

Corporate Communications Strategic Plan

V4.1 – March 2019

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1. Purpose, role & vision

1.1. Purpose

Corporate Communications' primary purpose is to build trust and confidence in Network Rail by articulating our vision, plan and achievements.

1.2. Role

Corporate Communications consists of a number of teams setting the professional standards and policies for all communications disciplines in Network Rail. Any external and internal national level corporate communication requirements are handled by the central team, as well as the coordination of crisis communications. Areas of responsibility include Media Relations, Public Affairs, Stakeholder Communications, Digital, Film and Social Media, Marketing, Brand & Community Engagement and Internal Communications. The National Helpline is owned and managed by the team.

Our role is to:

- **Articulate Network Rail's vision, plan and achievements** to build trust and confidence in the company.
- **Make passengers central** to communications activity and help them understand that we are improving the railway for them.
- **Listen to, engage with and support our people**, driving and facilitating culture change to help improve performance, customer service and engagement.
- **Work collaboratively with Government, partners and stakeholders**, providing strategic leadership for industry plans to ensure passengers understand that we care and are listening.
- **Provide strategic leadership for NR communication teams:** promoting best practice, supporting outstanding communications to enable delivery of scorecards, facilitating local delivery of

communications wherever possible and assuring compliance with corporate standards.

- **Promote safer attitudes and behaviours** amongst our workforce, supply chain, passengers and the public.
- **Support the creation of a positive climate for funding and investment** by building confidence in Network Rail's ability to deliver on its promises.

1.3. Vision

Our vision is to provide a **best in class corporate communications service** to help **build trust and confidence in Network Rail**.

We will do this by fulfilling our role as detailed above and delivering communications under the **themes of 'passenger first, 'dependable partner', 'industry leadership' and 'proud to work for Network Rail'** in support of our Chief Executive's vision.

We will also deal swiftly and effectively with all emerging issues which could impact on the reputation of Network Rail.

This work will be led by a professional communications team delivering exceptional communications.

We will also continue to set the professional standards and policies for all communications teams within Network Rail (routes and other businesses) and to work closely with them through the Communications Coordination Group (CCG), our periodic horizontal meeting to share information, provide guidance, support and to escalate any regional risks to full national support level.

2.Objectives & Stakeholder priorities

2.1. Stakeholders & priorities

Corporate Communications' key stakeholders include (internally) the Executive Leadership Team, the Board, the Routes, the Network Rail communications community and all Network Rail employees. Externally our key stakeholders are passengers, TOCs/FOCs, Government, MPs, Media, Funders, Neighbours, Supply Chain and Taxpayers.

These plans are based on a strategic paper scheduled to be presented to the NR Executive Leadership Team and Board in Q1 2019. It has also been shared with the Communications Coordination Group and wider communications community.

The communications context

- Network Rail is here to ensure that people and goods can move safely and efficiently across the network.
- Over recent years, we have seen: greater passenger numbers, new and improved stations, new services, new, modern trains and an increase in awareness of the benefits that rail brings to the UK economy in terms of access to jobs, housing and bringing goods to market.
- However, timetable problems have led to significant negative perceptions and a loss of trust among passengers, stakeholders and government. There is quite rightly significant scrutiny of NR and the industry and its ability to deliver on its ultimate promise to passengers – a reliable timetable.
- We already know train performance is set to be difficult throughout CP6 – presenting a fundamental challenge in how we demonstrate we are delivering for passengers and freight users. Without an honest dialogue about performance challenges, coupled with visible improvement, no amount of good communication will improve trust in Network Rail or the industry.
- It seems likely that performance challenges will be compounded in the short term by industrial unrest, although we should endeavour

to use this as an opportunity for a longer-term solution to be reached.

- Encouragingly, there is widespread agreement of the need for change, with appetite for structural reform, including of Network Rail, presenting an opportunity for those who offer vision and foresight.
- Whilst the majority of our staff view themselves as the custodians of the railway, we lack a unifying vision of our central purpose as a public service that is here to deliver for passengers. To harness the full power of our workforce we need to give them clarity about our purpose, our company strategy and our priorities going forwards.
- The arrival of our new CEO, the announcement of a rail review and the approach of CP6 give us an opportunity to regain the confidence of Government, to transform the way we work with industry, to use further devolution to drive up performance and to help our staff put the passengers at the heart of everything we do.

Key insights

Analysis of survey and performance data has revealed:

- Following three years of improved favourability across most measures, we are currently down across the board, with the May timetable and performance generally being the cause.
- The public's view of NR is inextricably linked to the performance of the industry as a whole.
- Areas within our control to influence are: caring about passengers, being seen to be truthful, working well with the rest of the rail industry and showing leadership within it.
- Confidence in NR has also declined, particularly among passengers but among them, and lineside neighbours, confidence scores are higher than among the general public – proving that those with a relationship with the railway have more confidence than those who do not.


- Insight-led safety campaigns can change public, passenger and staff behaviour leading to continuous improvement in a safe, effective railway.
- There is some considerable confusion as to what we are responsible for and do. Around half of the general public believe that we're also responsible for the trains and fares.
- MP's better understand Network Rail's role but want us to provide their constituents with more information and forewarning and promoting benefits of investment.
- Those who have heard or seen positive stories about Network Rail are over four times more likely to be favourable.

Our strategy is therefore as follows:

- Tell how we deliver on our promises, be honest where we can't and say what we will do about it
- Develop all our communications through the lens of the passenger and their experiences
- Listen, respond and explain with a human face
- Ensure all our communications are insight driven
- Devolve communication and engagement locally wherever possible

2.2. Specific objectives

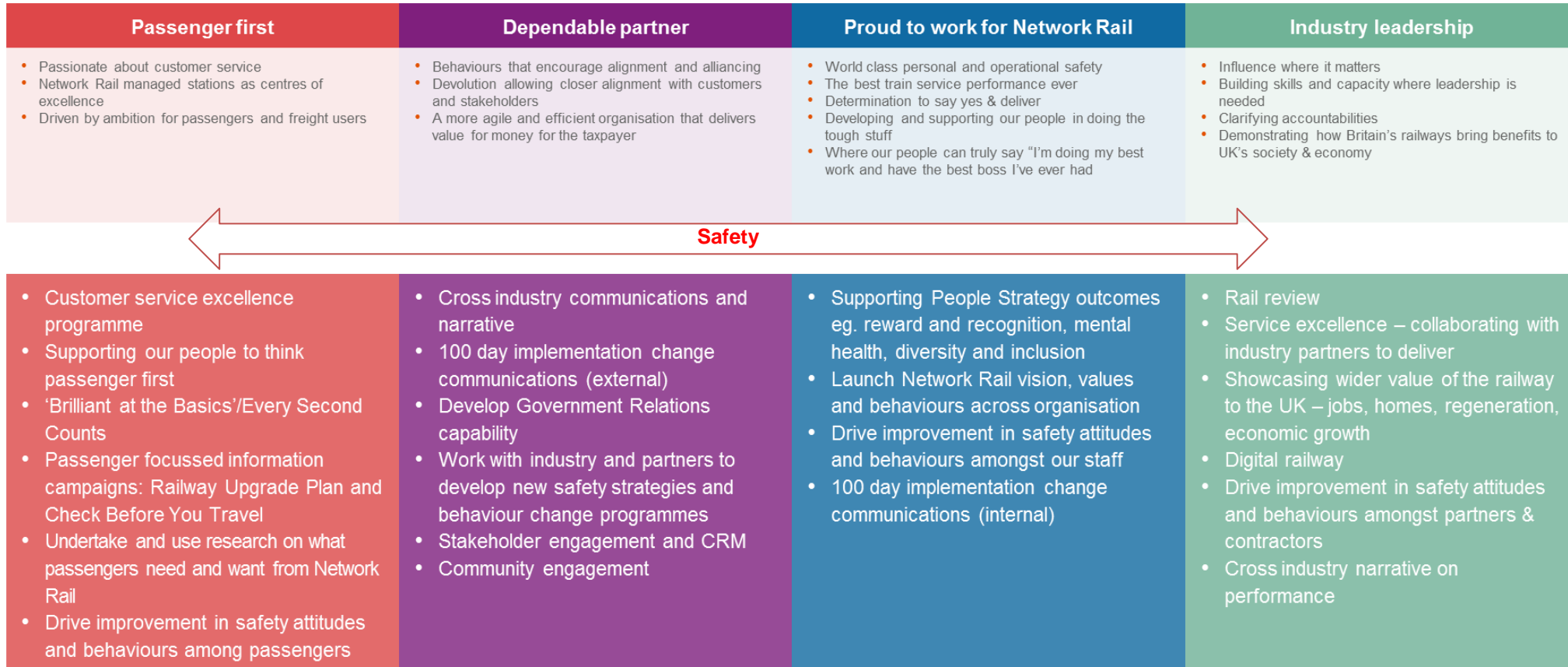
- To build trust and confidence in Network Rail's ability to deliver for passengers and freight users
- To enable our people to play their role in delivery with pride
- To increase key audiences' understanding of what we do and the values we hold
- To lead change in the way the industry works together, making the case for Britain's railways through our actions and our insights
- To develop our communication teams to play their role in delivering outstanding communications

Network Rail Vision <small>Work in progress, not agreed by EIT</small>	Trusted to deliver a great railway for everyone, every day 
Network Rail Purpose	Connecting people, places and good to improve lives and drive prosperity
Communications objectives	<ul style="list-style-type: none"> • To build trust and confidence in Network Rail's ability to deliver for passengers and freight users • To enable our people to play their role in delivery with pride • To increase key audiences' understanding of what we do and the values we hold • To lead change in the way the industry works together, making the case for Britain's railways through our actions and our insights • To develop our communication teams to play their role in delivering outstanding communications
Strategy	<ul style="list-style-type: none"> • Tell how we deliver on our promises, be honest where we can't and say what we will do about it • Develop all our communications through the lens of the passenger and their experiences • Listen, respond and explain with a human face • Ensure all our communications are insight driven • Devolve communication and engagement locally wherever possible
Audiences	Passengers, TOCs/FOCs, Government, MPs, Employees, Media, Funders, Neighbours, Supply Chain, Taxpayers
How	<ul style="list-style-type: none"> • Honesty and humility in tone, showing passenger empathy • Joint industry communications wherever possible • Local communications delivered as locally as possible

Note: Working vision, not finalised

Summary of activity – CP6

The following chart summarises our activity plan for the first half of CP6.



3. What Corporate Communications is

3.1. Structure

Network Rail Corporate Communications consists of c.79 communications professionals based in London and Milton Keynes. The function is defined as a central Directorate and reports into the CEO. Led by the **Director, Corporate Communications**, the function is split into three key areas, **External Communications, External Engagement and Internal Communications**.

External Communications

Led by the Director, External Communications, this team sets and provides strategic leadership for the development and delivery of Network Rail's corporate external communications strategy that is consistent and compliant with Network Rail's overall corporate communications strategy, including leading on Media Relations, Digital, Social Media & Film. Stakeholder Communications and Marketing & Brand strategies.

External Engagement

Led by the Director, External Engagement, this team sets and provides strategic leadership for the development and delivery of Network Rail's corporate external engagement strategy that is consistent and compliant with Network Rail's overall corporate communications strategy, including leading on External Affairs and Government Relations and Contact & Community Engagement strategies.

Internal Communications

Let by the Director, Internal Communications, this team sets and provides strategic leadership for the development and delivery of Network Rail's corporate internal communications strategy that is consistent and compliant with Network Rail's overall corporate communications strategy, including leading on internal channels, internal campaigns, route businesses and leadership internal communications.

A recent **external maturity diagnostic** completed by CEB has marked the Corporate Communications at a high state of maturity.

The benefits the function brings to the business are as follows;

- Fully reactive and proactive media management service providing 24/7/365 on-call service to the UK's media
- Stakeholder team managing all Network Rail Government issues and Network Rail parliamentary activity
- Strategic Communications team responsible for delivering core content and messaging that can drive bold, creative, integrated communications across Network Rail
- 24/7 management of all incoming public contact to the business through the Network Rail National Helpline and national Network Rail Twitter. Pre-notification and engagement policies for lineside neighbours and communities
- Internal communication strategy and campaign themes, management of corporate communication channels, Network and Connect, leadership communications; Business briefings, Leadership Conference
- Network Rail brand and external campaign themes, national corporate campaigns (safety, Check Before You Travel). Annual and monthly polling and research
- Network Rail website and digital channels, Network Rail film unit
- Consultation on enhancement projects
- General communications advice to the whole company.

3.2. Operating model – present & future

The defined Level 1 accountabilities for Corporate Communications are as follows;

- Set overall direction and corporate strategies and policies for corporate communications
- Provide assurance for the completeness of and compliance to corporate communications policies and procedures
- Lead corporate communications performance reporting, forecasting and benchmarking across the Routes and National functions to uphold quality, continuous improvement and sharing of best practice
- Oversee and manage activities and business services in order to uphold Network Rail's corporate reputation, and to facilitate and enhance employee engagement
- Set the overall direction and govern delivery for Corporate Communications national improvement initiatives
- Provide and maintain competency frameworks and assure the strength of the corporate communications professional workforce in the national functions and routes.

The communications function devolved in December 2016. Each route now has direct responsibility for their communications team, including community relations.

Our strategy is to **deliver communication and engagement as locally as possible.**

Wherever possible communications from Network Rail should be delivered locally, in an honest, relevant and timely manner, through the most appropriate channel as determined by RMDs and their route heads of comms. This activity includes specific local initiatives in support of delivery against route scorecards.

However, there are a number of functions that, due to scale, complexity, cross boundary nature, or relevance to corporate centre will need to be delivered corporately. In addition, there are a number of areas where it makes sense to do the work once, at a national level, for deployment locally.

Examples include:

- Development of NR's core narratives and supporting collateral
- Mandated safety or organisation wide internal communication campaigns
- Research and insight
- Brand development
- Corporate issue or crisis management
- Provision of cost effective business services (e.g. internet, intranet, call centre)
- Setting professional standards and policies

Wherever possible there should be joint working and dialogue, no surprises, shared best practice and the most effective use of public money as we deliver against the corporate and route or functional strategies. This will be governed through the periodic **Communications Coordination Group (CCG)**, chaired by the Group Communications Director. Further detail is set out in the Communications Devolution Handbook.

Communications Coordination Group (CCG)

Our periodic horizontal integrated meeting, **CCG**, is held with all Heads of Communications (routes, key projects and other businesses – Property, Route Services). The purpose of the meeting is to set strategies and coordinate route and national resource to mitigate risk and enhance Network Rail's reputation. The expected outcomes of the meeting are;

- **Consistent understanding** of current business issues and emerging reputational risks
- **Consistent understanding and alignment** around forthcoming campaign themes and activities
- **Shared understanding** of priorities going forward (short, mid, long-term)
- **Shared best practice** and continuous improvement

Operating Model CP6

We have been granted increased funding in CP6 to develop a team and supporting activities to enhance our relationship with Whitehall. We are

currently entering the consultation period for this restructure, with a proposed live date of April 2019.

We are currently reviewing our structure with the route communication teams through the 100-day programme. The objective is to understand

where the potential is for further devolution. The current proposal is that, due to substantial devolution already undertaken in December 2016, we are already mature in our operating model. Some minor amends may be progressed but are likely to be primarily behavioural rather than structural.

4. Risks, opportunities, constraints & assumptions

Summary of objectives		To build trust and confidence in Network Rail's ability to deliver for passengers and freight users		
No.	Key constraints, risks and opportunities	What we plan to do	Owner	Timescale (start/ finish)
1	R: Lineside neighbours not being notified adequately about works and undermining relationship with key stakeholders including MPs	Pre-notification toolkit and policy, worker behaviour training Level 0 risk	Head of Brand & Community Engagement	2019-2014
2	R: Network Safety – safety incident on the rail network impacting on corporate reputation and credibility to effectively fulfil our role	Safety incident on railway requiring comprehensive communication support. Fully integrated communication response including potential media spends.	Group Director	2019-2024
3	R: Industrial relations – industrial action or worsening relationship impacting on corporate reputation and train performance	Comprehensive communication support including fully integrated comms responses.	Group Director	2019-2024
4	R: Route & Project comms team resource – adequate capacity not maintained in route teams in order to manage workload and reputation issues	Central communication team could be required to cover reduced capacity of devolved route & project comms team. Consequent increase in head count may be required and P&M costs to cover capacity shortfall.	Group Director	2019-2024
5	R: CBYT campaign costs – funding reduced or pulled by IP to adequately communicate passenger disruption caused by engineering works	Central comms team required to cover costs of disruption travel information due to reduction of existing funding from IP. P&M costs for campaign would need to be sourced from central budget.	Group Director	2019-2024
6	R: Safety campaign costs – funding reduced or pulled by STE to adequately communicate railway safety risks to the public	Central communications team required to cover costs of safety campaign due to reduction of existing funding from STE. Alternatively lower levels of safety campaigns undertaken. P&M & Headcount costs for campaign to be sourced from central budget or transferred from STE.	Group Director	2019-2024
7	R: Passenger communications – TOCs move away from informing passengers of real time disruption	NR required to manage passenger communications on real time disruption – previously managed by TOCs. Passenger response team (digital, call centre, media) required to resource up, investment in channels required.	Group Director	2019-2024
8	R: RDG communication – NR funding does not match RDG requirements.	RDG expectations to be managed. Alternatively, requirement for NR to provide more funding to existing campaign. Budget short fall.	Group Director	2019-2024
9	O: Reduced Enhancement programme – reduction in disruption activity leads to reduction in supporting communication requirements	Possible cost reduction due to reduced demands on public affairs and community engagement due to limited work/benefits being delivered. P&M / Headcount costs reduced.	Group Director	2019-2024
10	O/R: Communication team integration – loss of NR specific communications team	NR comms team is absorbed into central government communications. Small financial opportunity but significant corporate reputational risk.	Group Director	2019-2024
11	O: Senior leadership comms focus – efficiencies possible through reduced demand in centrally led communications	Reduction in appetite for proactive internal & external communications due to reduced leadership appetite for proactive activity. P&M & Headcount costs to be reduced.	Group Director	2019-2024

12	O: Effective delivery of Passengers First workstream	Deliver an internal campaign on service excellence, driving 'passenger first culture' 'Brilliant at the Basics'/Every Second Counts Passenger focussed information campaigns: Railway Upgrade Plan and Check Before You Travel Undertake and use research on what passengers need and want from NR Drive improvement in safety attitudes and behaviours among passengers	Group Director	2019-2024
13	O: Effective delivery of Dependable Partner workstream	Develop Government Relations team and approach Work with industry and partners to develop new safety strategies and behaviour change programmes Third party funding support Devolution programme change communications (external) Cross industry communications and narrative Stakeholder engagement and CRM Community engagement	Group Director	2019-2024
14	O: Effective delivery of proud to work for Network Rail workstream	Communication activity to support People Strategy outcomes e.g., reward and recognition, mental health, diversity and inclusion Launch NR values across organisation Drive improvement in safety attitudes and behaviours amongst our staff Devolution programme change communications (internal)	Group Director	2019-2024
15	O: Effective delivery of industry leadership workstream	Rail review Service excellence – collaborating with industry partners to deliver Showcasing wider value of the railway to the UK – jobs, homes, regeneration, economic growth Digital railway Drive improvement in safety attitudes and behaviours amongst partners & contractors Cross industry narrative on performance	Group Director	2019-2024

4.1. Notable assumptions

- Strategy not derailed by major international event
- Adequate resources in place in the central team in terms of headcount and P&M budget
- Ongoing collaborative working with adequately resourced route communication teams.
- PLEASE SEE APPENDIX B FOR FULL LIST OF ASSUMPTIONS

5. Expenditure & efficiency

5.1. Cost and volume summary

Unit of measure	CP5	CP6						CP7		
	18/19	19/20	24/25	21/22	22/23	23/24	CP6	24/25	25/26	
Renewals	£m									
Controllable opex	£m	10.7	12.2	12.8	12.9	13.2	13.7	64.7	13.7	13.7
Non-controllable industry costs	£m									
Total	£m	10.7	12.2	12.8	12.9	13.2	13.7	64.7	13.7	13.7
Permanent Headcount		77	76	76	76	76	76	76	76	76
Agency		1								
Total headcount		78	76	76	76	76	76	76	76	76

Basis for costs

The core trend is for steady state activity from the FY19 exit position with the exception of additional campaign costs £7.5M & £2.5M Whitehall headcount. Our CP5 closing position is CP5 compliant as is our FY19 entry point to CP6 that already holds £1.3M of efficiencies. We expect to remain compliant in CP5 this will mean we will have achieved circa £3.5M of additional efficiencies in the CP, significantly challenging our operation.

Summary of costs by team or activity within the function

Activity/team	CP6 total (£m)	Comments
Strategic Communications	4.6	Managing Network Rail's external stakeholder engagement
Media Relations	5.1	Managing a full reactive and proactive media management service for every route
Marketing Services	12.5	Sets and provides leadership for the delivery of Network Rail's corporate marketing
Internal Communications	12.4	Provides strategic leadership for the development and delivery of the corporate internal communications
Digital, Social Media & Film	6.1	Provide leadership for the delivery of Network Rail's Digital and Content strategy
Brand & Community Engagement	12.8	24/7 management of all incoming public contact to the business
Gov & Corp Affairs	11.3	Sets and provides strategic leadership for the delivery of Network Rail
Total	64.7	

The current split of funds reflects the current structural organisation, continual reviews of structures and demands on head count could result in decisions being made to adjust head count level between cost centres, while maintaining cost control.

CP6 allocation not yet defined. Table above reflects current CP5 allocations and will be continually updated.

5.2. Route Business Scotland details

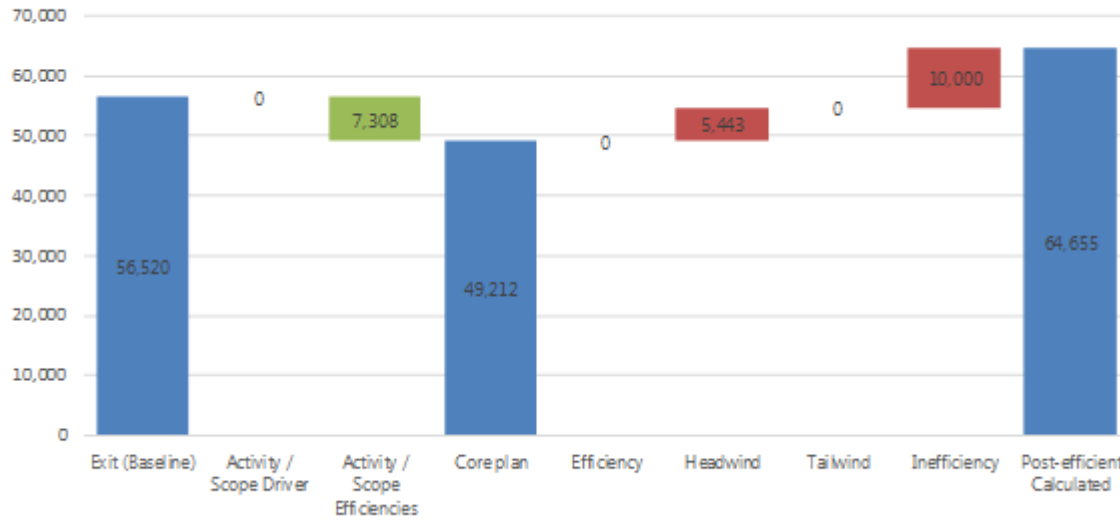
	CP5	CP6					CP6 total	CP7	
	18/19	19/20	20/21	21/22	22/23	23/24		24/25	25/26
National Cost (£m)		12.2	12.8	12.9	13.2	13.7	64.7	13.7	13.7
Scotland Cost (£m)		£1.1m	£1.1m	£1.2m	£1.2m	£1.2m	£5.8m	£1.2m	£1.2m
Scotland (%)		9%	9%	9%	9%	9%	9%	9%	9%
Basis for allocation to Route Business Scotland	Headcount supporting Scotland teams, and central teams, split by headcount								
Activity	Strategic Communications, Media Relations, Marketing Services, Internal communication, Digital & Social Media, Brand & Community Engagement, Government and Corporate Affairs referred, this can be supported by qualitative information								

5.3. Cost drivers, headwinds and efficiency

Summary of cost changes between CP5 and CP6

Summary of cost changes between CP5 and CP6. CP5 base at £56.5m, Scope of team changed Y1 as Kings Place move took place and then devolvement Major projects / CC in FY16 & efficiencies also impact reduction in spend by £7.3m to a base of £49.2m. £10m increase in CP6 base spend driven by campaigns £7.5m, Whitehall £2.5m & inflation to cost base £5.4m

CP5 to CP6 cost drivers including scope and cost impacts.



Summary of Corporate Communications efficiency

Totex (O,M,R)	CP5	CP6					CP6 total	CP7	
	18/19	19/20	20/21	21/22	22/23	23/24		24/25	25/26
Pre-efficient plan^[1] (£m)	10.7	9.7	10.4	9.8	9.7	9.8	49.2	9.8	9.8
Activity/scope efficiencies (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%
Core plan (£m)	10.7	9.7	10.4	9.8	9.7	9.8	49.2	9.8	9.8
Headwinds (%)	0%	3%	7%	11%	15%	19%	11%	19%	19%
Efficiency (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%
Tailwinds (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%
Inefficiency (%)	0%	20%	20%	20%	21%	20%	20%	20%	20%
Post-HW, post-Eff spend (£m)	10.7	12.2	12.8	12.9	13.2	13.7	64.7	13.7	13.7

Inefficiency: - RDG BROR/Cross Industry Campaigns: - The funding is Network Rail's contribution to the Rail Industry Group public-facing industry campaign. There is matched funding from the Train Operating Companies. This industry spend has been approved by Government and DfT to help explain to the British public where rail funding is being spent – that there is a plan and that it is delivering results. The campaign strategy is to improve the reputation of the industry and build trust by demonstrating the ever more vital role that rail plays in our everyday life and thus why we are investing billions. It is clear that in CP6 NR will decide to invest in some form of cross-industry campaign costs not necessarily BROR this cost covers this.

£1.5M per year for 5 years Total £7.5M

Inefficiency: - Strengthening government relations and political engagement, providing political intelligence and counsel

£0.5M per year for 5 years Total £2.5M (4 heads)

Headcount reduction considered but believed this would impact service levels at this point. This can be revisited at some stage in CP6, Corporate Communications are CP5 compliant and by the close of CP5 will have achieved circa £3.5M of efficiencies and a £0.6m over delivery.

Headwinds: Represents inflation on cost base

^[1] Note that pre-efficient plan is equivalent to core CP6 plan + 2a (activity/scope efficiencies) in the waterfall

Headwinds and efficiency by theme

Theme	Area	Description	Net % change
Other (9)	Efficiency (9a)	<p>CP5 has seen communications deliver circa £3.5M efficiencies including additional CP challenges, with £1.3M of efficiencies already embedded in FY19, this makes our CP6 starting position challenging.</p> <p>We have considered further headcount reduction but believed this would impact service levels at this point. This can be revisited at some stage in CP6, Comms are CP5 compliant and that by the close of CP5 will have achieved circa £9.7M of efficiencies including the recent RF2 challenge and a £0.6m over delivery. Benchmarking supports this payroll cost 56% total spends. £0M CP6</p> <p>We considered further cost reductions in non-wage costs 44% of total spend, view is that we were streamlined through CP5 and gave significant efficiencies in line with target and additional over delivery where opportunity could be found, taking this into account further reductions seems unwise at this time. £0M CP6</p>	Inefficiencies 20% of base
	Tailwind (9b)		
	Inefficiency (9c)	<p>- RDG Britain Relies on Rai/ Campaigns: - The funding is Network Rail's contribution to the Rail Industry Group public-facing industry campaign and will also be used to fund cross industry campaign communications in CP6. £1.5M pa for 5 years. Total £7.5M in CP6</p> <p>-Whitehall: - Strengthening government relations and political engagement, providing political intelligence and counsel. £0.5M pa for 5 years. Total £2.5M in CP6.</p>	
	Headwind (9d)	<p>View that no risk (other than inflation risk) holds enough certainty that it warrants a headwind status. More elements fall into risk range on our base. We have spent a long time assessing all risks and have built them into our risk range within our submission. This holds items like further government changes that drive increased levels of headcount activity, Major incident that force increased activity driving up our people costs and No National disputes (Major train incident, level crossing activity). It is felt these fit into risk status opposed to headwinds. Helpline sits within our risk calculation and our core assumptions.</p> <p>Inflation on baseline costs is being shown as a headwind £5.4m</p>	

Relevant benchmarks

	Network Rail	DfT	HS2	National Grid
Total employees	38,000	18,245	1,500	12,000
Total comms team	69	93	29	75
Press office	9	21	5	
Strategic comms	7	24		
Internal comms	14	5		

Reviewing other organisations, the corporate communications team services a greater employee base than similar sector comparators.

5.4. Risk and uncertainty in the CP6 plan

This section provides an explanation of the how we have built up our overall plan and sets out our estimate of the degree of financial uncertainty within this plan.

Pre-efficient costs in our plan are based on 'current rates' but include any additional scope needed to deliver the outputs in the plan. We have used CP5 exit rates for support, operations and maintenance expenditure forecasts. Drivers of rate increases (headwinds/inefficiencies), or rate reductions (efficiencies/tailwinds), where there is a reasonable expectation they will occur, have been identified separately from the core CP6 plan.

The combination of our core CP6 plan, headwinds/tailwinds and efficiencies/inefficiencies is our 'submission' and represents the 'most likely outcome' for CP6. The content of our plans reflect the funding that we understand to be available in CP6. We consider this plan to be realistic and, therefore, deliverable in CP6.

Current unit rates are likely to include some risks that were not originally included in CP5 plans but that have materialised during the current control period. As a result of this approach, it is likely that some risk and uncertainty is already be included in our core CP6 plan, as we have not sought to remove the impact of these unplanned events from our unit rate estimates.

Whilst it is difficult to precisely estimate the likelihood of delivering our plan in CP6, it seems reasonable to suggest that; overall, there is an 80% to 95% likelihood of the outputs in the plan being delivered for the forecast cost in our CP6 plan. This means that there is a very high probability, we will be able to deliver our plan for the forecast cost. However, there is uncertainty in our support, operations and maintenance plans in CP6. The main drivers of uncertainty in our plan are identified in the table below.

5.5. Uncertainty ranges for CP6

The information in the table below, presents our estimate of the overall range of uncertainty across our expenditure and income for CP6. We have also identified the main drivers of the uncertainty ranges. The information in this table is based on the detailed inputs provided in our opex, renewals and income submissions. Headwinds/tailwinds and efficiencies/inefficiencies are included in the spot estimates.

Area	Potential range (low – spot – high)	Summary of key drivers of the uncertainty range	% of range																									
		Driver of range	Lower %	Upper %																								
Support and operations	<p>Financial uncertainty ranges - support and operations</p> <p>The chart shows the following data points (Low, Spot, High) in £m:</p> <table border="1"> <tr><th>Year</th><th>Low</th><th>Spot</th><th>High</th></tr> <tr><td>2019/20</td><td>12</td><td>13</td><td>13</td></tr> <tr><td>2020/21</td><td>12</td><td>13</td><td>14</td></tr> <tr><td>2021/22</td><td>12</td><td>13</td><td>14</td></tr> <tr><td>2022/23</td><td>12</td><td>13</td><td>15</td></tr> <tr><td>2023/24</td><td>12</td><td>14</td><td>16</td></tr> </table>	Year	Low	Spot	High	2019/20	12	13	13	2020/21	12	13	14	2021/22	12	13	14	2022/23	12	13	15	2023/24	12	14	16	Reflects general uncertainty within the plan	-6%	7%
		Year	Low	Spot	High																							
		2019/20	12	13	13																							
		2020/21	12	13	14																							
		2021/22	12	13	14																							
2022/23	12	13	15																									
2023/24	12	14	16																									
Total expenditure	<p>Financial uncertainty ranges - total expenditure</p> <p>The chart shows the following data points (Low, Spot, High) in £m:</p> <table border="1"> <tr><th>Year</th><th>Low</th><th>Spot</th><th>High</th></tr> <tr><td>2019/20</td><td>12</td><td>13</td><td>13</td></tr> <tr><td>2020/21</td><td>12</td><td>13</td><td>14</td></tr> <tr><td>2021/22</td><td>12</td><td>13</td><td>14</td></tr> <tr><td>2022/23</td><td>12</td><td>13</td><td>15</td></tr> <tr><td>2023/24</td><td>12</td><td>14</td><td>16</td></tr> </table>	Year	Low	Spot	High	2019/20	12	13	13	2020/21	12	13	14	2021/22	12	13	14	2022/23	12	13	15	2023/24	12	14	16	Reflects general uncertainty within the plan	-6%	7%
		Year	Low	Spot	High																							
		2019/20	12	13	13																							
		2020/21	12	13	14																							
		2021/22	12	13	14																							
2022/23	12	13	15																									
2023/24	12	14	16																									

Figure 5.6: CP6 financial uncertainty ranges

5.6. Financial Sustainability strategy

5.7. Digital Railway strategy

5.8. Telecoms strategy

5.9. Property strategy

6. Sign-off

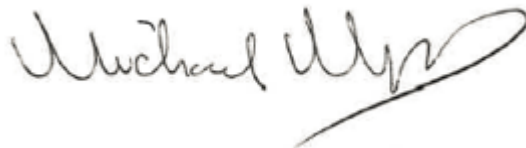
- This document and accompanying templates are owned by the Corporate Communications Director.
- Submission of this document indicates confirmation that:
- all appropriate level 1 assurance activities have been undertaken (see separate advice on definition of level 1 assurance);
- the Corporate Communications Director is satisfied with the quality, currency and appropriateness of the content of this document as well as the cost, volume and activity projections to which it refers;
- the signatories are satisfied that the plan has been assessed as deliverable, subject to the assumptions articulated in Appendix B.

Authorised by:



Caroline Murdoch
Director, Corporate Communications

08.02.19



Michael Murphy
Finance Director

08.02.19

Appendix A Supporting strategies

Contracts & Procurement

Corporate Communications

Human Resources

Information Management (e.g. IMS)

Information Technology

Quality

Appendix B Key assumptions

Ref no.	Topic (e.g. dependency, deliverability, climate etc.)	Assumption	Areas of spend impacted (e.g. all opex, single team, all spend etc.)	Is this a change of assumption for CP6?
1.1	Network safety	Network stays safe – if proved wrong will require more resource to manage reputational impact and stakeholder relationships. Core assumption we stay safe	All spend. Major incident level crossing or trespass to educate £2.5m. For own staff circa £100k	No Change vs CP5
1.2	Industrial relations	Industrial relations within NR remain at similar levels. Any significant escalation or national dispute will require resourcing.	All spend. Manage reputation, what's happening, impact, next steps. Dedicated resource, happened 2010 £600k.	No Change vs CP5
1.3	Government continues to invest in railway	Status quo continues therefore resource required is the same. Significant reduction in enhancements could require slightly reduced resource in certain areas of the function (recognising that project communications is funded separately and a reduction in O&M funding could lead to worsening train performance and increased complaint volumes for the function to manage)	£100k per year, medium risk	No Change vs CP5
1.4	Route Communications	Route communications remain devolved and fully staffed, able to manage local reputational risk and continue to be funded by respective routes. If this is not the case, the workload and reputational risk will need to be managed by central communications and teams and budgets will need to be increased accordingly.	All spend. High requests to pick up extra work, impact activity and heads £2m per year Opex – medium risk.	No Change vs CP5
1.5	Project Communications	Project communications appropriately staffed and funded, adequately managing disruption and benefit messaging for key projects. If this is not the case, the workload and reputational risk will need to be managed by central communications and teams and budgets will need to be increased accordingly	£2.5m Capex	
1.6	Check Before You Travel campaign costs	IP continue to fund CBYT campaign (c£2.1m pa). The potential impact of reduced funding could lead to passengers not being aware of disruption. P&M costs would potentially have to be increased centrally to mitigate this. Assumed at current state.	Marketing Risk £2.1M p.a - low risk	No Change vs CP5
1.7	Safety campaign costs	STE continue to fund safety campaigns. The potential impact of reduced funding could	Marketing	No Change vs

Ref no.	Topic (e.g. dependency, deliverability, climate etc.)	Assumption	Areas of spend impacted (e.g. all opex, single team, all spend etc.)	Is this a change of assumption for CP6?
		lead to the public not being aware of the dangers of the railways. P&M and headcount costs would potentially have to be increased centrally to mitigate this.	£500k per year.	CP5
1.8	Senior leadership	Senior leadership maintain similar appetite for proactive communications (external and internal) as they do currently. <u>Decreased focus</u> Internal – reduced demand for Business Briefings, leadership conference, internal communication channels and campaigns External – reduced demand for proactive communications with press, political stakeholders, public information campaigns and community engagement <u>Increased focus</u> Internal & external – inadequate headcount and P&M resource to deliver greatly increased focus	All spend +-20%	No Change vs CP5
1.9	Passenger communications	Real-time passenger delay communications continue to be owned by Train Operating Companies. Substantial resource would be required for NR to carry this out. Assumed as is state.	Digital, Social Media & Film, brand & Community Engagement. Real time information, station announcements, more operational focus £1M p.a low risk.	No Change vs CP5
1.10	RDG industry communications	Campaign (or equivalent) continues at roughly same scale as to date. Any demands for increased funding for an enhance campaign may need to be met from the communications budget.	Opex, TOCs match NR input.	Part change vs CP5
1.11	Corporate Website	No significant upgrade is required of website. If update is required, this will be funded by IM.	Digital, Social Media & Film Low risk	No Change vs CP5
1.12	Intranet	No significant upgrade is required of intranet. Platform continues to be funded by IM. If update is required, this will be funded by IM.	Internal Communications Low risk	No Change vs CP5
1.13	Leadership conference	The cost of the leadership conference continues to be paid for by a levy on attending business areas. Should this levy discontinue, and the event continues to run, costs will need to be met by the communications budget.	Internal Communications Low risk £200k	No Change vs CP5

Ref no.	Topic (e.g. dependency, deliverability, climate etc.)	Assumption	Areas of spend impacted (e.g. all opex, single team, all spend etc.)	Is this a change of assumption for CP6?
1.14	Integration with government communications	NR maintains a separate communications team rather than integrating into the central government communications team. Integration would result in an overhaul of existing services.	All spend Low risk	No Change vs CP5
1.15	Relocation of staff	Assuming staff locations to remain the same, no large scale reallocation.	Happened CP4, significant staff turnover, relocation costs. Low risk.	No Change vs CP5
1.16	Training Levels	With Training devolved, our core assumption is that are training budget is adequate for our functions needs in CP6.	Risk is higher requirement, seen as low risk.	No Change vs CP5
1.17	Team structure	Our assumption is our team size remains the same as current levels. Reviewing our core levels of work and benchmarking suggest we are good value for money. We do not expect to significantly increase or decrease our structure.	Risk +/- reduce save money but reduce service. Increase due to activity will cost more.	No Change vs CP5
1.18	Significant devolution or business changes	We are assuming no significant devolution or business changes	Low Risk +/- on opex dependant on level change	No Change vs CP5
1.19	National Help Line	The Network Rail National Helpline is funded through the central communications budget. Assume no significant change in our requirements for service.	C. £500k	No Change vs CP5

Appendix C N/A

Appendix D Scenario planning

Part (1): Tactical scenario planning for CP5

Provide information on the impacts on CP5 of each of the following scenarios:

- Scenario 1: 20% increase in total remaining expenditure

Details and benefits of additional expenditure in CP5

Area of spend	Yr 4-5 outstanding spend (£m)	Potential investment increase (£m)	Comment on benefits
Total			

- Scenario 2: 20% decrease in total remaining expenditure

Details and impacts of reduced expenditure in CP5

Area of saving	Yr 4-5 outstanding spend (£m)	Maximum potential saving (£m)	Comment on impacts/issues
Total			

Part 2: CP6 scenario planning: investment options

This section describes the benefits of additional investment in the function, over an appraisal period of 30 years.

[Business case 1]	CP6 total: (£m)		CP6 capex: (£m)		CP6 opex: (£m)		Total BCR		Appraisal period	30 years	
Description	Qualitative benefits						Quantitative benefits				

[Business case 2]	CP6 total: (£m)		CP6 capex: (£m)		CP6 opex: (£m)		Total BCR		Appraisal period	30 years	
Description	Qualitative benefits						Quantitative benefits				

[Business case 3]	CP6 total: (£m)		CP6 capex: (£m)		CP6 opex: (£m)		Total BCR		Appraisal period	30 years	
Description	Qualitative benefits						Quantitative benefits				

Appendix E N/A

Appendix F N/A

Appendix G N/A