

# Stakeholder Engagement

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ADVICE FOR NETWORK RAIL  
ROUTES AND THE SYSTEM OPERATOR

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OFFICE OF RAIL AND ROAD



# Contents

Introduction	1
What good practice looks like	3
Do I need to engage?	5
Dos and Don'ts	5
Reflections on stakeholder engagement in the CP6 SBP process	7
– Examples of good practice	8
Managing stakeholders during a refranchising process	12

# Introduction

## CONTINUING THE IMPROVEMENT

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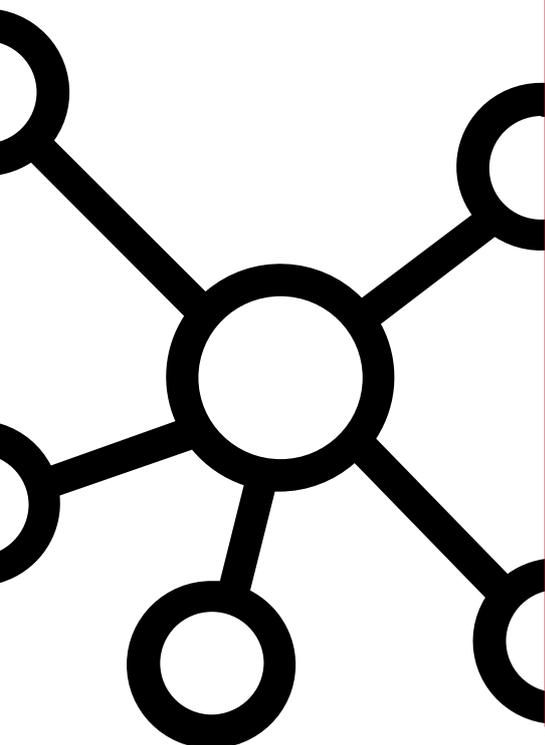
*These suggestions should ensure that stakeholder engagement is an ongoing process.*

This document sets out some helpful pointers for Network Rail routes and the System Operator (SO) (and other business units, as appropriate) about how they could engage with stakeholders in Control Period 6 (CP6). It contains our ideas on some good practice recommendations for future stakeholder engagement, including an outline of how stakeholder engagement could be integrated into the route's or SO's everyday work.

Following the stakeholder engagement process to develop Network Rail's Strategic Business Plans (SBP) for CP6, Steer Davies Gleave were asked by the Office of Rail and Road (ORR) to gauge stakeholder satisfaction with Network Rail's routes and SO engagement in this process, and to identify lessons which could be learnt for future engagements. This document offers Steer Davies Gleave's reflections on the engagement approaches adopted by the routes and the SO and identifies suggestions for the future through which to continue the improvements that have occurred since the control period 5 (CP5) planning process. These suggestions should ensure that stakeholder engagement is an ongoing process.

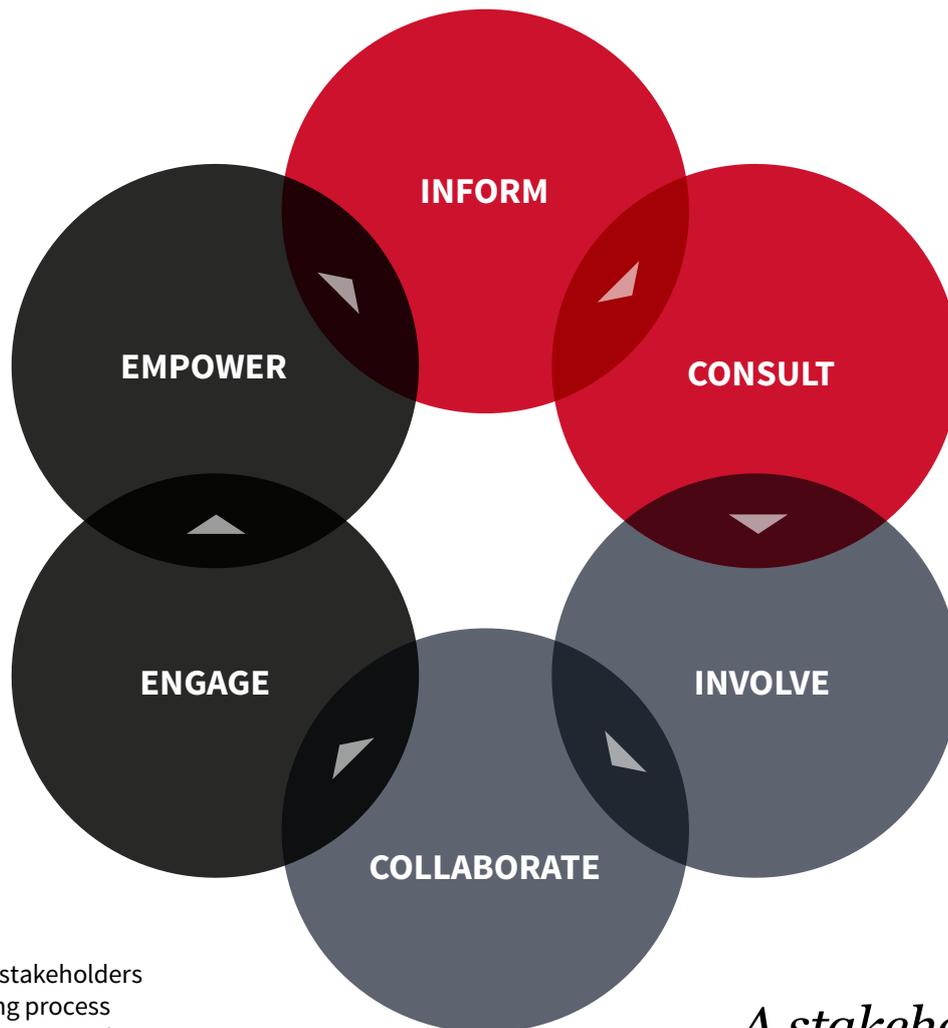
The process of stakeholder engagement for the strategic business plans included a wide variety of successes, with some strategies and methods of engagement earning particular praise from stakeholders. All routes and the SO included some form of workshop; the most popular clearly recorded stakeholder views and offered an opportunity for stakeholders to assess whether those notes were accurate. ORR's 'Conclusions on the overall framework for regulating Network Rail' (January 2018) set out what is expected from the routes' and the SO's engagement in CP6. This message was reiterated by the stakeholders Steer Davies Gleave spoke to who highlighted the importance of transparency, inclusivity, effectiveness and a well governed process. Stakeholders wanted to feel engaged during the process, and to understand their role in the creation of the SBP and how their input contributed to it.

There were some significant improvements in the engagement in preparation for CP6 compared to CP5, and this document aims to assist in developing this trend.



# What good practice looks like

## STAKEHOLDER CONSULTATION IS ABOUT...



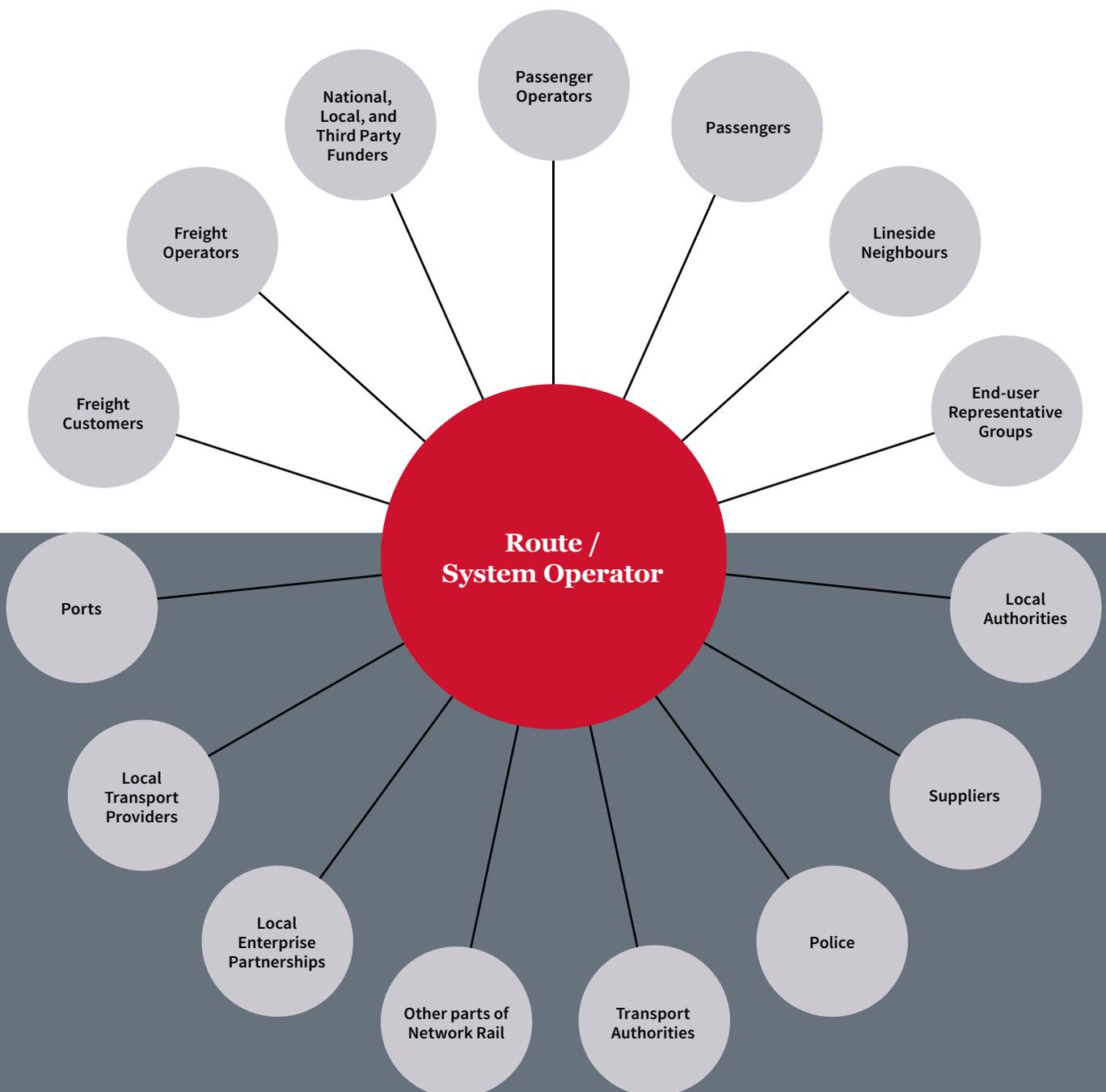
Engaging with your stakeholders should be an ongoing process without a beginning or an end. Effective stakeholder management should be built into everyday work at the route/SO level, and not be confined to obtaining stakeholder “buy-in” for particular schemes and projects. If stakeholder engagement can be integrated into these everyday operations, then the process will not only be more fruitful for the stakeholder, in terms of having their opinions heard and given fair consideration, but will also allow the route to serve its customers more effectively.

“  
*A stakeholder is a group or individual who can affect or is affected by the achievement of the organisation’s objective*

*(R. Edward Freeman, 1984)*

# Who are your stakeholders?

Consideration needs to be given as to who your stakeholders might be. Some examples are provided below.



# Do I need to engage?

Before engaging with stakeholders, it is important to consider:

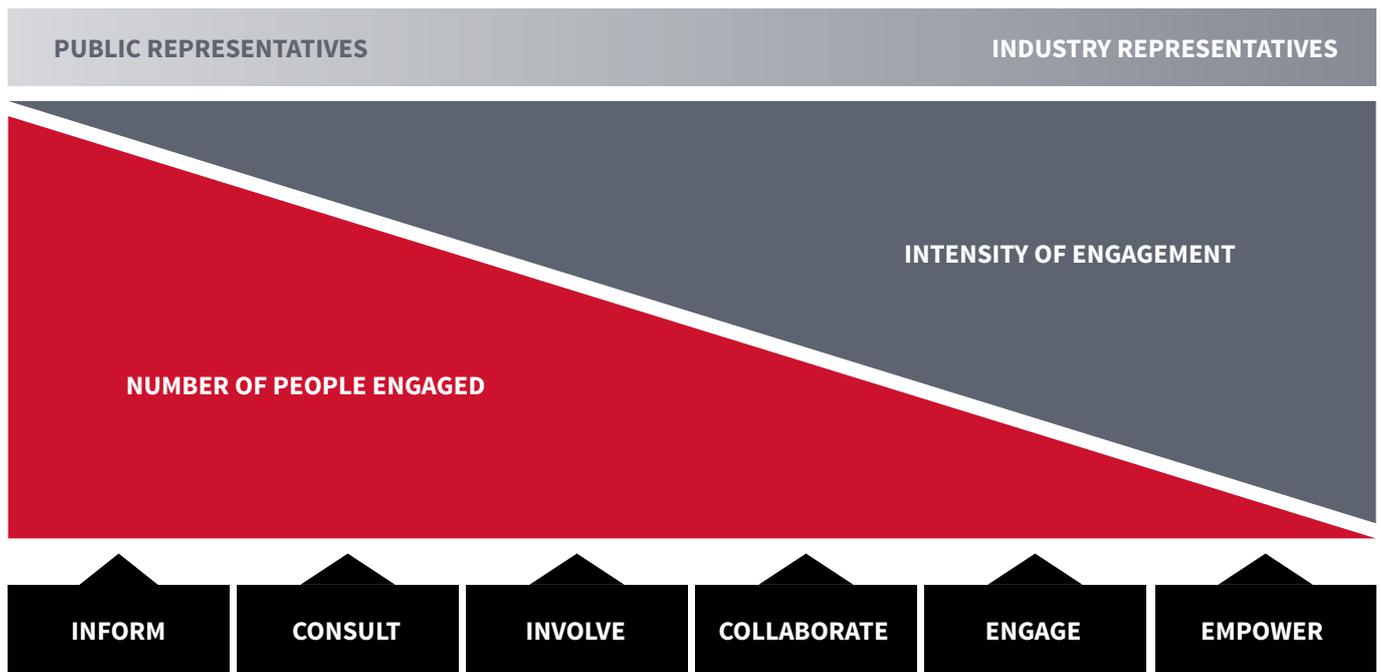
## Do I need to engage and how should I do so?

Consideration needs to be given to why you are seeking stakeholder views and what the best method or methods are of gathering these.

There might be a regulatory obligation to consult, but even if not, you should consider whether it would be beneficial to your business to seek stakeholder views.

Once you have identified why you are consulting, you will need to decide which method or combination of methods to use. The diagram below gives an example of the different reasons you may choose to run a stakeholder consultation and the nature of engagement.

## Type and intensity of stakeholder engagement



## Methods might include:

Workshops	Focus Groups	Steering Committees
Briefings	Bilateral or Multilateral Meetings	Public Meetings
Surveys & Questionnaires	Exhibitions or Roadshows	Structured Interviews
Sharing of Draft Documents		

# Dos & Don'ts

*Some features of the engagement process for the strategic business plans in CP6 were particularly popular with stakeholders; others did not create a positive impression. The “dos” and “don'ts” outlined below reflect the general opinions offered by stakeholders on the positive and negative aspects of the engagement process, and indicate wider patterns of good practice in stakeholder engagement. It may be worth considering these when engaging with stakeholders throughout CP6.*

## DOS

- Carry out stakeholder mapping
- Be transparent, ensure that stakeholders understand the process
  - If stakeholders are going to be offering significant input into a consultation process, they will want to know how their inputs are going to be processed, and where their contributions sit in relation to the drafting process as a whole
- Manage expectations
  - Stakeholders should understand what it is realistic to expect from the engagement process
- Use plain English and tailor use of technical railway terminology to the stakeholder
  - As the stakeholder engagement process will inevitably involve organisations and individuals with different specialisms and levels of technical understanding, it is important to adopt an approach which can engage stakeholders with various different levels of technical expertise
- Maintain relationships
- Allow stakeholders enough time to digest information and feedback their opinion
- Evaluate how stakeholder consultation is progressing (what is working and what isn't) at regular periods
  - If an approach isn't working, it may be more productive to amend the approach before progressing the engagement further
- Get feedback from stakeholders
- Consider using specialist expertise
  - Stakeholders are likely to have different levels of technical expertise; more technically-focused stakeholders may benefit from deeper specialist discussion with experts, while less technical stakeholders might prefer experts to be available for support purposes
- Consider how to present the results and who will need to see them

## DON'TS

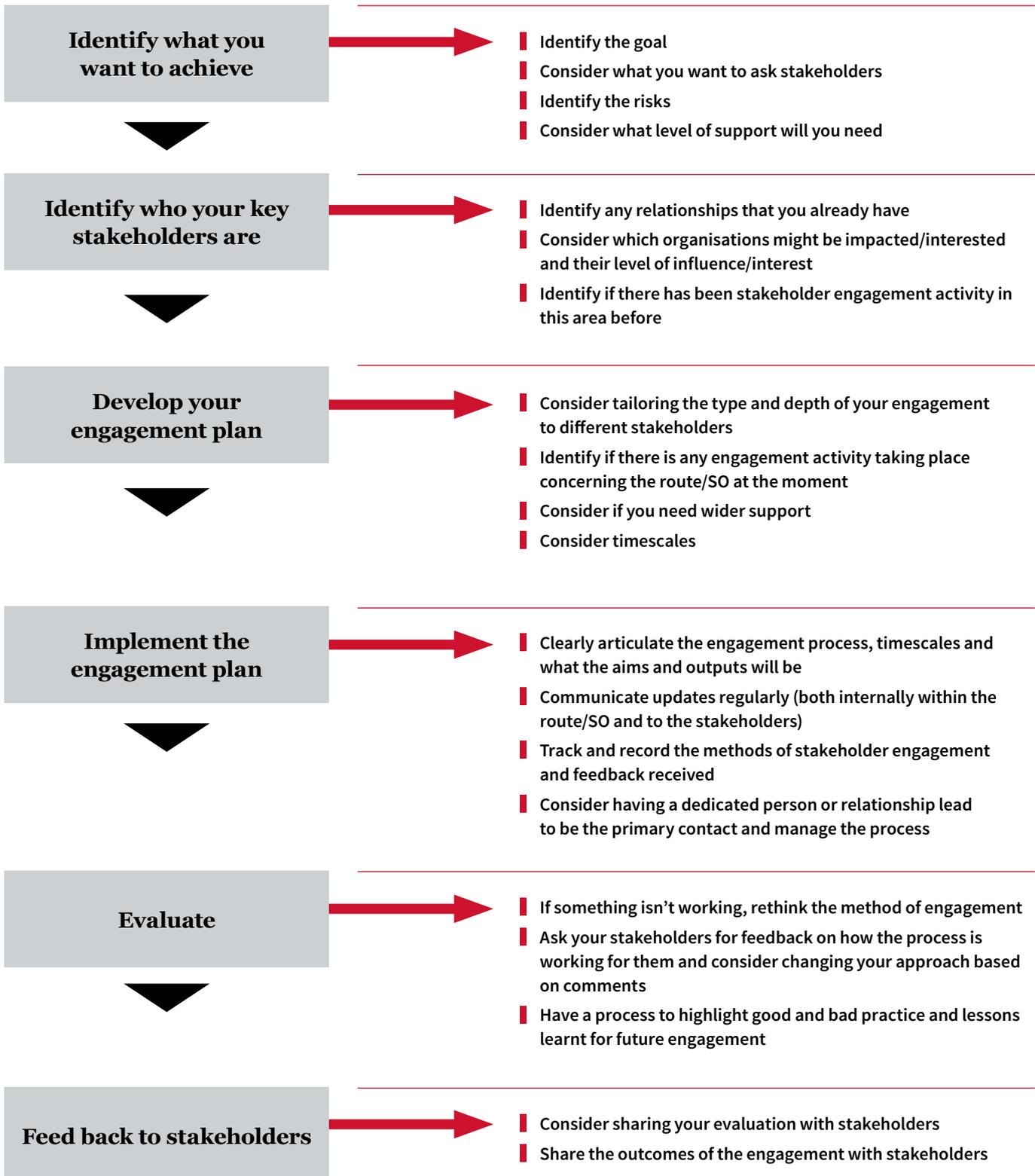
- Assume one size fits all
  - You will need to employ a variety of techniques to understand the full range of stakeholders' views. Tailoring your approach will result in a greater level of engagement
- ...But at the same time don't arbitrarily discriminate in how you treat stakeholders
  - Some stakeholders may play a larger role in the route's day-to-day operations than others, but that doesn't make the views of other stakeholders less valuable
- Forget to regularly update your stakeholders on developments
- Consult without a plan
  - Not only does this make it difficult to accurately obtain input from stakeholders, but also, stakeholders often want to understand the process in full and may be disillusioned if this is not immediately possible
- Consult too late in the process
  - Stakeholders want to know that their input will be fairly considered when it comes to creating outputs, and engagement too late in the process can create the impression of “box-ticking”
- Give your stakeholders ‘consultation fatigue’
  - Stakeholders want to contribute to the process, but if the process is too labyrinthine or laborious, stakeholders might start to believe that participation requires more effort than the likely output would justify

By acting on these tips for effective stakeholder engagement, stakeholders will be more likely to be satisfied with the process, and less likely to be dissatisfied even with results that do not entirely reflect their priorities.

The diagram on the following page maps out how an effective process of stakeholder engagement could look. It is not intended to be rigid, but as a guide in shaping a route/SO-specific approach. Stakeholder engagement should be a continuous process that is embedded in the business.

# The engagement process

The following is intended to provide an overview of what you should consider when engaging with stakeholders. This process should be continuous and iterative, and the diagram highlights key stages that such a process could follow.



# Reflections on stakeholder engagement in the CP6 SBP process

This section sets out some observations of the routes'/ the SO's SBP stakeholder engagement process, including stakeholders' feedback about what went well, and what went less well.

A key feature of the stakeholder engagement during the 2018 periodic review (PR18) was that, in line with ORR's guidance, all routes and the SO placed a workshop programme at the centre of the engagement, with two sets of workshop sessions being the norm. However, routes and the SO complemented the workshops with various other forms of engagement; some chose to hold one-to-one meetings with key stakeholders, for example, while others accepted written feedback on the draft strategic plans.

Approaches within the workshops themselves varied, much as did the supplementary activities that routes undertook outside of the workshop setting. Outside of the workshops, the level of information provided to stakeholders varied, as did its format. Within the workshops, some business units adopted a group break-out approach, while some placed more emphasis on PowerPoint sessions. Further supplementary activities undertaken by the business units included the production of accessible stakeholder maps, and follow-up technical discussions.

Variation in the approach between routes/the SO is not a bad thing; some routes, for example, have one main operator, while others are served by a variety of operators with none predominating, and it may make sense for these differences to be reflected in approaches to stakeholder engagement. Instead, the focus should be on ensuring that an engagement is delivered which reflects the needs and capabilities of all stakeholders. Stakeholders identified several elements of the engagement which deserved praise, some of which are illustrated overleaf.

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*...the focus should be on ensuring that an engagement is delivered which reflects the needs and capabilities of all stakeholders.*

## Examples of good practice

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*There were some specific elements of the engagement process that stakeholders were keen to stress improved their experience of and confidence in the process. Some of these are given on the following pages. They are not intended to capture every instance of good practice in the engagement process, but instead to highlight examples where routes adopted particular approaches which stakeholders noted and appreciated.*



### London North Western

The LNW route's engagement was praised for transparency, with Merseytravel noting that it knew what to expect from the engagement process, and where it would fit into it. Additionally, CrossCountry highlighted the group break-out approach as being particularly effective.

**“**  
*The information...  
was about the process they  
intended to follow. And they  
did follow that process.*

*(Merseytravel, regarding the LNW route)*

# Examples of good practice (continued)

## Anglia

The Anglia route was praised by c2c for its decision to include technical subject experts in the workshops. c2c said that this both ensured technical knowledge was easily available, and allowed for more detailed technical discussions to be arranged.

Anglia’s stakeholder summary table is a good example of transparency.

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*NR included subject experts in the workshops, which [we] found very helpful. This enabled... follow-up discussions.*

*(c2c, regarding the Anglia route)*

Stakeholder Group	Why are they a stakeholder group?	How are we engaging this stakeholder group and what have they told us?
<b>Train Operating Companies</b> 	<p>Train operating companies (TOCs) are the consumer face of the rail industry and we work closely together to run the railway within Anglia. We have engaged with TOCs to ensure our strategic plan for CP6 is directly aligned to the needs of customers. Lead passenger operators are Greater Anglia, Arriva Rail London, c2c and TFL Rail.</p>	<p>Introductory workshops held across stakeholder groups in Ipswich, Cambridge and Stratford in March 2017. From May 2017 onwards TOC stakeholders attended tailored 'deep dive' sessions to discuss specific complexities and performance benefits of the CP6 plans and the Anglia access strategy. Going forward we will continue to hold regular face-to-face meetings.</p> <p><b>"We like the workbank and will take the disruption but we need Anglia to be funded to help us deliver our franchise commitments"</b></p>
<b>Freight Operating Companies</b> 	<p>Freight Operating Companies (FOCs) use the rail network to transport goods across the country as a more cost effective and environmentally friendly means of transport. Lead freight operators include Freightliner Intermodal, Freightliner HeavyHaul, DB Cargo, DRS, GBRF, and Colas Rail.</p>	<p>Introductory workshops held across stakeholder groups in Ipswich, Cambridge and Stratford in March 2017. From May 2017 onwards FOC stakeholders attended tailored 'deep dive' sessions to discuss specific complexities and performance benefits of the CP6 plans and the Anglia access strategy. Going forwards we will continue to work closely with our freight customers to deliver a robust, integrated plan.</p> <p><b>"We need investment in the Anglia Route to enable us to remain competitive with road"</b></p>
<b>Local Authorities*</b> 	<p>The railway touches almost every community in Britain. Our work not only impacts the millions who travel by rail, but also our lineside neighbours and the environment where our infrastructure is located. We work with local authorities to understand the impact of our work and better communicate with our customers and those affected by our work.</p>	<p>Held introductory stakeholder workshops in Ipswich, Cambridge and Stratford in March 2017. From May 2017 onwards we established four local authority stakeholder case-studies, working closely with areas particularly affected by the CP6 plans or with sensitivities due to the potential economic impact of works on them e.g. ports or airports. This activity will ensure key advocacy is given by specific stakeholders. It will also enable us to pinpoint value add opportunities and deliver third party works, such as footbridges, alongside proposed works.</p> <p><b>"Rail is a vital part of our local economy and supports our communities and jobs"</b></p>
<b>Other Stakeholder Groups</b> 	<p>We work with numerous other stakeholder groups from regulating bodies such as the Department for Transport (DfT), Office of Rail and Road (ORR) and Rail Delivery Group (RDG), to watchdogs such as Transport Focus and London TravelWatch, as well as other stakeholders such as Ports and Highways England.</p>	<p>Engaged affected stakeholder groups at introductory workshops in Ipswich, Cambridge and Stratford in March 2017. From May 2017 onwards we established 'light-touch' sessions with other relevant stakeholders who will be impacted indirectly by CP6 works. These include London Underground and other TOCs operating on Anglia such as Cross Country.</p>

## Examples of good practice (continued)

### South East

The South East route's decision to offer stakeholders the opportunity to write in with specific concerns was appreciated by Arriva Rail London, while SouthEastern suggested that the workshops had been well-structured and that they had been given an opportunity to feed in content beforehand.

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*We felt listened to – by having the opportunity to write to the route to share our priorities.*

*(Arriva Rail London, regarding the South East route)*

### London North Eastern & East Midlands

North Yorkshire Moors Railway noted that the LNE&EM route included smaller stakeholders in its engagement, while Rail North praised the route for welcoming engagement.

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*[We] are a small player on the route...it was a very good consultation process.*

*(North Yorkshire Moors Railway, regarding the LNE&EM route)*

### System Operator

The System Operator's decision to include one-to-one meetings with key stakeholders as part of their engagement was supported by Rail North, who felt this to be appropriate to their needs. Virgin Trains appreciated the SO's openness and transparency, and its willingness to answer stakeholder questions.

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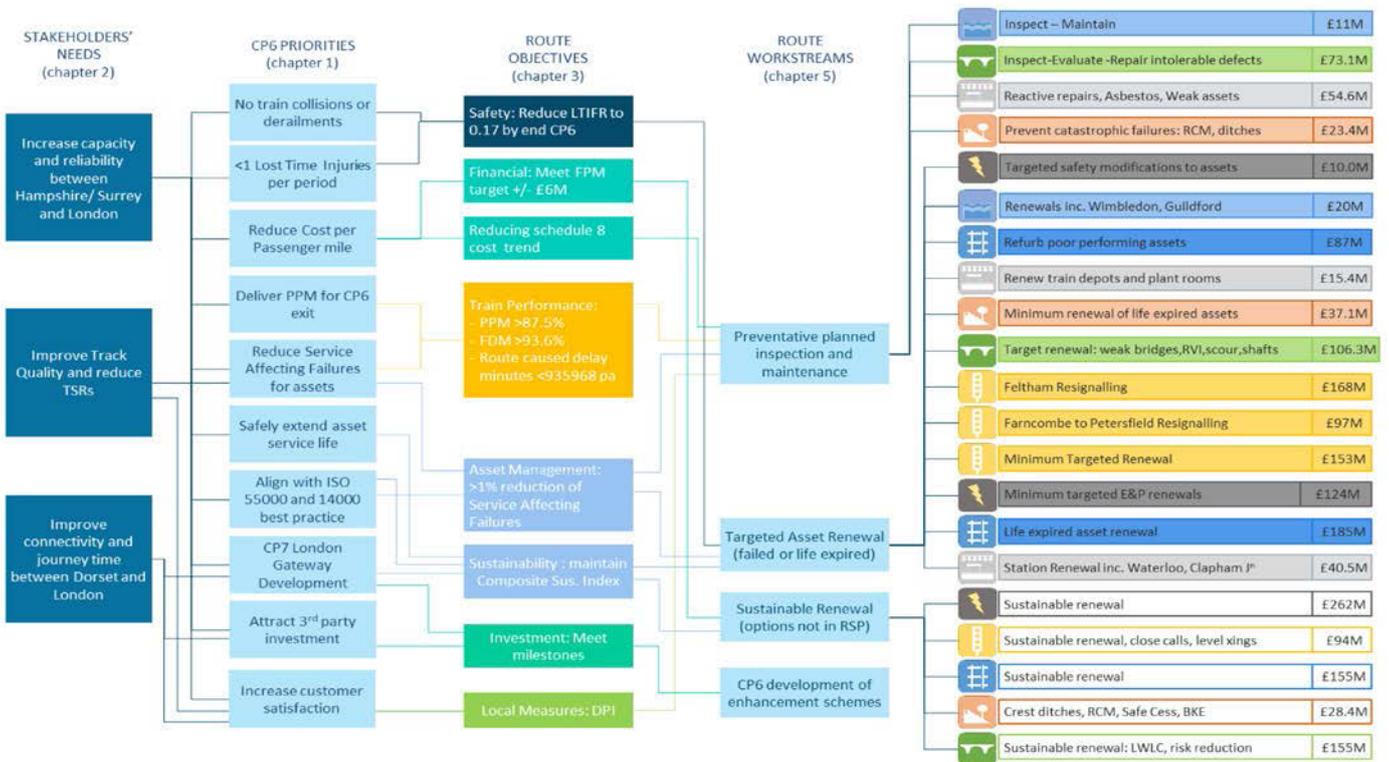
*The SO demonstrated a clear understanding of [our] role and embraced [us] as an important player.*

*(Rail North, regarding the SO)*

# Examples of good practice (continued)

## Wessex

Wessex included a good line-of-sight chart in its strategic plan that offered transparency on their engagement process.



# Managing stakeholders during a refranchising process

*The stakeholder engagements for developing the PR18/CP6 strategic business plan had to run alongside the normal operations of the railway, and for several routes (Wessex, Wales, and LNW), and the SO, this meant that the engagement coincided with the demands of the refranchising process - the process by which new rail passenger operators are selected for particular areas and services. While the refranchising process requires an amended approach to stakeholder engagement, the points below highlight how an effective engagement can be conducted in this context.*

- Routes and the SO should recognise when an incumbent franchisee may not be in that position in future.
- Building on this, it could make sense for business units to engage all the franchise bidders in the stakeholder engagement process, including the incumbent. Additionally, engaging the tendering body - whether sub-national or national government - would be useful during refranchising.
- Ultimately, however, the refranchising process should not result in drastic changes to the arrangements set out above for stakeholder engagement. While the pool of stakeholders will be broadened, good practice remains the same.



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