interested stakeholders and for assuring them that the plans are credible.
24. In scoring this criterion, we considered the extent to which the plan met the following key points:

**Key Point A1.** The plan was an accessible document from which a non-technical reader could clearly identify the key points and messages, including whether there was a consistent writing style that comes across as a single voice;

**Key Point A2.** The plan demonstrated strong linkage between planned activities and objectives; and

**Key Point A3.** The plan included evidence that it has effectively followed an appropriate planning process.

25. Using this approach, the routes' and SO's plans scored as follows:

	Anglia	FNPO	LNE&EM	LNW	Scotland	South East	SO	Wales	Wessex	Western
Score	4	2.5	3.5	3.5	3.5	4.5	3.5	3.5	4.5	4

26. Overall, plans generally scored reasonably highly against this criterion, although there was some variation across the routes/SO.
27. **Key point A1:** In our view, the plans were reasonably accessible to their expected audiences. However, in some of the more technical aspects of the plans, there were greater differences in tone and accessibility, which is likely to have made these parts of the plan less informative for some readers.
28. We scored plans more highly where they had a clear narrative throughout, particularly where this was communicated most clearly in summary sections given that this is the part of the plan that stakeholders are most likely to read. Across the



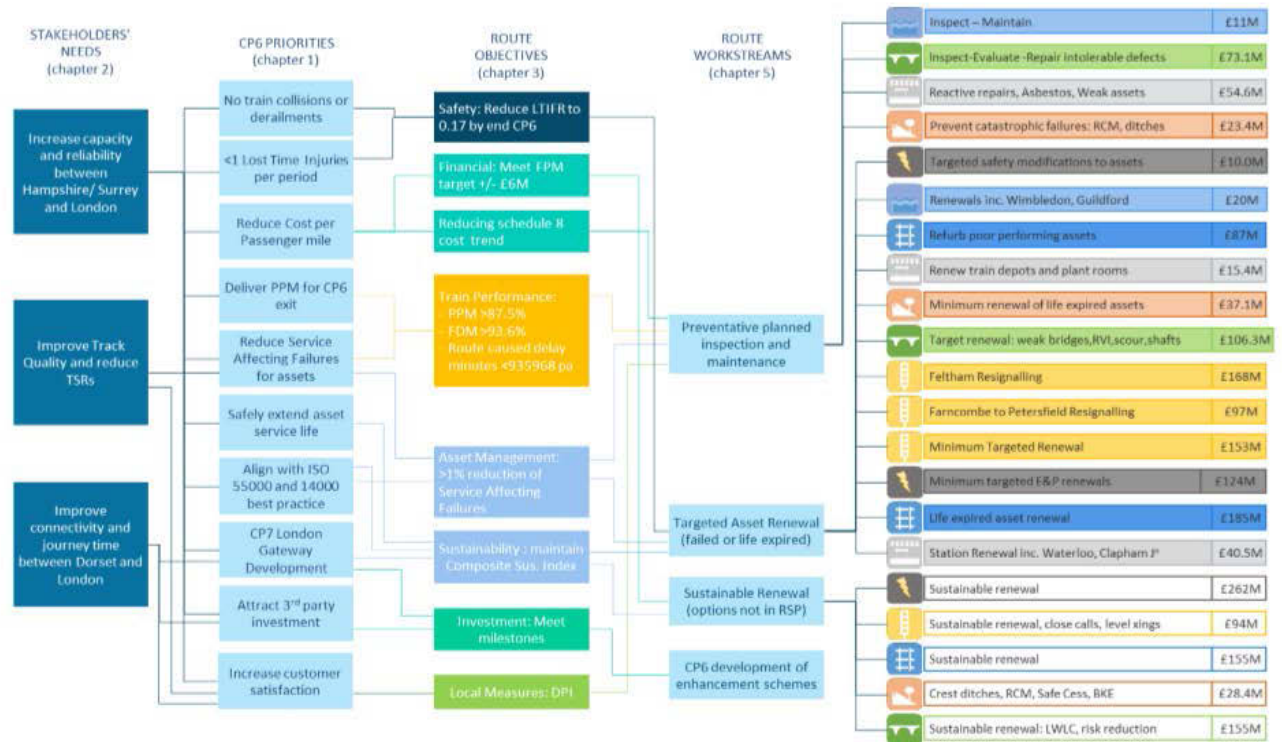
plans, it would generally have been helpful (especially for less technical stakeholders) if there had been more 'bridging text' to link the technical detail back to the higher-level sections at the start of the plan.

29. We considered that Wessex, South East, and Anglia routes' plans were particularly easy to read for a non-technical reader and produced to a high standard.
30. **Key point A2:** Linking activities in the plan back to the high-level objectives is helpful for giving readers a better overall sense of the plan and in providing assurance that the plan focused on the key issues. We graded routes more highly where they made the link back to their objectives explicit. We consider that LNE&EM's approach of including references back to the objectives throughout the document was particularly helpful in this respect.
31. However, in some plans, the original objectives were mostly lost once the plans delved further into the detail of planned delivery within CP6, leading to a perceived disconnect between the summary/introduction sections and the more substantial sections of the plan.
32. We note that a number of plans used particularly effective tools in their summary sections to illustrate the link between objectives and activities in their plans. The breakdown of objectives in section 1.3 of the Anglia plan was useful in this regard, as was the executive summary of the Western route plan. Of particular note was the diagram on page 24 of the Wessex plan, which was highly effective in linking key activities back to the route's objectives, as well as the priorities of its customers; see Figure 2.

**Figure 2: Wessex’s ‘line of sight diagram’ from its route strategic plan**

### 4. Activity Prioritisation on a page

Our Line of Sight Diagram



33. **Key point A3:** Assessing the process the routes/SO followed to develop their plan by reviewing the final product was relatively challenging. We therefore undertook a focused ‘spot check’ on whether the assumptions underpinning the plans (listed in Appendix B of the plans) were thorough and aligned with the broader text. We also looked at whether the routes/SO had addressed specific comments provided back to them from Network Rail centre’s assurance. We acknowledge that this is not a complete assessment of the route’s/SO’s planning processes but considered that it would highlight some important issues.
34. The assumptions in the plans generally appeared sensible and aligned with the plans. However, there were differing levels of detail provided by the routes/SO, and in some cases assumptions appeared unfounded; for example assuming that industrial relations might change, or making a broad assumption that the overall plan would be deliverable. We scored plans more highly where their assumptions were particularly well explained.

35. The plans by Wales and Western routes presented their assumptions particularly clearly and their assumptions were also very thorough in defining the routes' context. For instance, the Wales route clearly stated the assumption that the Valley Lines were included in its plan and how this would be handled should the assets be transferred from Network Rail's ownership.
36. We identified a number of instances where plans could have been improved if the routes/SO had taken on board the feedback from Network Rail centre's assurance. However, some of this feedback could have been made more route-specific and with clearer expected timescales for completion.

## Overview of criterion B: Stakeholder engagement

37. This criteria considers whether there is evidence of: **Engagement with the full range of stakeholders in a collaborative and meaningful way that provides them with appropriate opportunities to input into and influence the strategic plans.**
38. We wanted the routes/SO to engage with their stakeholders in developing their strategic plans to help them to understand and meet their stakeholders' requirements and to allow them to use operators' railway expertise and understanding of operations, access and costs to make their plans more efficient, realistic, and credible.
39. In scoring this criterion, we broke it down into the following key points:

**Key Point B1.** Scope and methods of engagement

**Key Point B2.** Recording and analysis of stakeholder priorities

**Key Point B3.** Trade-offs of competing priorities and line-of-sight to commitments in the plan.

40. Using this approach, the routes/SO scored as follows:

	Anglia	FNPO	LN&EM	LNW	Scotland	South East	SO	Wales	Wessex	Western
<b>Score</b>	3	2.5	3.5	2.5	3	4	3.5	3	2.5	3.5

41. Overall, scores against this criterion showed a degree of variety, as the routes/SO adopted different approaches to engage with their varied stakeholders and customer bases.
42. **Key point B1:** Each of the routes/SO engaged with its stakeholders in developing its strategic plans. The level of engagement with some stakeholder groups varied across the routes/SO. For example, some routes/SO did more to engage with suppliers and freight end users than others.
43. Reflecting the autonomy afforded to the routes/SO, they adopted different approaches to engaging with their stakeholders. These approaches have included dedicated CP6 planning workshops, bilateral meetings, 'drop-in sessions', business as usual meetings (such as Route Investment Review Group (RIRG) meetings), and written correspondence.

44. The routes/SO have reflected stakeholders' different needs when adopting different approaches to engagement. For example, some held separate workshops for stakeholders with interests in different geographic parts of the route or for different types of stakeholder (operators, local authorities and related bodies, suppliers and so on).
45. Stakeholders should be able to challenge the decisions taken by the routes/SO, and the routes/SO should support this by establishing clear mechanisms to raise and escalate concerns where appropriate. The extent to which the routes/SO established clear procedures for challenge and the extent to which they responded to these specific challenges varied. Some stakeholders said that their concerns were taken seriously, while others said theirs were dealt with poorly or not at all.
46. The routes' performance trajectories over CP6 have been a particularly important and contentious issue for Network Rail, operators, and wider stakeholders. We said that we wanted the routes to agree performance trajectories with their customers. This had only been achieved with two operators at the time of our draft determination. This reflected a number of factors, including a slow start the routes made in engaging with customers on detailed performance discussions and that some operators were focused on the levels of performance that were underlying their franchise rather than framing the conversation around what could be realistically delivered over CP6. We asked routes and operators to continue to seek agreement after publication of our draft determination; however, as of October 2018, agreement had been reached with only a small number of additional operators.
47. In its response to our draft determination, Network Rail disputed whether earlier engagement and sharing draft scorecards would have resulted in greater agreement of performance trajectories. However, we remain of the view that an early start, accompanied by robust modelling could have achieved a better level of agreement around the likely level of performance and the factors affecting it, even if not agreement on the trajectory itself.
48. **Key point B2:** Each of the routes/SO has reflected its understanding of its stakeholders' needs in its strategic plan. The clarity and level of detail with which this has been done varies, with some plans referring to a number of specific stakeholder requirements and others setting out high-level themes common to some or all stakeholders.
49. Some routes/SO have been more transparent than others about how they translated the full range of feedback received (which in some cases ran into hundreds of individual items) into shorter lists of themes or key priorities presented in their strategic plans. Some routes used well-defined methodologies to do this while in other cases it was not clear what process was followed.

50. The use of existing or newly-commissioned research to complement stakeholder engagement to inform the routes'/SO's view of their stakeholders' priorities (particularly passengers' and other end users') varied. The FNPO, LNE&EM, and South East routes made use of original research to fill gaps in their understanding, and others made good use of existing research (such as Transport Focus' 'Rail passengers' priorities for improvement'). However, some of the strategic plans made little or no reference to either new or existing research.
51. **Key point B3:** It may not be possible for the routes/SO to do everything that their stakeholders want them to. In such cases, the routes/SO should use the evidence derived from engagement, research, and other sources to trade-off competing priorities. Some routes/SO acknowledged which stakeholder priorities they will be unable to meet in CP6 and in some cases discussed mitigating actions they might take. Others developed a 'constrained base plan' (that is, the plan they will pursue given the actual level of funding expected to be available), supplemented by 'vision schemes' they would like to pursue should additional funding become available. In some cases, however, the route/SO did not explain clearly enough how they have decided which stakeholder needs to meet.
52. To demonstrate that stakeholder feedback gained through the engagement process was used to inform the routes'/SO's plans, these plans should set out a clear line-of-sight between their stakeholders' priorities and the actions they have committed to take in CP6. The Wessex route included a helpful line-of-sight diagram setting out this information and other routes/SO demonstrated a line-of-sight in other ways. Some routes/SO, though, did not adequately demonstrate a line-of-sight.
53. Some routes/the SO may not have provided sufficient opportunity for their stakeholders to influence their strategic plans (as indicated by feedback received from some stakeholders). It is important that the routes/SO adopt engagement activities and planning processes that provide opportunities both to communicate their strategic plans to stakeholders and for stakeholders to discuss, challenge and influence those plans. They should explain to their stakeholders how they plan to gather their views and how these will influence their plans.

## Overview of criterion C: Scorecards that meet our expectations

54. This criterion looked for evidence that the plans contain **scorecards that meet our expectations, in that they are balanced, enable comparison, meet the governments' High Level Output Specification (HLOS) requirements with appropriately challenging targets, and are transparent**
55. Scorecards are a key part of our regulatory approach to CP6 as they help Network Rail align its priorities with those of its customers and facilitate comparison and competition between the routes (and the SO, where appropriate). The purpose of this criterion is to assess the extent to which routes/the SO met our original expectations for scorecards, as set out in our [conclusions on the overall framework for regulating Network Rail](#).

56. In assessing the plans, we considered four key points:

**Key Point C1.** Scorecards are balanced across the interests of customers, and the range of activities;

**Key Point C2.** Scorecards enable comparison between routes;

**Key Point C3.** Meet the HLOS requirements with appropriately challenging targets; and

**Key Point C4.** The contents of the scorecards are clearly explained and measures appropriately defined.

57. Using this approach, the routes/the SO scored as follows:

	Anglia	FNPO	LNE&EM	LNW	Scotland	South East	SO	Wales	Wessex	Western
Score	3.5	3.5	3.5	3.5	3	4	4	4	4	4

58. Overall, scores against this criteria showed relatively little variety. This reflects that elements of the approach (e.g. the inclusion of certain consistent measures) were mandated by Network Rail centre. This consistency across the route scorecards was helpful in promoting comparability between routes. However, our review of these points also encompassed each route's approach to developing CP6 trajectories for both sustainability and train performance. It reflects the varying approaches taken by routes (particularly with regards to train performance modelling) and the outcomes achieved in both. Greater transparency including a clear approach to defining

measures on the scorecards would have also improved scores for many of the routes.

59. **Key point C1:** We considered that all of the geographic routes' scorecards were balanced across the routes' activities, largely due to the approach mandated by Network Rail centre. We also considered that the SO and the FNPO scorecards reflected the different functions of these business units. However, not all routes included the full range of their customers' priorities on their scorecards, leading to lower scores in this area. The service provided to CrossCountry trains was a notable omission from the LNE and Anglia route scorecards, and we asked for this to be addressed in the draft determination.
60. **Key point C2:** All geographic routes included the set of consistent route measures<sup>1</sup> in their scorecard. Whilst the SO's scorecard would enable only very limited comparison to the route scorecards, we welcome its approach of producing a 'local' scorecard for each route which could enable comparison of the SO's service across the network.
61. **Key point C3:** In assessing whether targets were sufficiently challenging, we focused on the two key areas where we had set particular requirements on the routes, relating to train performance and asset sustainability.
62. For train performance, we note that most routes followed a broadly consistent approach for forecasting performance and identifying targets, although there was some variety. South East and Wessex's approaches were particularly detailed. Although neither route secured agreement to the trajectory, both were able to secure statements of support for their methodology from their respective operators. We awarded higher scores to routes that managed to secure operator agreement for their methodology as this reflected a robust, open and transparent approach to developing trajectories. Achieving agreement of targets with operators was also given a higher grading, although we recognise that this is not entirely within the routes' control.
63. For asset sustainability, we noted that the modelling of asset sustainability is undertaken centrally and is therefore less relevant to our comparative grading. As such, all routes received the same score.
64. **Key point C4:** We are concerned that not all of the scorecards are sufficiently transparent to enable proper comparison between routes, or allow stakeholders to plan their businesses. In assessing transparency, we considered whether we

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<sup>1</sup> These measures are listed in our *supplementary document – scorecards and requirements*, available [here](#)



identified any errors, whether measures were defined in the strategic plan and the extent to which targets were provided for each measure.

65. We found relatively few errors across the scorecards. However, many of the plans did not provide adequate supporting definitions for their measures, or their definitions of route or industry consistent measures were inconsistent with definitions used by other routes. One route used the same title for measures for different operators when the definitions suggested that these were subtly different measures. In our draft determination, we asked Network Rail to provide central assurance in this area (its response to our draft determination has reflected this but we have not sought to reflect that in these scores, which are based on the February 2018 submission). Across its plan and supporting scorecard document, we considered that the SO in particular went a good way towards explaining the measures on its scorecard, as did the FNPO and LNE&EM routes.
66. Anglia, South Eastern, Western, Wessex and Wales included forecast trajectories for all their measures (except for RM3, where trajectories were defined centrally). This clarity enables customers to plan their own activity. At the time of the February 2018 submission, the FNPO and the SO had a number of measures still in development, which will need to be confirmed in time for the delivery plan.

## Overview of criterion D: Efficient costs

67. This criterion focuses on the evidence that the routes have **expenditure plans that deliver the route objectives at efficient cost.**

68. Network Rail's plans for CP6 proposed £47bn of expenditure – it is essential that this money is spent efficiently. The purpose of this criterion is to assess the extent to which the geographic routes followed an effective methodology in developing the costs of their plans.

69. In assessing the plans, we considered three key points:

**Key Point D1.** The route has a good understanding of its asset base and a justified plan for maintaining and renewing the network

**Key Point D2.** The route has a robust evidence base for the costs assumed in its plans

**Key Point D3.** The route has a realistic plan for delivery during CP6.

70. In grading this criterion, we have focused exclusively on the geographic routes' plans, which represent the majority of Network Rail's expenditure. During our assessment of the strategic plans, we also scrutinised and challenged the SO's and the FNPO's costs. However, for the purposes of this criterion, we have not graded them as they are not easily comparable to the geographical routes' plans, and do not have the same asset management or operational responsibilities.

71. Using this approach, the routes scored as follows:

	Anglia	FNPO	LNE&EM	LNW	Scotland	South East	SO	Wales	Wessex	Western
Score	4	N/A	4	3	4	4	N/A	4	3	4

72. Overall, scores against this criterion were consistent and reflected our assessment that the route plans were fit for purpose. The routes developed their plans in compliance with well-defined Network Rail processes and standards. There was also a high degree of assurance and guidance provided by the Safety, Technical and Engineering (STE) function within Network Rail (also called the 'Technical Authority'). For these reasons, there was relatively little variation in the scores across plans.

73. As discussed in detail in our [review of Network Rail's costs](#), we adopted a risk-based approach for assessing Network Rail's proposed costs for CP6. We took account of the assurance from STE as we assessed the plans, and in our grading. We considered that STE's analysis was sufficiently robust and independent that we could

place a degree of (but not complete) reliance on it. For example, STE was able to undertake in-depth analysis at a route level and cross reference the route plans against the guidance set out in their own policies. In addition, STE has access to detailed asset modelling tools that are able to predict asset performance sustainability outcomes.

- 74. **Key point D1:** All of the route plans were prepared ‘bottom-up’, by identifying the list of individual assets that would be renewed in CP6 (as opposed to identifying a volume of work to be completed, and then identifying the specific assets), and prioritising accordingly. We scored routes more highly when they planned to deliver the volumes of work recommended by STE, although where routes had proposed effective mitigations, this was taken into account (see Figure 4).
- 75. We also looked at the extent to which the plans set out improvements to asset reliability (i.e. to reduce how often they fail and cause delays). We compared these to the scale of improvements that STE forecasted should be achievable given the expenditure on assets. Where the plans met or exceeded STE’s expected improvement, we graded these more highly.

**Figure 3: STE’s assurance of routes’ asset management plans, as reproduced in our draft determination document on Network Rail’s proposed costs**

	Track	Signalling	Level Crossings	Structures	Earthworks	Operational Property	Telecommunications	E&P	Tunnels	Drainage
LNE&EM	Green	Green	Green	Green	Red	Green	Green	Green	Red	Green
Anglia	Green	Amber	Green	Green	Green	Green	Green	Green	Amber	Red
LNW	Amber	Green	Green	Green	Red	Green	Green	Green	Green	Green
Western	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Scotland	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Wessex	Red	Green	Green	Green	Green	Green	Green	Amber	Green	Green
South East	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Wales	Green	Green	Green	Green	Red	Green	Green	Green	Green	Amber
<b>Key</b> Green = activity levels are at or above STE minimum activity levels Amber = activity levels are below minimum activity guidance, however the chosen work mix and related mitigations through maintenance address the shortfall Red = activity levels are below STE minimum guidance. Further mitigation required to address the risk										

76. **Key point D2:** To grade the routes' cost planning, we looked at how they put together their maintenance, renewals, and operational (e.g. signaller) costs as part of our wider assessment. We found that renewals and operational cost planning were consistently robust across the routes and did not identify much variation across the routes' plans, which we have reflected in our grading.
77. In order to grade maintenance cost planning, we considered STE's assurance of the routes 'Activity Based Planning' (which attempts to calculate maintenance costs on the basis of what maintenance work a route is forecasted to require). The assurance indicated that Anglia, LNE&EM, and Wales routes submitted the most developed maintenance plans. These plans included supporting commentary that justified the rationale behind the plans, provided evidence that the plans were deliverable, and demonstrated that the plans aligned to Network Rail's wider asset strategies. We discuss the results of this assurance in more detail in our [review of Network Rail's costs](#).
78. **Key point D3:** Our grading of deliverability demonstrated some variation across the route plans. We looked at how clearly defined the route's workbank (i.e. the list of asset renewals that it plans to undertake) was, the extent to which it had planned the access to the railway to deliver the work, and the quality of the portfolio assurance it had undertaken.
79. We considered that Anglia route in particular had a well-developed deliverability plan, as it was based on a well-defined workbank and a complete access plan for the full five years of the control period.
80. However, the deliverability assurance conducted by Network Rail across the routes identified a broad weakness in portfolio assurance. This assurance considered how the availability of critical resources, the potential impact of enhancements, or the supply chain capacity might affect the deliverability of the plans.
81. Overall, our grading across the routes' plans is consistent with the fact that we did not make targeted adjustments to any of the routes' proposed cost profiles. However, we consider there is room for improvement in the plans. In particular, the original route plans could have had a greater focus on asset sustainability and reliability. We also consider that the Activity Based Planning tool (while welcome) needs to mature during CP6, such as by expanding the range of 'Non Time On Tools' allocation codes, and then making use of this and other information within routes to better identify areas of best practice. In addition, we consider that greater portfolio assurance could take place to ensure the plans are deliverable as a whole, and not just at an asset level.

## Overview of criterion E: Realistic strategies

82. This criteria looked for evidence of **realistic strategies, including Network Rail and industry strategies to improve capability.**

83. As well as setting out what the routes/SO seek to deliver, the plans also needed to set out how objectives would be achieved. Furthermore, the planning process provides an opportunity to consider where the route/SO's own capabilities could be improved. With this criterion, we sought to assess the extent to which routes/the SO understood and articulated the challenges they face, and the strategies they set out to address these.

84. In assessing the plans, we considered three key points:

**Key Point E1.** There were clear links between the key challenges facing the route/SO and the railway vision;

**Key Point E2.** There was evidence that the route/SO had considered local challenges, and produced credible strategies (aligned to wider Network Rail and industry strategies) to address these challenges;

**Key Point E3.** The route/SO set out an understanding of its own capability and the other areas of Network Rail on which it is dependent, with realistic plans for improving.

85. Using this approach, the routes/SO scored as follows:

	Anglia	FNPO	LNE&EM	LNW	Scotland	South East	SO	Wales	Wessex	Western
Score	4	3	3.5	3.5	4	4.5	3	3	4	3.5

86. Overall, scores against this criterion showed a degree of variety. We scored plans more highly where they stood out as having considered and explained their unique challenges more clearly, and where they had provided an open assessment of their own capabilities.

87. **Key point E1:** Where plans had a well-defined railway vision that was clearly grounded in the circumstances of the route/SO, we scored them more highly. For instance, South East's consistent focus on a 'metro-style railway' was clear not only in the introduction, but throughout the plan. Anglia and Western route's visions were clearly both developed in the context of future growth, and Scotland identified

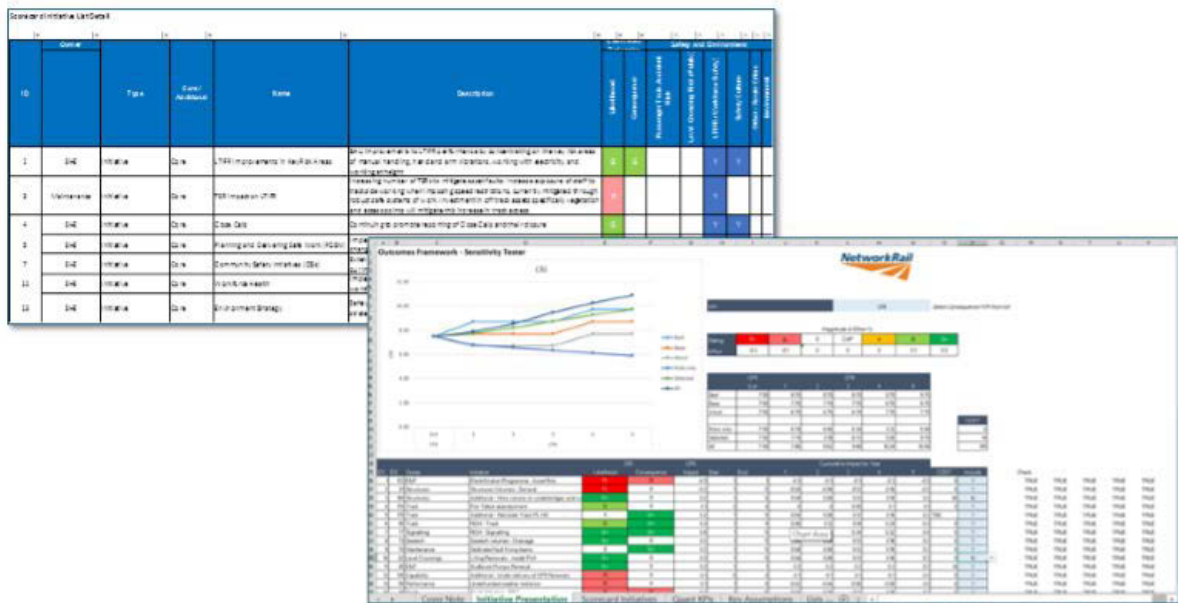
weather resilience as a key challenge for the route. These factors featured as a focus throughout the respective plans.

88. By contrast, some plans adopted more generic visions which did not link as strongly to the rest of the plan (for example the FNPO plan and the Wales plan). While a lack of a clear vision does not invalidate the substance of a plan, it makes it harder for the reader to ascertain whether the route has a clear sense of a coherent objective.
89. **Key point E2:** Across the plans, we felt that the routes/SO did a reasonably good job of identifying, articulating, and addressing the challenges facing them. Within the detail of the plan, we consider that the FNPO did a good job of explaining the unique challenges it faces in terms of trading off the competing priorities of its varied customers and in influencing the delivery of the geographic routes. In addressing these, it proposed solutions such as including measures on its scorecards to reflect the quality of service provided to freight end users (to give those customers greater influence over the FNPO's priorities) and in securing strategic paths for charter trains.
90. There was also evidence of innovative solutions being proposed by some routes/the SO, which we welcome as part of devolution. We also noted broader innovation in tools and ways of working, for instance LNW's 'sharp cloud' tool (which helps the route visualise its asset data), and Wales 'outcome framework sensitivity' tool (which models the link between renewals volumes and other inputs, and the impact on scorecard measures) as interesting approaches, demonstrating a willingness to approach problems from a different perspective.

**Figure 5: A snapshot of Wales’ innovative ‘outcome framework’ tool, as shown in the Wales Route Strategic plan**

## Outcomes Framework Tool

We have developed a high-level Outcomes Framework Sensitivity Testing Tool that enables us to rank, compare and contrast different initiatives and visualise their impacts on quantified KPIs.



91. **Key point E3:** One opportunity arising from the strategic planning process was for the routes/SO to consider their own capabilities and identify where they might need to strengthen them. In our grading, we have sought to recognise those plans which have demonstrated this process most openly.
92. In particular, we considered that section 8.2 of LNE&EM’s plan presented a good articulation of the capabilities it needs to improve upon to become a more independent route business. We also noted that it understood that a large percentage of its workforce is approaching retirement, and the plan discussed this as both a challenge and an opportunity. Wessex route’s ‘Wessex 2024’ plan, although high level, also represented a credible attempt at assessing its future capability requirements. The Wales route also presented a thorough assessment of its capabilities in its plan.

## Overview of criterion F: Uncertainty and risk

93. This criterion looked for evidence of **appropriate identification and assessment of uncertainty and risk**.

94. Network Rail centre has defined how the business as a whole will manage financial risks during CP6 using a group portfolio fund. We therefore focused our grading on how effectively the routes/SO articulated the risks affecting their plans. In particular, we focused on how the plan has articulated the financial risks it is facing and on how well the plan has set out 'investment options' (because having well-defined options outside the core plan may mean the route/SO is better able to respond to a change in circumstances).

95. In assessing the plans, we considered two key areas of the plans:

**Key Point F1.** Whether the route/the SO has justified and well thought through expenditure ranges in Section 7.8 of the plan

**Key Point F2.** The route has clearly identified and explained credible investment options for CP6

96. Using this approach, the routes/SO scored as follows:

	Anglia	FNPO	LNE&EM	LNW	Scotland	South East	SO	Wales	Wessex	Western
Score	4	2	3	4	2.5	3.5	3.5	2.5	3	3.5

97. Overall, scores against this criterion showed a degree of variety. Higher scoring plans were those that provided clearer explanations of the risks facing their plans, and more thorough investment option submissions.

98. **Key point F1:** In assessing this key point, we focused primarily on the section titled 'risk and uncertainty in the CP6 plan' (section 7.8 in most of the route plans). There were differences in the level of detail with which the routes/SO completed these sections. Some plans had not produced forecasts of all the financial uncertainties associated with their plans, particularly income risks. This resulted in lower grades for those plans.

99. More broadly, we observe that it would be helpful in future plans if all plans could adopt a common definition of what the '% of range' column (see the example below from the SO plan) means in the 'risk and uncertainty tables', as this was unclear in the February 2018 plans. The plans were presented as having 45-55% likelihood of



delivering the outputs, but most of the plans included larger downside risks than upside risks. More explanation of why this is justifiable would have been helpful.

100. The LNW route and the SO's risk analysis were noteworthy for being particularly detailed and clearly built on a bottom-up basis. The SO's approach of presenting the ' % of range ' as a +/- percent impact on the overall operational expenditure plan (see Figure 6 below) was helpful for us to understand the actual risk associated with each line item. Where this was not included, it was not possible to understand whether the upside and downside risks were symmetrical or not.

**Figure 6: The SO's risk and uncertainty analysis, as shown in the SO's strategic plan**

5.5 Uncertainty ranges for CP6

Figure 5.10 Uncertainty ranges

Area (S, O, M, R, Income)	Potential range (low – spot – high)	Summary of key drivers of the uncertainty range	
		Driver of range	% of range
Opex		Assume timetable activity and Calendar of Events (Appendix B) is accurate (+/- 9.46% on capacity planning).	+/-4.66%
		Potential vacancy gap greater than 1% across the organisation.	-2.44%
		Plans across the organisation are aligned and deliverable (+/- 4.7% on capacity planning)	+/-2.33%
		Resource planned for recoverable works is deployed on recoverable works for an assumed % of time (+19% on analysis and forecasting).	+1.32%
		Retention and development plan in capacity planning completes to current expected costs and outcomes (+3% on capacity planning)	+1.3%
		Continuous Modular Strategic Planning (CMSP) is able to increasingly deliver the outputs required for SOBCs (-25 /+10% on strategy & planning SOBC costs).	-1.1/+0.57%
		The CP6 people and process change programme is deliverable within the core plan and the benefits are realised as expected (+/-8% on policy & programmes).	+/-0.59%
		The policy team is adequately sized (+/- 7% on policy & programmes).	+/-0.54%
		Uncertainty in level of franchising manager resource required (+7% on policy & programmes)	+0.54%
		More context specification requires significantly more resource to manage (+4.7% on analysis and forecasting).	+0.31%
		The MoU framework can be implemented with no further resource increases in the portfolio team or analysis & forecasting teams (+3% on policy & programmes).	+0.27%
		Uncertainty in HS2 resource external to System Operator required	+/-0.21%
		Impact of third party funding and financing proposals on analytical activity is uncertain (+3% on analysis and forecasting).	+0.20%
		Level of resource required to inform CMSP is correct (+/- 0.28% on capacity planning).	+0.14%
Scottish HLOS activity can be delivered through the core plan (+/-2.9% on Scotland strategy & planning).	+/-0.06%		
Total expenditure		See above opex ranges	

101. **Key point F2:** Across the plans, there was a range of detail provided to support the investment options presented. We scored plans more poorly where they lacked details around the costs or benefits of schemes, with some lacking quantitative or well justified qualitative benefits. This missing information would make it harder for decision makers to prioritise options in response to changing funding.
102. By contrast, high scoring plans presented clear cases for their schemes. Western, LNW and South East's plans were particularly noteworthy for including clear quantitative benefits of well-scoped schemes, including benefit cost ratios that could input into decision making. LNE's, LNW's and Wales' approach of breaking their options into tranches and prioritising them also seemed a sensible approach.



**Annexes: Route/SO  
specific grades**

## Anglia route annex

103. In this annex, we provide more detail on why we awarded Anglia route the following scores in our grading.

Criteria	Score	Score and commentary
<b>A. A robust business planning process, including a comprehensive and high quality set of submissions, with information presented clearly and concisely in the main plan and in supporting documents.</b>	4	<p>On the whole, the plan was well written and produced to a high quality. The breakdown of the objectives in section 1 was very good, although the plan could have been stronger if that referencing had continued throughout the document. To improve further, the route could consider making more use of appropriate diagrams in communicating its messages.</p> <p>The plan's assumptions were clear but relatively high level, and some assumptions lacked explanation, most notably assumption 18 (about industrial relations strategies changing to allow redundancies), which was not explained in the main body of the text. This held it back from a higher grade.</p>
<b>B. Engagement with the full range of stakeholders in a collaborative and meaningful way that provides them with appropriate opportunities to input into and influence the strategic plans.</b>	3	<p>On the whole, the route showed a good understanding of its stakeholders and tailored its approach accordingly. It recorded stakeholders' feedback clearly. For these reasons, we considered Anglia's engagement well-governed and inclusive.</p> <p>However, the route did not clearly explain how it traded-off competing stakeholder needs, and could have done more to demonstrate a line-of-sight between stakeholder needs and its commitments. This would have made the engagement more effective. The plan could also have explained more clearly how stakeholder feedback was analysed.</p>
<b>C. The plans contain scorecards which are balanced, enable comparison, meet the HLOS requirements with appropriately challenging targets, and are transparent</b>	3.5	<p>In line with Network Rail centre's policy, Anglia's scorecard was balanced across its activities, and enabled comparison with other routes. In developing its train performance targets, Anglia developed its own methodology. While operators agreed with this, we expressed concerns with this approach in our draft determination, as it treated each year independently from the last. We welcomed the fact that all measures (except RM3) had a target trajectory, and this would help stakeholders plan their own businesses.</p>

		<p>We would have scored the plan more highly if it had been more transparent in explaining the meaning and definition of measures used on the scorecard. The plan would also have scored more highly if the route had been able to secure operator agreement for the trajectories on the scorecard (although we acknowledge the challenges with securing this). We also noted that Cross Country did not have any customer-specified measures on the scorecard.</p>
<p><b>D. Expenditure plans that deliver the route objectives at efficient cost.</b></p>	4	<p>Overall, the route's asset plans could have been more robust. The plan fell short of STE's recommended minimum volumes of drainage, signalling and tunnelling, without proposing sufficient mitigations – addressing these areas would have resulted in a higher score. The route also proposed an improvement in service affecting failures and asset reliability which was less than the improvements forecast by STE's estimates.</p> <p>However, the route's cost planning was of a good quality; its operations and renewals cost planning were considered robust, and its maintenance cost planning was among the best. The route had the most developed plan for delivery, with a clearly defined workbank, and a good understanding of the access required to deliver it.</p>
<p><b>E. Realistic strategies, including Network Rail and industry strategies to improve capability.</b></p>	4	<p>The route did a good job of identifying and communicating the challenges it faces in CP6, most notably the substantial traffic increase - its vision was cognisant of these challenges. The plan also put forward a credible response to these challenges, for instance expanding on the capacity challenge in section 6. Section 5.2 set out a clearly considered approach to prioritising renewals/maintenance, including across assets.</p> <p>The plan set out some detail that appeared sensible about how it plans to roll out 'lean' approaches across its delivery units. However, it could have undertaken a more conscious review of its own capabilities and identified more areas for improvement, and considered where the route required other parts of Network Rail to improve their capabilities to help the route achieve its objectives.</p>
<p><b>F. Appropriate identification and</b></p>	4	<p>The uncertainty analysis across activities was clear, and the risk estimates were central, which supported the statement</p>

<b>assessment of uncertainty and risk.</b>	<p>that the plans had a 45-55% likelihood of delivering the planned outputs within the stated funding. The detail around income uncertainty was particularly good relative to other routes.</p> <p>The investment options provided in Appendix D had a good level of detail and clear costs. Benefits were described and sometimes quantified in terms of impacts on key performance measures. To improve further, it would have been helpful to understand the potential business cases of those projects, as this might help to inform any investment choices.</p>
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## FNPO route annex

104. In this annex, we provide more detail on why we awarded the FNPO route the following scores in our grading. In our grading, we have been cognisant of the fact that the FNPO's responsibilities and plan were different from the geographic routes. We also acknowledge that the FNPO is a newer business unit compared with the other routes, and may not have amassed as much experience at business planning at this stage. Nonetheless, we have graded it consistently with the other plans.

Criteria	Score	Commentary
<b>A. A robust business planning process, including a comprehensive and high quality set of submissions, with information presented clearly and concisely in the main plan and in supporting documents.</b>	2.5	<p>Overall, the plan was adequate but less user-friendly than some of the other plans. Whilst accommodating such a broad range of stakeholders' views within a single plan was challenging for the route, the separation of the document into freight and national passenger sections meant that key messages got lost in the document and the line-of-sight was harder to follow through. However, the additional context provided around the risk/opportunity/constraint tables was helpful at bringing this material to life.</p> <p>The assumptions listed in the plan were clear and succinct. However, it appeared that feedback from Network Rail centre's assurance was not consistently applied. Overall, the plan could have benefited from being more concise, and with less emphasis on enhancement projects.</p>
<b>B. Engagement with the full range of stakeholders in a collaborative and meaningful way that provides them with appropriate opportunities to input into and influence the strategic plans.</b>	2.5	<p>The route engaged with a wide range of stakeholders and had a well-managed approach to its engagement that we consider inclusive. However, the route could have communicated this approach more clearly in the plan and explained more clearly how the evidence informed the route's understanding of stakeholders' needs. This would have given us greater confidence that the engagement was well-governed.</p> <p>On the whole, the plan did not clearly explain how it traded-off competing priorities, and it could have done more to demonstrate line-of-sight between the engagement and the plan – more clarity here would have demonstrated to us that the engagement was effective.</p>
<b>C. The plans contain scorecards which</b>	3.5	<p>Overall, the FNPO's scorecards were well balanced across its customers and activities. The FNPO also did a good job</p>

<p><b>are balanced, enable comparison, meet the HLOS requirements with appropriately challenging targets, and are transparent</b></p>		<p>of defining the measures on its scorecard in its strategic plan. However, we had some concerns with the freight performance modelling methodology, and we identified an error in the calculation of the cancellation measure. We would have awarded a higher score if the route had been able to secure wider customer agreement for both its methodologies and its targets.</p>
<p><b>D. Expenditure plans that deliver the route objectives at efficient cost.</b></p>	<p>N/A</p>	<p>Our grading of efficient costs focused particularly on asset related costs, as these make up the bulk of Network Rail's expenditure. We have therefore not graded the FNPO against this criterion. However, in our determination, we have supported the FNPO's proposed revenue requirement.</p>
<p><b>E. Realistic strategies, including Network Rail and industry strategies to improve capability.</b></p>	<p>3</p>	<p>The plan clearly articulated the unique challenges facing the FNPO as it tries to achieve its objectives. Most notably, the plan clearly conveyed the challenge of influencing the geographic routes to achieve its aims, for instance in sections 4.2 and 4.3. However, the FNPO's vision of 'exceeding the expectations of its customers' failed to capture that challenge and was not referred to again in the plan.</p> <p>In assessing its own capabilities, the route identified line management as a particular area for improvement and put forward a sensible plan to improve. In order to score the FNPO more highly in this category, we would have welcomed a wider analysis of its capabilities, e.g., which competencies would better enable the FNPO to influence/support the geographic routes.</p>
<p><b>F. Appropriate identification and assessment of uncertainty and risk.</b></p>	<p>2</p>	<p>The assessment of risk to freight income and Schedule 8 costs was reasonably well presented in the uncertainty analysis section of the plan, although it was arguably too technical for the average reader of the plan to understand. However, the uncertainty assessment of the FNPO's own operational expenditure costs was unfounded and simplistic. Whilst the sums involved are small, it would have been useful to understand the causes of uncertainty.</p> <p>We gave the plan a lower score because the 'investment options' section of the plan consisted of unfunded enhancement schemes. Given that the plans' focus is on operations, maintenance, and renewals expenditure (rather</p>

	<p>than enhancements), this was less relevant to the plan (including to inform our funding decisions). This section would have been more useful for our purposes if it had proposed options for additional expenditure in the FNPO organisation itself (e.g., options for strengthening customer facing teams). It is also unclear to us whether the list of enhancement schemes would have been of use to other organisations.</p>
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## LNE&EM route annex

105. In this annex, we provide more detail on why we awarded LNE&EM route the following scores in our grading

Criteria	Score	Commentary
<p><b>A. A robust business planning process, including a comprehensive and high quality set of submissions, with information presented clearly and concisely in the main plan and in supporting documents.</b></p>	3.5	<p>The plan was fairly well written with a useful introduction that set out a good logical flow. The plan had a good line-of-sight through the document, and the approach of including explicit references back to the strategic objectives throughout the document was helpful in linking the body of the plan back to the summary.</p> <p>With regards to the planning process, we found the assumptions to be fairly high level, and there were some mandatory actions from Network Rail centre's assurance that were not completed – for instance there were no uncertainty forecasts for the route's income from track access charges. This led us to score the route's plan less highly.</p>
<p><b>B. Engagement with the full range of stakeholders in a collaborative and meaningful way that provides them with appropriate opportunities to input into and influence the strategic plans.</b></p>	3.5	<p>The route's engagement appears to have been fairly well governed, and the plan demonstrated a good understanding of its stakeholders and explained how and why it engaged with them. However, the route could have set out a clearer strategy for engagement.</p> <p>The plan set out a helpful list of stakeholders' needs and its response to them, although it could have explained more clearly how it analysed stakeholder feedback. By discussing how it has traded-off competing priorities and showing a line-of-sight to commitments in its plan, the LNE&amp;EM route has shown that its engagement was at least partially effective.</p>
<p><b>C. The plans contain scorecards which are balanced, enable comparison, meet the HLOS requirements with appropriately</b></p>	3.5	<p>In line with Network Rail centre's policy, LNE&amp;EM's scorecard was balanced across its activities, and enabled comparison with other routes – however not all customers were represented on the scorecard (e.g., CrossCountry). We noted that four measures lacked a target trajectory. However, the route demonstrated transparency in explaining the definition of its measures, although there were some inconsistencies in definitions.</p>

<p><b>challenging targets, and are transparent</b></p>		<p>The plan would have scored more highly if CrossCountry had been able to have its priorities included in the scorecard, and in general some stakeholders felt there was relatively poor engagement around the agreement of performance trajectories. We also identified an error with the calculation of the cancellation metric.</p>
<p><b>D. Expenditure plans that deliver the route objectives at efficient cost.</b></p>	<p>4</p>	<p>Overall, the route’s asset plans were generally robust. However, the plan fell short of Network Rail centre’s minimum guidelines on earthworks and tunnelling, without proposing sufficient mitigations – addressing these areas would have resulted in a high score. The route was also noteworthy for proposing an improvement in service affecting failures and asset reliability that was in line with STE’s estimates.</p> <p>The route’s Activity Based Planning was considered among the best, and its operations and renewals cost planning were considered robust. The route had a reasonable plan for delivery, although there was room to improve both workbank and access planning.</p>
<p><b>E. Realistic strategies, including Network Rail and industry strategies to improve capability.</b></p>	<p>3.5</p>	<p>The plan broke the vision down into strategic objectives, and these were effectively referenced throughout the plan and linked to end-user outcomes in Figure 6. This helped the reader understand the justification for activities and expenditure in the plan and was very effective at linking sections of the plan.</p> <p>The plan set out the challenges it faces in section 1.2. We considered that the plan demonstrated a good awareness and analysis of its own capabilities, noting the upcoming generational change (the plan explained that half of the route’s workforce will become eligible for retirement in the next decade) as an opportunity as well as a challenge. Overall, however, we considered that the plan could have set out the route’s strategies more clearly. Further explanation where the route was reliant on other parts of Network Rail to improve their delivery would have been helpful.</p>
<p><b>F. Appropriate identification and assessment of</b></p>	<p>3</p>	<p>The route put forward some well-explained investment options for CP6, with a thorough description of scope, costs and benefits, including cost-benefit analysis. However, to</p>

<b>uncertainty and risk.</b>		score more highly, the route could have provided more detail on the financial uncertainty ranges, which were high level and not explained in much detail.
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## LNW route annex

106. In this annex, we provide more detail on why we awarded LNW route the following scores in our grading.

Criteria	Score	Commentary
<p><b>A. A robust business planning process, including a comprehensive and high quality set of submissions, with information presented clearly and concisely in the main plan and in supporting documents.</b></p>	3.5	<p>On the whole the plan was well written and produced to a high quality. The summary section effectively broke down the high level vision into its constituent parts, setting out the route's intentions clearly. However, we would have scored the route more highly if it had been easier to trace the route's vision throughout the plan, which would have strengthened line-of-sight.</p> <p>With regards to process, we considered some of the assumptions to be overly high level, for instance, simply assuming that the activities are deliverable despite the challenge of HS2. There were also a number of central assurance actions that had not been addressed, which led to a slightly lower score for the route on the whole.</p>
<p><b>B. Engagement with the full range of stakeholders in a collaborative and meaningful way that provides them with appropriate opportunities to input into and influence the strategic plans.</b></p>	2.5	<p>The route's engagement was inclusive, and it engaged with a good range of stakeholders, including suppliers. The route effectively tailored its approach to suit different stakeholders, although as both workshops attended by operators took place in February 2017, their ability to influence the development of the strategic plan may have been limited. It showed transparency by maintaining a detailed record of stakeholders' comments, but it could have been clearer about how it analysed these.</p> <p>The plan demonstrated a line-of-sight between stakeholders' priorities and actions. The plan also used stakeholder feedback to identify additional investment options beyond its base plan. However, the plan did not explain clearly how the route traded-off competing priorities or why some priorities were addressed within the core plan rather than as investment options.</p>
<p><b>C. The plans contain scorecards which are balanced, enable comparison,</b></p>	3.5	<p>In line with Network Rail centre's policy, LNW's scorecard was balanced across its activities, and enabled comparison with other routes. LNW route did well to include all of its customers in its scorecard. In developing its targets, the</p>

<p><b>meet the HLOS requirements with appropriately challenging targets, and are transparent</b></p>		<p>route followed modelling methodologies consistent with other routes, and all but one of its operators agreed with the methodology the route had used.</p> <p>However, the route scored less highly for the transparency of its scorecards as there were a large number of targets which were still 'TBC'. Providing definitions for the measures would make the scorecard more informative for stakeholders who are considering LNW's performance.</p>
<p><b>D. Expenditure plans that deliver the route objectives at efficient cost.</b></p>	<p>3</p>	<p>The route's asset management plans were reasonably robust, although they fell short of STE's minimum guidance in some areas. However, the route's plan forecasted a reasonable improvement in reliability. As with other routes, its renewals and operational cost planning was considered robust.</p> <p>To improve this score, the route could focus further on its maintenance cost planning, which scored less highly in Network Rail's own assurance. With regards to deliverability, the workbank definition was good, but the route's access plan was relatively underdeveloped compared with other routes.</p>
<p><b>E. Realistic strategies, including Network Rail and industry strategies to improve capability.</b></p>	<p>3.5</p>	<p>The plan broke the vision down into strategic objectives, which provided additional detail and set a good direction for the plan, although these were not referenced much throughout the rest of the plan. The plan was also effective at setting out the challenges faced by the route, and Appendix C was particularly thorough in this regard.</p> <p>In response to these challenges, the route generally proposed coherent strategies, although we would have welcomed more detail in some areas, e.g., how the route would manage access planning around HS2 works. The plan showed a willingness to innovate and act as a trial route for research and development activities.</p> <p>The discussion of the route's own capabilities was comprehensive and the maintenance capability plans appeared particularly well developed. The plan was cognisant on the contributions made by other parts of Network Rail, but could have discussed those areas where the route needed improvements from these units.</p>

<p><b>F. Appropriate identification and assessment of uncertainty and risk.</b></p>	<p>4</p>	<p>The route's uncertainty analysis was among the best, providing a good level of detail around the risks to the plan. In addition to this, the route provided further detail in the plan's appendices, giving a more complete view of the risks. In line with a number of other routes though, we noted that the perceived risk was skewed towards downside risk.</p> <p>The plan also presented a sensible and varied list of additional options, which appeared well scoped with clear costings. To improve further, more information on quantitative benefits (e.g., impact on scorecard outcomes) would have been helpful, but the qualitative descriptions were clear.</p>
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## Scotland route annex

107. In this annex, we provide more detail on why we awarded Scotland route the following scores in our grading. In our grading, we have been cognisant of Scotland's unique situation in being the sole focus of a national funder, and in addressing a much more specific HLOS than was the case in England and Wales.

Criteria	Score	Commentary
<b>A. A robust business planning process, including a comprehensive and high quality set of submissions, with information presented clearly and concisely in the main plan and in supporting documents.</b>	3.5	<p>On the whole the plan was well written and produced to a high quality. We found Appendix J, which set out how the HLOS requirements would be addressed, a helpful assurance that the plan was designed to meet the HLOS requirements, although it was hard to link elements of the plan back to the HLOS. The assumptions in the plan were clear and well identified.</p> <p>To strengthen the plan, clearer line-of-sight could have been included from the very high level vision through to the activities set out in the plan. There were also a number of mandatory actions from Network Rail centre's assurance that were not addressed.</p>
<b>B. Engagement with the full range of stakeholders in a collaborative and meaningful way that provides them with appropriate opportunities to input into and influence the strategic plans.</b>	3	<p>Scotland route engaged with a wide range of stakeholders, and participated in the Scottish Ministers' HLOS engagement. The route showed transparency by setting out a detailed list of prioritised stakeholder needs, although it could have been clearer about how the prioritised needs identified were derived from the various sources of information on stakeholder requirements.</p> <p>The plan set out a good line-of-sight between the HLOS requirements and the plan, but it would have been even more effective if it had also set out that line-of-sight for other stakeholder needs, or explained more clearly how it traded-off competing priorities.</p>
<b>C. The plans contain scorecards which are balanced, enable comparison, meet the HLOS requirements with appropriately</b>	3	<p>In line with Network Rail centre's policy, Scotland's scorecard was balanced across its activities, and enabled comparison with other routes. However, Virgin Trains (East and West Coast) were not included on the scorecard, which led us to score the plans less highly.</p>

<p><b>challenging targets, and are transparent</b></p>		<p>Unlike routes in England &amp; Wales, the Scotland route has a public performance measure (PPM) target that was set by the Scottish Government (92.5% PPM for all years of CP6). To help the route understand what steps it needed to take to drive performance improvements, an independent review of performance was commissioned. This review was completed in March 2018, but it would have been better if the performance review had been completed in time for the SBP submission. This would have given a more informed picture of the steps that the route should take to improve performance and achieve the PPM target set out in the Scottish HLOS.</p> <p>Overall, the scorecards could have been more transparent – three scorecard measures did not have forecast trajectories, and the financial performance measure and average timetabled minutes measure lacked ranges. No definitions of measures were included in the plan, which hinders the extent to which stakeholders could engage with these.</p>
<p><b>D. Expenditure plans that deliver the route objectives at efficient cost.</b></p>	<p>4</p>	<p>The route’s asset management plans were robust and among the best, and met the STE minimum guidance in all areas. The route’s plan notably proposed to maintain the sustainability of the network. The plan forecasted an improvement in reliability in line with the STE forecasts. As with other routes, its renewals and operational cost planning was considered robust.</p> <p>To improve, the route could focus further on its maintenance cost planning, which scored less highly in Network Rail’s own assurance. With regards to deliverability, the workbank definition was good, but the route’s access plan was comparatively underdeveloped relative to other routes.</p>
<p><b>E. Realistic strategies, including Network Rail and industry strategies to improve capability.</b></p>	<p>4</p>	<p>The plan gives the reader an understanding of the challenges the route faces, for instance weather resilience. In this area, the route suggested sensible strategies, demonstrating some innovation in the willingness to use new technologies such as remote condition monitoring etc.</p> <p>The plan presented relatively little discussion on its own capabilities or areas where it needs to strengthen its own organisation, but it did a better job of describing the capabilities of other Network Rail business units it is</p>



		<p>dependent on, for instance in Appendix I and in the sections discussing what Infrastructure Projects is doing to meet the route's needs.</p>
<p><b>F. Appropriate identification and assessment of uncertainty and risk.</b></p>	<p>2.5</p>	<p>The route's financial uncertainty submission was relatively high level, and the explanations of the risks were quite generic, for instance saying that the Infrastructure Projects' costs might change. The route could have given a more detailed explanation of what risks it considered would materialise in order to cause these to change. Across the uncertainty analysis, the '% of range' column was used inconsistently and no income risks were presented, which lead to a lower score in this area.</p> <p>Scotland route is unique as it has a fixed funding envelope due to Transport Scotland's role as a sole national funder. To an extent, this may justify less focus on investment options by the route (because unlike in England and Wales, additional funding will likely not be released from central risk funds), as does the late finalisation of the Scottish SoFA. However, there may still have been value in presenting some options in or alongside the plan.</p>

## South East route annex

108. In this annex, we provide more detail on why we awarded South East route the following scores in our grading.

Criteria	Score	Commentary
<p><b>A. A robust business planning process, including a comprehensive and high quality set of submissions, with information presented clearly and concisely in the main plan and in supporting documents.</b></p>	4.5	<p>The plan was very well written and produced to a high quality. The introduction was particularly accessible to non-technical readers, and the presentation of the plan as one of a range of options was a novel approach. The line-of-sight ran well throughout the document, and diagrams were used effectively – the figure in 1.3.1 setting out the drivers of activities in the plan was particularly useful in explaining the drivers of activities in the plan.</p> <p>The assumptions addressed the ‘fundamentals’ of the plan well – e.g., specifying the assumed route boundaries and sources of specific funding, although the assumption that sufficient access would be available was weaker. The plan did not address all of the mandatory actions from Network Rail centre’s assurance reports, with some ‘easy wins’ not met.</p>
<p><b>B. Engagement with the full range of stakeholders in a collaborative and meaningful way that provides them with appropriate opportunities to input into and influence the strategic plans.</b></p>	4	<p>The route adopted a formal stakeholder management plan and recorded stakeholder feedback fully. It hosted good quality workshops and commissioned its own research into passenger views on asset sustainability, although it could have been clearer on how it analysed and presented stakeholders’ needs. It incorporated stakeholder input in developing its ‘vision schemes’ alongside its constrained base plan, but on the whole it could have done more to demonstrate the trade-offs it made between competing stakeholder priorities, and more clearly demonstrated line-of-sight throughout all of the plan.</p>
<p><b>C. The plans contain scorecards which are balanced, enable comparison, meet the HLOS requirements with appropriately</b></p>	4	<p>In line with Network Rail centre’s policy, South East’s scorecard was balanced across its activities, and enabled comparison with other routes. Almost all operators were included, except London Overground (although we acknowledge they run relatively few train miles on the route). The plan did well to set out trajectories for all measures (bar RM3), but it could have been more transparent in providing definitions for scorecard metrics.</p>

<p><b>challenging targets, and are transparent</b></p>		<p>In developing targets for performance, we noted that the route developed its own methodology, which we considered to be the most detailed of all the routes, and that it secured agreement from all operators. However, in setting itself targets, it arguably set the bar lower for itself than other routes by giving itself a target which it believed it had an 80% chance of hitting, rather than 50%. We commented on this in our draft determination, and the route has subsequently revised its target.</p>
<p><b>D. Expenditure plans that deliver the route objectives at efficient cost.</b></p>	<p>4</p>	<p>The route's asset management plans were robust, and met the STE minimum guidance in all areas. However, the targeted increase in reliability was lower than suggested by STE's forecasts. As with other routes, its renewals and operational cost planning was considered robust. However, maintenance cost planning could have been improved as the route scored around average in the assurance of Activity Based Planning.</p> <p>With regards to deliverability, the workbank definition was good, but the route's access plan could have been developed further in order to score more highly.</p>
<p><b>E. Realistic strategies, including Network Rail and industry strategies to improve capability.</b></p>	<p>4.5</p>	<p>The route's vision of running a metro style railway was particularly clear and relevant to the route, and the plan did well to expand on the vision through tangible objectives and metrics which it consistently referenced back to. The plan was very clear on the challenges the route faces in terms of asset condition, congestion, and a complex network – Appendix C set this out very clearly.</p> <p>In response to these challenges and its vision, the plan appeared to prioritise effectively, for instance focusing on key routes into London termini/Thameslink (section 5.3.3), and focusing renewals work on high-use lines (section 5.2.1). The plan also presented a thorough discussion on its own capabilities, for instance in section 8.3 and through its 'Framework 42' plan. Whilst there was some consideration of the dependencies on other business units, this could potentially have been stronger.</p>
<p><b>F. Appropriate identification and assessment of</b></p>	<p>3.5</p>	<p>The financial uncertainty table was complete and clearly explained, although some of the risks, particularly renewals risks, were quite high level. As with a number of other</p>

<b>uncertainty and risk.</b>	<p>routes, the downside risks were substantially larger than the upside risks. Improving this risk analysis would have increased the route's score.</p> <p>The investment options were very clearly presented and appeared well scoped, with clear costings. The benefits were particularly clear, with quantitative benefits identified in all cases and benefit-cost ratios in most.</p>
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## System Operator annex

109. In this annex, we provide more detail on why we awarded the SO the following scores in our grading. In our grading, we have been cognisant of the fact that the SO's responsibilities and plan were different from the routes. We also acknowledge that the SO is newer than the geographic routes, and may not have amassed as much experience at business planning at this stage. Nonetheless, we have graded it consistently with the other plans.

Criteria	Score	Commentary
<b>A. A robust business planning process, including a comprehensive and high quality set of submissions, with information presented clearly and concisely in the main plan and in supporting documents.</b>	3.5	<p>The plan was well written and produced to a high quality on the whole. The explanation of the SO's role was particularly helpful as it is a function of Network Rail that many may be less familiar with. Diagrams were used effectively to explain concepts such as the external governance arrangements and the investment decision process – the waterfall diagram (figure 5.6) helped explain the drivers of cost increases. The line-of-sight was reasonably clear throughout the document.</p> <p>The assumptions addressed the 'fundamentals' of the plan well in terms of the SO's role and sources of funding, although they could perhaps have been more clearly structured and focus more succinctly on key assumptions. Additionally, the plan did not address all of the mandatory actions from Network Rail centre's assurance reports, with some 'easy wins' not met. This contributed to a lower score.</p>
<b>B. Engagement with the full range of stakeholders in a collaborative and meaningful way that provides them with appropriate opportunities to input into and influence the strategic plans.</b>	3.5	<p>The SO engaged with a good range of stakeholders, and tailored its approach appropriately to suit. It had an open and transparent approach to its engagement, and it recorded and reflected on the needs of individual stakeholders. Overall, we found that the SO's engagement was generally well governed.</p> <p>To improve this score, the analysis of stakeholder needs could have been presented more clearly, and the plan could have set out more firmly how it intends to meet stakeholder needs, or be clear about where it might not be possible to meet these. The plan could have explained more clearly the link between the 'priorities' identified in Section 3 of the plan, and the list of 'messages' in Appendix C.</p>
<b>C. The plans contain scorecards which</b>	4	We considered that the SO's tier 1 scorecard was balanced across its operating model activities, and that the proposals

<p><b>are balanced, enable comparison, meet the HLOS requirements with appropriately challenging targets, and are transparent</b></p>		<p>for an annual narrative report ensured that there would be reporting on areas that do not lend themselves to quantitative measurement. Although the SO's performance may not be easily comparable to the routes, we considered that the tier 3 (local) scorecards meant that at least there could be comparison within the SO about how it performed across the network. This approach also enabled it to represent its entire customer base.</p> <p>The SO did a good job of explaining the measures on its tier 1 scorecard in particular, although work remains to be done to confirm many of the measures on lower tier scorecards. However, many of the measures on the scorecards were defined in such a way as to not have a forecast trajectory, which made it harder for customers and stakeholders to get a clear sense of what the SO was committing to delivering.</p>
<p><b>D. Expenditure plans that deliver the route objectives at efficient cost.</b></p>	<p>N/A</p>	<p>Our grading of efficient costs focused particularly on asset related costs, as these make up the bulk of Network Rail's expenditure. We have therefore not graded the SO against this criteria. However, in our determination, we have supported the SO's proposed revenue requirement.</p>
<p><b>E. Realistic strategies, including Network Rail and industry strategies to improve capability.</b></p>	<p>3</p>	<p>The SO's vision is clear and relevant to its role, helpfully clarifying that it mainly provides advice rather than making decisions. However, the line-of-sight through the document could have been drawn out more clearly through additional and more explicit references back to the vision and objective throughout the plan.</p> <p>The plan set out the challenges facing the SO clearly in sections 2.1, 3.2 and 3.4. The plan as a whole presented sensible strategies to address these, although it could have been clearer throughout in explaining what was changing and what would be different from a customer's perspective, which was sometimes hard to identify.</p> <p>The plan contained good discussions on the SO's own capability, and demonstrated a genuine awareness of the need to improve. However, the plans in this space were at an early stage of development, and additional detail would have led to a higher score. Similarly, the plan contained relatively little discussion on where the SO was reliant on other parts of Network Rail for its delivery.</p>

<p><b>F. Appropriate identification and assessment of uncertainty and risk.</b></p>	<p>3.5</p>	<p>The plan presented a very thorough explanation of the financial uncertainties driving the operational expenditure elements of the plan, with a good focus on risks genuinely outside the SO's control. However, there was no discussion of the risks to the capital expenditure portfolio, even at a high level.</p> <p>The additional investment options in the plan did include high-level costings, and the level of detail was probably proportionate for the sums involved. However, a clearer articulation of the benefits of the options could have been helpful.</p>
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## Wales route annex

110. In this annex, we provide more detail on why we awarded Wales route the following scores in our grading.

Criteria	Score	Commentary
<p><b>A. A robust business planning process, including a comprehensive and high quality set of submissions, with information presented clearly and concisely in the main plan and in supporting documents.</b></p>	3.5	<p>The plan was well written and produced to a high quality on the whole. However, it was not always easy to link the detailed sections of the plan back to the higher level elements. The ‘outcomes framework’ appeared to be a good way to link activities to their intended outcomes, but this was not used to maximum effect in the plan itself.</p> <p>The plan contained particularly thorough assumptions that were well documented – these were among the clearest in all of the plans. However, there were a number of Network Rail centre’s assurance actions that had not been addressed, which prevented the route scoring higher against this criterion.</p>
<p><b>B. Engagement with the full range of stakeholders in a collaborative and meaningful way that provides them with appropriate opportunities to input into and influence the strategic plans.</b></p>	3	<p>The route showed a good understanding of its stakeholders, and it tailored its approach to engagement to suit its stakeholders. However, it could have ensured that the quality of engagement was more consistent throughout the process.</p> <p>The plan explained its process for analysing stakeholder needs well, although it could have set out these out in more detail. It could also have done more to explain the route’s reasoning on how it traded-off competing priorities.</p>
<p><b>C. The plans contain scorecards which are balanced, enable comparison, meet the HLOS requirements with appropriately challenging targets, and are transparent</b></p>	4	<p>In line with Network Rail centre’s policy, Wales’ scorecard was balanced across its activities, and enabled comparison with other routes. Almost all operators were included, except West Midlands trains who operate a very small share of services on the route. The plan did well to set out trajectories for all measures (bar RM3), but it could have been more transparent in providing definitions for scorecard metrics.</p> <p>In developing targets for performance, we noted that the route managed to secure agreement for the methodology</p>



		<p>from all operators. Although it was not able to secure agreement for its performance targets, we note the challenge the route faced given the re-franchising that was taking place at the time.</p>
<p><b>D. Expenditure plans that deliver the route objectives at efficient cost.</b></p>	4	<p>The route's asset management plans were mostly robust, although the plan did not meet the STE minimum guidance for volumes in earthworks, or provide sufficient mitigations. However, the targeted increase in reliability was in line with that suggested by STE's forecasts. As with other routes, its renewals and operational cost planning was considered robust, and the maintenance cost planning scored comparatively well against Network Rail's assurance of Activity Based Planning.</p> <p>We would have scored the plan more highly if we had more confidence in its deliverability, as the workbank and the access plan could have benefited from further definition.</p>
<p><b>E. Realistic strategies, including Network Rail and industry strategies to improve capability.</b></p>	3	<p>Overall, while acknowledging that the route was planning in a particularly uncertain environment (given the re-franchising and separation of the Core Valley lines), the route's plan struggled to articulate a clear overarching narrative or vision as effectively as some of the other routes. The vision did not refer to Wales itself. The breakdown into 'strategic themes' made the vision more tangible, but it was hard to trace these through into other elements of the plan. Similarly, whilst the plan had an awareness of the challenges the route faces, these were not clearly highlighted for the reader.</p> <p>However, overall the plan put forward credible strategies. The route also showed willingness to innovate, for instance using local suppliers in some specific cases to drive down costs and through the use of the 'outcomes framework' tool to assess options. The plan presented some high level areas where it planned to improve its own capabilities, but more detail would have been welcomed in this area.</p>
<p><b>F. Appropriate identification and assessment of</b></p>	2.5	<p>Within the main body of the plan, we considered that the financial uncertainty explanations were not as clear as they could have been, and tended towards the high level and general. However, the route was one of only two</p>

<p><b>uncertainty and risk.</b></p>	<p>routes that also provided us with a detailed uncertainty analysis, which we welcomed. The track and signalling renewal parts of this contained helpful additional detail, but generally more detail around the risks would have been useful.</p> <p>The prioritisation of investment options was a good approach, and the plan presented a range of schemes that had been clearly costed, although it was harder to understand the exact scope of the proposals from the plan alone. To improve, the plan could have included more quantitative analysis of the benefits of the schemes to inform decision making.</p>
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## Wessex route annex

111. In this annex, we provide more detail on why we awarded Wessex route the following scores in our grading.

Criteria	Score	Commentary
<p><b>A. A robust business planning process, including a comprehensive and high quality set of submissions, with information presented clearly and concisely in the main plan and in supporting documents.</b></p>	4.5	<p>The plan was well written and produced to a high quality on the whole. The narrative flowed well, and diagrams were used effectively to support the messages, for example, the ‘sun-burst’ diagram (on page 5) setting out the routes vision, and the ‘line-of-sight’ diagram (page 24) very effectively demonstrated that the planned activities met the original objectives.</p> <p>The assumptions documented in the plan were clearly explained and comprehensive. However, the plan had not addressed all of the comments from Network Rail centre’s assurance report, which led to a slightly lower score.</p>
<p><b>B. Engagement with the full range of stakeholders in a collaborative and meaningful way that provides them with appropriate opportunities to input into and influence the strategic plans.</b></p>	2.5	<p>The route engaged with a wide range of stakeholders and tailored its approach appropriately. However, the plan did not explain this engagement well.</p> <p>The plan presented the route’s view of its stakeholders’ needs clearly, and demonstrated a clear line-of-sight from the key stakeholder needs it identified to its planned activities. However, it should have done much more to explain the specific decisions it made as to which stakeholder needs to treat as priorities and which of these the route would pursue in CP6.</p> <p>Wessex’s planning processes occurred alongside a re-franchising of their largest operator, which may have posed additional challenges – however, this was not unique to Wessex route.</p>
<p><b>C. The plans contain scorecards which are balanced, enable comparison, meet the HLOS requirements with appropriately</b></p>	4	<p>In line with Network Rail centre’s policy, Wessex’s scorecard was balanced across its activities, and enabled comparison with other routes. The plan did well to set out trajectories for all measures (bar RM3), and it provided definitions for its scorecard measures in a dedicated appendix, which we particularly welcomed.</p>

<p><b>challenging targets, and are transparent</b></p>		<p>In developing targets for performance, we noted that the route managed to secure agreement for the methodology from all operators. However, in setting a target for itself, the route included historical declines in its trajectory, which we consider made the target less stretching than it would have been, had these historical declines not been considered. The plan forecasted a significant decline in asset sustainability. Addressing these would have led to a higher score.</p>
<p><b>D. Expenditure plans that deliver the route objectives at efficient cost.</b></p>	<p>3</p>	<p>The route’s asset management plans did not meet the STE minimum guidance for volume. However, the targeted increase in reliability was in line with that suggested by STE’s forecasts. As with other routes, its renewals and operational cost planning was considered robust</p> <p>To improve its score, the plan could have improved maintenance cost planning, as this scored poorly against Network Rail’s assurance of Activity Based Planning. The route’s deliverability planning was solid, with a reasonably developed workbank and access plan – however, there was room for improvement in both areas if the route wishes to be best in class.</p>
<p><b>E. Realistic strategies, including Network Rail and industry strategies to improve capability.</b></p>	<p>4</p>	<p>The plan set out a sensible vision for the route, articulated at a good level of detail through the ‘sunburst’ diagram. Summarising stakeholder priorities into three high level messages was helpful, but it was unclear from the plan how these were arrived at. The ‘line-of-sight’ diagram demonstrates how those stakeholder priorities fed into the routes objectives, as well as its scorecard targets and actual work plans – this was very effective. However, the plan contained less detail than some others on the challenges facing the route.</p> <p>The plan showed some innovation, for instance maximising possession working time through faster and safer isolations of electrical power. Furthermore, the plan demonstrated a good ambition for the route’s own capability improvements, most clearly in its Wessex 2024 change programme. It was also clear in some areas about what improvements it needed from other business units, for instance Infrastructure Projects’ estimating capability.</p>

<p><b>F. Appropriate identification and assessment of uncertainty and risk.</b></p>	<p>3</p>	<p>The financial uncertainty analysis provided by the route was complete, and operational risks were clear. However, there could have been some additional information around the nature of the renewals risks, and it was unclear why the income risk around Schedule 8 was so much larger than the costs that materialised in CP5.</p> <p>The route submitted a large range of investment options, which were grouped according to their primary purpose. Whilst these were costed at a programme level, costs were not presented at a scheme level, which could have been helpful. Furthermore, there was generally relatively little detail on the benefits of schemes, and few options were presented with quantified benefits – strengthening this would have resulted in a higher score.</p>
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## Western route annex

112. In this annex, we provide more detail on why we awarded Western route the following scores in our grading.

Criteria	Score	Commentary
<p><b>A. A robust business planning process, including a comprehensive and high quality set of submissions, with information presented clearly and concisely in the main plan and in supporting documents.</b></p>	4	<p>The plan was well written and produced to a high quality on the whole. The narrative generally flowed well, although the plan could potentially have made greater use of diagrams to substitute for some of the text. In general, more explicit linking of the detail of the plan back to the original vision/objectives would have been helpful to give the reader a ‘big picture’ view of the plan.</p> <p>The assumptions documented in the plan were very clear and comprehensive, with a good focus on setting out the scenario the route had planned for. While some of the longer-term assurance actions remained outstanding, the plan addressed many of the points raised by Network Rail’s centre’s assurance.</p>
<p><b>B. Engagement with the full range of stakeholders in a collaborative and meaningful way that provides them with appropriate opportunities to input into and influence the strategic plans.</b></p>	3.5	<p>The route engaged with a range of stakeholders and tailored its approach to engagement appropriately. It explained its engagement activities well and adopted an explicit methodology to analyse stakeholder feedback, meaning its engagement was inclusive and well-governed. It addressed each stakeholder’s priorities clearly in the plan, but could have given more detail on the rationale for prioritising some stakeholder needs over others.</p>
<p><b>C. The plans contain scorecards which are balanced, enable comparison, meet the HLOS requirements with appropriately challenging targets, and are transparent</b></p>	4	<p>In line with Network Rail centre’s policy, Western’s scorecard was balanced across its activities, and enabled comparison with other routes. The plan did well to set out trajectories for all measures (bar RM3), and it provided definitions for its scorecard measures in a dedicated appendix.</p> <p>In developing targets for performance, we noted that the route managed to secure agreement for the methodology from all operators, and it also did well to secure operator</p>

		<p>agreement for at least the first year of its plan. In setting itself targets, our assessment suggested the targets were stretching yet realistic. The plan was noted to forecast a slight decline in asset sustainability, but overall we considered this one of the best scorecard submissions.</p>
<p><b>D. Expenditure plans that deliver the route objectives at efficient cost.</b></p>	4	<p>The route's asset management plans were robust and among the best, and met the STE minimum guidance in all areas. Furthermore, the targeted increase in reliability was in line with that suggested by STE's forecasts. As with other routes, its renewals and operational cost planning was considered robust. Maintenance cost planning could have been improved however, as the route scored around average in Network Rail's assurance of Activity Based Planning.</p> <p>Delivery planning was a slightly weaker element of the plan, with room for improvement in both workbank definition and access planning, although overall the route had a credible submission.</p>
<p><b>E. Realistic strategies, including Network Rail and industry strategies to improve capability.</b></p>	3.5	<p>The plan set out a sensible vision for the route which was clearly cognisant of the challenges it faces in terms of growing demand, but also showed a good awareness of the wider contribution rail can make. The summary helpfully broke the vision down into strategic priorities, which were more tangible. However, it was not always easy to trace proposals in the rest of the document back to these.</p> <p>The plan set out some clear evidence of how the route is embracing innovative technology to improve its asset management capability. Overall, the route's assessment and plans for improving its own capability were relatively high level, but it showed some imagination in presenting the opportunity to work closely with local educational institutes.</p>
<p><b>F. Appropriate identification and assessment of uncertainty and risk.</b></p>	3.5	<p>Within the main body of the plan, we considered that the financial uncertainty explanations were not as clear as they could have been, and were high level, and general. The route was one of only two that also provided us with a detailed uncertainty analysis, which we welcomed. The track and electrical and plant renewal parts of this contained helpful additional detail, but generally more detail around the risks would have been welcomed, and would have resulted in a higher score.</p>

	<p>The investment options set out two programmes of work as options, which were broken down into individually costed schemes. The weather resilience scheme had a benefit-cost ratio at the programme level, and the level crossing safety improvement options were priced at a scheme level with a quantified risk reduction benefit. This was at an appropriate level of detail on the whole, and formed a strong submission.</p>
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