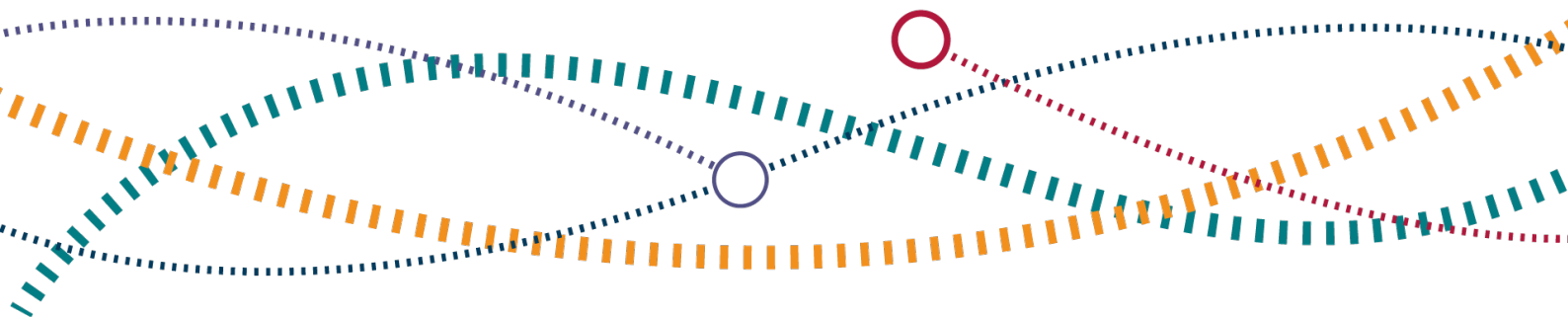




Annual assessment of Network Rail's stakeholder engagement, 2020-21

North West and Central region – individual assessment

22 September 2021



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North West and Central region

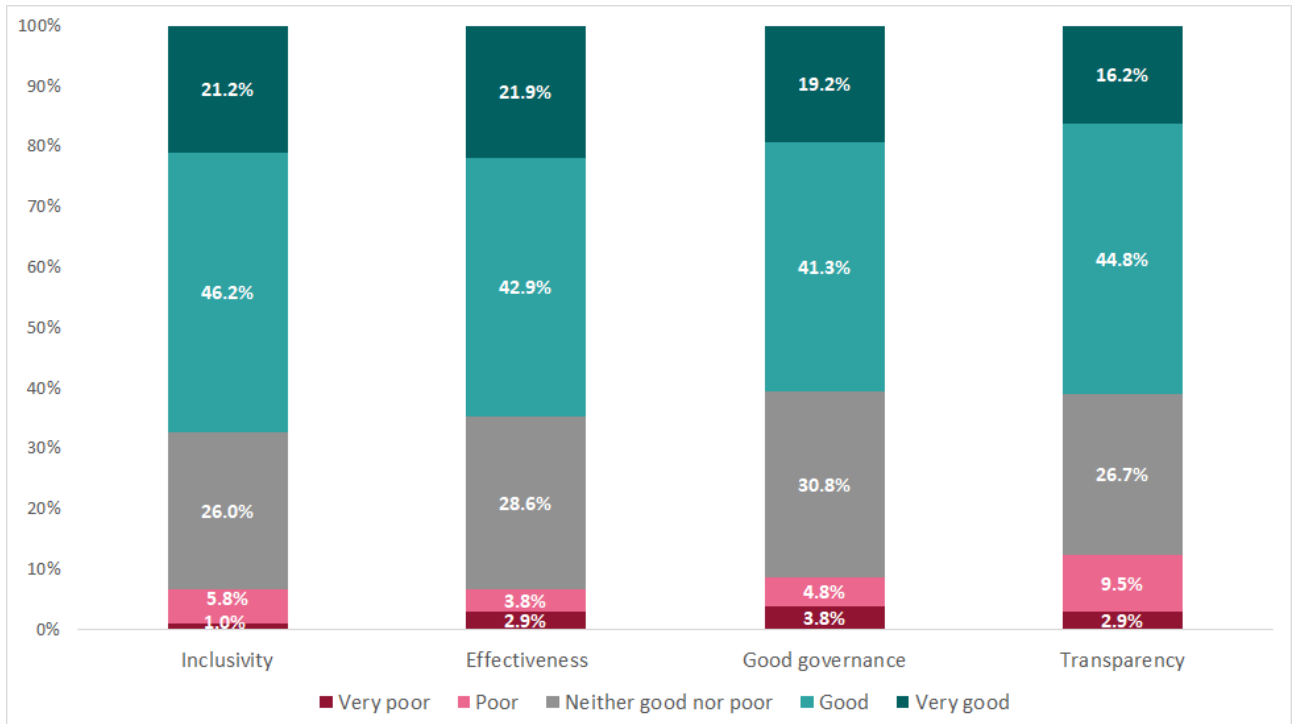
Introduction

- 1.1 This report presents our key findings and recommendations on the quality of Network Rail's North West and Central region stakeholder engagement during the second year of Control Period 6 (CP6), from 1 April 2020 to 31 March 2021. Alongside this report we have separately published our key findings and recommendations on the quality of Network Rail's stakeholder engagement as a whole during year 2 of CP6, as well as individual assessments for:
- (a) each of the remaining Network Rail regions;
 - (b) the Freight and National Passenger Operators (FNPO) function;
 - (c) the System Operator (SO); and,
 - (d) Network Rail's engagement on its Enhancement Delivery Plan (EDP).

Summary

- 1.2 Network Rail's North West and Central region stakeholders were largely positive about the engagement that had taken place over the year. 76% rated the region's engagement as good or very good; and 51% thought it had improved or somewhat improved; a further 40% thought it had stayed the same. This is broadly in line with the Network Rail average (although a higher proportion of the North West and Central region's respondents thought its engagement had stayed the same).
- 1.3 Across each of the four principles of good stakeholder engagement the region has broadly similar results, although its stakeholders recorded comparatively higher satisfaction on the principles of inclusivity and effectiveness (Figure 1.1). At least a quarter of the region's stakeholders viewed stakeholder engagement as neither good nor poor across each of the four principles.

Figure 1.1 Stakeholder views on Network Rail’s North West and Central region’s engagement across the four principles, 2020-21



Survey question: "In your opinion how would you rate Network Rail’s North West and Central region’s engagement with you on Network Rail’s Network Licence obligations of inclusivity, effectiveness, good governance, and transparency?"

Source: ORR’s stakeholder survey

1.4 A particular area of good practice we identified in our assessment was the tracking of stakeholder engagement by the West Coast South route. The tracker enabled teams to record briefly examples of positive and negative stakeholder interactions “so that they can continually reflect and learn” and that “key areas of learning are captured for reference.” For each interaction the route recorded the engagement methods used, the result and impact (e.g. what has changes as a result, and areas for development). The is an example of good practice, however we would encourage the route to review whether this could be fed back to stakeholders to further enhance the approach, and further improve the effectiveness of their engagement.

1.5 In 2020-21 we investigated the North West and Central region’s passenger train and freight train performance delivery to identify whether the region could demonstrate it had recognised factors causing a sustained reduction in train and freight performance, and whether it was doing everything reasonably practicable to

address them. A number of recommendations suggested improving relationships with stakeholders, particularly freight train operators. Our own experiences with the North West and Central region's stakeholder engagement highlighted that it demonstrated a strong commitment to improving these relationships and sharing goals and actions to ensure that this occurs. Through the creation of the Customer Account Managers in the region's route teams, who are focused on developing its relationships with operators, the region also demonstrated a commitment to improve engagement with its customers. We support the improvements made from year 1, including through the collaborative and improved customer scorecard agreement process.

- 1.6 The North West and Central region was honest in recognising a number of areas for improvement in its own self-assessment, including:
- (a) More timely engagement ensuring that stakeholder needs and priorities are reflected in decision making;
 - (b) Developing route level stakeholder engagement strategies in year 3;
 - (c) Allocating a lead person who has accountability for the relationship with each statutory transport body in the region; and,
 - (d) Developing engagement with its supply chain to proactively seek out opportunities for third party funding for early stage projects and financing enhancements out with the Rail Network Enhancement Pipeline process.
- 1.7 Our view is that these improvements are broadly right and could be further supplemented by:
- (a) Reviewing whether its engagement approaches is inclusive of all stakeholder groups, in a proportionate manner;
 - (b) Reviewing the governance of its engagement, ensuring that it is clear to stakeholders who is accountable for their engagement in the region, and how the region tracks the impact and outcomes of its stakeholder engagement activities;
 - (c) Reviewing whether improvements are needed in the transparency of its engagement to ensure a transparent approach to stakeholder engagement is effectively embedded across the region; and,
 - (d) Reviewing whether the region consistently feeds back to stakeholders and if further steps should be taken to address any gaps.

Key conclusions across each principle

Table 1.1 Summary of key conclusion(s) across each principle

Principle	Key conclusion(s)
Inclusiveness	<p>The evidence suggested that the North West and Central region’s engagement was inclusive, with improvements made in year 2, in particular with freight train operators and notably strengthening its relationships with train operators and suppliers.</p> <ul style="list-style-type: none"> • The region went through a systematic process to identify its stakeholders and in its self–assessment, the region presented a comprehensive stakeholder map, which provided assurance. The stakeholder map for example, clearly sets out how it has segmented its stakeholders by those that are decision makers, through to those that are interested third parties. • The region made improvements throughout the year to the inclusivity of its engagement with passenger and freight train operators and this has strengthened its relationships with these stakeholder groups. This is supported by evidence provided in its self–assessment, which highlights a two-way listening dialogue with these stakeholders. It is also supported by qualitative evidence collected through our own survey: <p><i>“In North West and Central they have been very pro-active in trying to unlock sensitive issues, whilst maintaining relationships. They have also started to engage with us on a level that mirrors more of a partnership arrangement than a parent/child relationship and this is creating a more collaborative environment.” (A North West and Central region stakeholder).</i></p>

- The region provided a case study on the introduction of the Rail Efficiency Board which was established in December 2020 and comprises of Network Rail leaders and core regional train operator Managing Directors. This has been further expanded through the year to include Chiltern Railways and TransPennine Express train operators.
- Furthermore, our evidence highlighted that the introduction of the Senior Freight Forum in September 2020 was another positive development. This was put in place to better understand and deliver freight customers' priorities. Attendees include senior representatives from freight operators across the region and Network Rail's National Freight Team. The region highlighted that feedback has been positive, as did feedback from our own survey:

“...each side is listening to each other's requirements, and we are also able to raise items in a two way conversation.”
(A North West and Central region stakeholder).

- The self-assessment also described that the region is looking to develop further these relationships in year 3 through the introduction of route level stakeholder engagement strategies, which we support.
- The region also highlighted good inclusive engagement for suppliers. For example, using technology such as Microsoft Forms and Power BI. The self-assessment highlighted that these new approaches have enabled them to map and meet stakeholders that have previously been underrepresented in the region such as small to medium sized enterprises, trade bodies and community groups.

The region should review whether it has developed an understanding of the different approaches required for all stakeholder groups.

- Building on these good practice examples, the region should review whether its engagement is inclusive across all

	<p>stakeholders to ensure that it presents the true diversity of stakeholder opinion. The evidence we collected showed that its engagement draws largely on two-way industry focused engagement.</p> <ul style="list-style-type: none"> As an example, its self–assessment detailed the engagement that had taken place with passengers, and there was concerns that this was focused on one-way information and awareness raising or marketing campaign activity. The passenger travel information campaign 2021 was designed to build awareness of timetables changes and encourage behavioural change through a range of communications tactics. It worked with Transport Focus to monitor awareness of the campaign and customer experience.
<p>Key strengths</p> <ul style="list-style-type: none"> The region ensured that it identified all relevant stakeholders, by mapping its stakeholders. Lots of good examples of inclusive industry engagement, in particular with passenger and freight train operators and supplier sections. <p>Area for development</p> <ul style="list-style-type: none"> The region should review whether its engagement approaches are inclusive of all stakeholders. In particular, we would encourage the region to review whether it has developed an understanding of the different approaches required for all stakeholder groups to ensure that its plans and priorities present the true diversity of stakeholder opinion. 	
<p>Effectiveness</p>	<p>The evidence suggested some positive feedback from stakeholders on the effectiveness of the region’s engagement.</p> <ul style="list-style-type: none"> Feedback from train operating companies on Network Rail’s engagement with them on the development of their scorecards, sheds a positive light on the timeliness of the process for year 2. In year 2 the region introduced Customer Account Managers, which were put in place to align to their operators and allow for a close working relationship with them. These were highlighted as improving the process for agreeing scorecards in year 2 both as part of the region’s self–assessment and in the feedback we collected via the customer agreement templates. This is further

supported by feedback from our own survey. 84% of stakeholders stated that the North West and Central region's engagement with them on business performance, including scorecards, was either good or very good.

The evidence suggested that the region needs to review how its stakeholder engagement is systematically influencing its plans and priorities in a timely manner.

- The region is aware of this and candidly recognised this as an area for development in year 3. The region recognised that it would like to speed up some of its engagement activities; engaging earlier and ensuring it gathers a wide range of opinions.
- Nevertheless, its self-assessment described a range of methods which the company took to listen to its stakeholders and react to their feedback, which is positive and showed that it has a good understanding of their stakeholder's priorities. However, what was missing was clear evidence that it had fed these stakeholder priorities into its thinking at the right stage when it could make a difference.
- One example provided in its self-assessment provided an example of the outcomes of listening forums with suppliers and clearly showed how the region and its stakeholders had divergent priorities and outlined the actions taken by region as a result. It now needs to ensure that good practice such as this becomes embedded across the region.
- The West Coast South tracker described in its self-assessment (and above in our summary section) is an example of good practice and has potential, if expanded (including tracking if feedback was given to stakeholders) and used throughout the business, to help the region understand how stakeholder feedback is influencing its business decisions.

Key strength

- The introduction of Customer Account Managers as a dedicated point of contact for each operator was highlighted as improving the scorecard development process for year 2 (an area for improvement highlighted in year 1).

Areas for development

- The region should review the timeliness of its engagement – how it feeds stakeholder priorities into its plans at the right stage when it can make a difference.
- The region should consider expanding the West Coast South tracker and using this throughout region to understand how stakeholder feedback is influencing business decisions.

Well – governed

The evidence suggested that there is some structure to the region’s governance, but improvements are needed and in particular it was unclear how embedded stakeholder engagement was throughout the region.

- The region produced terms of reference for new forums which provide better structure and ownership of actions from the region and its stakeholders. Meetings are minuted and clear agendas are provided in advance. This is further evidenced in the region self–assessment which described evidence throughout of a well–structured approach to its governance, including drawing on good practice. As an example, its self–assessment described the newly established Rail Efficiency Board which has a clear remit and ways of identifying success. The Board also outlined a coherent and co-ordinated package of workstreams, delivering under a portfolio management approach to ensure effective industry collaboration. There was evidence presented that the various freight forums are well governed with clear accountabilities and tracking of actions, and there are clear escalation routes presented for train operators and public affairs stakeholders.
- As noted in the section on effectiveness, the introduction of the Customer Account Managers by the region was a positive development, and one which stakeholders in our own survey highlighted (see above).
- However, the devolution of stakeholder engagement responsibilities to the routes meant that it was not entirely clear who was responsible for stakeholder engagement within its sub route teams and how it tracks the impact and outcomes of its engagement activities (this is further described under the effectiveness of its engagement).

	<ul style="list-style-type: none"> • In our survey 61% of respondents thought that the regions governance was good or very good, and over a quarter of respondents indicated that the regions governance was neither good nor poor (31%). This indicated that further work is needed. • The region noted that it is looking to make improvements to its governance and strengthen its overall approach to stakeholder engagement by developing route stakeholder engagement strategies. This is positive and we support this as it will help to ensure that its governance is fully embedded at route level. The stakeholder mapping presented and described in its self–assessment (see comments made on inclusiveness of its engagement) provides a good foundation for the region to build on. We will review this again in year 3.
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Key strengths

- There is some structure to the region’s governance, for example the forums created or led by the region follow good practice.
- The introduction of the Customer Account Managers in its route teams was seen as a positive development, as evidenced through our survey responses.

Areas for development

- The region should review who is responsible for stakeholder engagement in the region/ sub routes and how it tracks the impact and outcomes of its engagement activities. The stakeholder mapping presented by the region provides an excellent foundation on which to build.
- We support the introduction of route level stakeholder engagement strategies outlined by the region and will review these further in year 3.

Transparency	<p>The region could do more to improve the level of transparency to stakeholders, and in particular there were concerns over how systematically the region provides feedback to stakeholders on the outcomes of its engagement.</p> <ul style="list-style-type: none"> • There is recognition in its self–assessment on the importance of transparent engagement for maintaining stakeholder relationships. The West Coast South route discussed this further and provided a non-exhaustive list of information that it provided to its stakeholders to promote and enable good engagement.
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Nevertheless, stakeholders had mixed views on the transparency of the North West and Central region's engagement in our survey, suggesting that further improvements are required.

- Respondents to our survey noted specific areas for improvement including, for example actively sharing and providing information, and ensuring regular contact is maintained. Furthermore, stakeholders mentioned that they would like to see a more open and collaborative relationship with them to ensure the region is aware of the impact of its decisions and that stakeholders are engaged with on a timely basis.
- The region presented some examples of feeding back to stakeholders, however we had concerns over how systematically this was undertaken. This is important to build stakeholder trust and to ensure that continuous learning is taking place in the region.
- In its self-assessment it described a "you said, we did and are still doing" approach in its freight section – at the end of each year its National Freight Team review progress against key planned and emerging priorities identified in its quarterly report. These are shared with each of its customers. This is a positive approach and this should be expanded across the region.

Areas for development

- Review whether improvements are needed in the transparency of the North West and Central region's engagement to ensure a transparent approach to stakeholder engagement is effectively embedded across the region.
- Review whether the region consistently feeds back to stakeholders if further steps should be taken to address any gaps.



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