

Corporate Communications Strategic Plan CP6 RF6

V2.1 – January 2018 - RF6

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1. Purpose, role & vision

1.1. Purpose

Corporate Communications' primary purpose is to protect and enhance Network Rail's reputation by explaining and promoting how Network Rail is delivering for our customers.

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, 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 as follows;

- To listen and engage with our people on strategic priorities and performance, driving cultural change around our **transformational** themes
- Promoting **safer** attitudes and behaviour amongst our workforce, passengers and the public
- Passenger communications; at times of planned and unplanned disruption in partnership with train operating companies – to manage demand, communicate the benefits of the **Railway Upgrade Plan (RUP)**, and show we **care**
- Local **community engagement** and consultation: listen and show that we care about our local communities, and to enable work to

happen without hindrance or delay

- Deliver a positive climate for investment to enhance capacity by maintaining and enhancing our **reputation and credibility** (delivery + caring + transformation journey), and manage and mitigate reputation risk
- Drive reputation to be **'employer of choice'**.

1.3. Vision

Our vision is to provide a **best in class corporate communications service** to help protect and drive forward Network Rail's **reputation**.

We will do this by fulfilling our role as detailed above, delivering **transformation, safety, Railway Upgrade Plan, community engagement, 'employer of choice'** campaigns, underpinned by our **'caring'** theme.

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 Committee, the Board, the Routes, the Network Rail communications community and all Network Rail employees. Externally our key stakeholders are highlighted in our strategy details below.

These plans are based on a strategic paper presented to the NR Executive Committee and Board in Q1 2017. It has also been shared with the Communications Coordination Group and wider communications community.


Key priorities are as follows:

- Listen and engage with our people on strategic priorities and performance, driving cultural change around our transformational themes
- Promoting safer attitudes and behaviour amongst our workforce, passengers and the public
- Passenger communication: at times of planned and unplanned disruption in partnership with ToCs – to manage demand, communicate the benefits of the RUP, and show we care
- Local community engagement and consultation: listen and show that we care about them, and to enable work to happen without hindrance or delay
- Deliver a positive climate for investment to enhance capacity by maintaining and enhancing our reputation and credibility (delivery + caring + transformation journey), and manage and mitigate reputation risk
- Drive reputation to be ‘employer of choice’

2.2. Specific objectives

Our vision and strategy is focused on key decision makers in the Department for Transport and Transport Scotland, the Treasury and No. 10, and those who influence them. These include in particular: officials, other MPs, select committees, their own constituents – particularly lineside neighbours, the media, passengers and other players in the railway industry particularly train operating companies (TOCs). We will be telling the story of how the railway is improving, the enhancements which will transform journeys and the transformation within Network Rail.

As we move into the last year of CP5 and engage around funding levels and priorities for CP6, we want to be known as a credible organisation with the right leadership driving a transformation programme at pace, driving efficiencies and cost reductions. We will do this with the following **six-pronged strategy**:

- 
1. Proud and loud on the Railway Upgrade Plan and its benefits as they come through
 2. Emphasise and demonstrate how NR is transforming, devolving, and leading the way in bringing together track and train
 3. Highlight the capacity challenge in all that we do
 4. Stronger collaboration on communications across the rail industry (TOCs and suppliers)
 5. Involve, recognise and listen to our people
 6. Demonstrate that we care: about our impact on passengers and communities, and about our stewardship of public money

This will be delivered under the proposition that **'Network Rail is changing'**.

Customer Focus

Our key audiences and those who affect and drive Network rail's reputation from an **external** perspective are as follows:

- Government – national and regional
- MPs
- Lineside Neighbours
- TOCs and FOCs
- Passengers
- Taxpayers
- Suppliers
- National media
- Local media
- Trade media

Internally our key customers are the routes and their communication teams, the wider Network Rail communications community, the company leadership team and all Network Rail employees.

Insight & Plan

There is insufficient understanding of the pressures facing the railway, and the fact there is a **Railway Upgrade Plan** (and a wider modernisation plan) to deal with them.

But a key insight is that much stakeholder and media opinion of Network Rail is informed and driven by 'how' we do things, as much as 'what' we do. Too often we give the impression of being inward looking, not **caring** for **passengers and the communities** we affect.

Our relationship with lineside neighbours in particular, can undermine our reputation with MPs and community leaders. Where we communicate about works in advance favourability towards Network Rail doubles.

A key part of our transformation plan is to become much more responsive and customer focused as an organisation. We need to demonstrate activity and progress in this area

Network Rail's reputation is also intrinsically linked to the wider rail industry. Public and passengers want to see greater collaboration.

For the first time since the 1980s we now have mainstream political consensus that the fragmentation of the railway and crucially the lack of clear leadership, common goals and incentives is at the heart of its problems.

More than one in five of our people are not clear on how their work contributes to delivering Network Rail's objectives and more than two in three do not believe that action is taken in response to what they say (Your Voice 2017).

CP6

In CP6 we will continue to produce an **annual campaign plan**, which details activity and audience segmentation that underpins the delivery of the 6 point strategic plan. This campaign plan will be produced following consultation with routes and other stakeholders on their priorities and key activities for the year.

The Communications Coordination Group will approve the plan and relevant metrics (at both route and national level).

Our plan to address these issues and opportunities in CP6 is the six-pronged strategy.

- ❖ Being ‘loud and proud’ on the **Railway Upgrade Plan** will support planned and unplanned passenger disruption communications, showing the benefits to delivering the works and improving advocacy drivers across all key stakeholders. It will also deliver a positive climate for investment (**delivering** + caring + transformation journey)
- ❖ Emphasising **transformation** will show that we’re listening and engaging with our people, both internally and externally, on how we need to change as we move through CP6. It will also deliver a positive climate for investment (**delivering** + caring + transformation journey)
- ❖ Highlighting the **capacity challenge** will drive awareness and advocacy with key external stakeholders
- ❖ Evidence of stronger collaboration drives our **transformation** agenda
- ❖ Involving and recognising our people facilitates us being an **‘employer of choice’**
- ❖ Demonstrating that we care will support all work streams and will deliver a positive climate for investment (**delivering** + caring + transformation journey)

Our CP6 strategy to support our vision and plan can be summarised in the following graphic:



3. What Corporate Communications is

3.1. Structure

Network Rail Corporate Communications consists of c.69 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 and Marketing 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 Strategic Communications and Community Engagement strategies, and the company's overall Brand.

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.

A periodic horizontal integrated meeting 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

Following significant change in CP5 (closure of Kings Place and relocation of several teams to MK in 2014, devolution in 2016 and restructure 2017) there are no current plans to amend the structure. It should be noted that a new Director, Corporate Communications is due to start shortly and may have views, although we are clear that the budget will not change.

3.3. Delivery Strategy

The Corporate Communications department has developed its CP6 strategy based on an assessment of what has shaped Network Rail's reputation in the past, what has helped it change for the better and the drivers we need to use to keep making progress towards supporting the proposition of Network Rail transformation.

Over the course of CP5 we have strived to enhance professional standards of the team through effective recruitment, a strategic and informed learning and development focus and a collaborative approach to our work. We have centrally built, and then devolved, fully integrated route and project communication teams to deliver a coherent, aligned national communication strategy.

From 2014 to our exit point in 2019 we will have streamlined the Corporate Communications function from a headcount of 118 to 69, and with an annual budget of £14.8m to c. £10m, a reduction of approx. 30%. *Note: headcount increased to 159 in FY1516 prior to devolution. The central team headcount has remained stable over CP5.

In CP6, there will be a strong focus on strengthening our government

relations and political engagement.

The reclassification of Network Rail into the public sector in 2014 was a seismic change for the rail industry and for Network Rail itself. The day-to-day involvement of government in Network Rail has increased significantly, and the importance of outstanding government relations has become ever more crucial.

The railway is also getting bigger, busier and more complex than ever. Securing the funding needed to operate and maintain the railway is increasingly difficult, given the continuing constraints on public finances. Telling a compelling story to political audiences will be vital in winning support for funding, and building trust in us to deliver our plans.

Network Rail does a good job of talking to officials and Ministers day-to-day but there is more we could do to engage with advisers and influencers. We plan to strengthen our government relations capability in CP6, with additional headcount, both to increase the level of external engagement with political audiences, and provide political intelligence and counsel back into the organisation, but also to strengthen and streamline policy positioning within Network Rail itself.

4. Risks, opportunities, constraints & assumptions

Summary of objectives		A brief statement summarising the main objectives detailed in section 2.		
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	CP5 initiative/control measure Pre-notification toolkit and policy, worker behaviour training.	Head of Brand & Community Engagement	Start Dec 17 Ongoing
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 required to cover reduced capacity of devolved route & project comms team. 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 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. P&M & Headcount costs for campaign to be sourced from central budget.	Group Director	2019-2024
7	R: Passenger communications – TOCs move away from informing passengers on 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.	Requirement for NR to provide more funding to existing campaign. Budget short fall.	Group Director	2019-2024
9	O: Reduced Enhancement	Possible cost reduction due to reduced demands on public affairs and community	Group Director	2019-2024

	programme – reduction in disruption activity leads to reduction in supporting communication requirements	engagement due to limited work/benefits being delivered. P&M / Headcount costs reduced.		
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 Railway Upgrade Plan campaign	Higher MP, public, employee and other key stakeholder awareness, engagement and advocacy of the work that Network Rail does and how we do it through effective campaign management and integrated, collaborative working with projects and routes. Stronger collaboration on comms across the rail industry (TOCs and suppliers).	Director, External Communications, Director. External Engagement	2019-2024
13	O: Effective delivery of Network Rail is changing messaging	Demonstrate that we care: about our impact on passengers and communities, and about our stewardship of public money. Higher MP, public, employee and other key stakeholder engagement and advocacy.	Director. External Engagement	2019-2024
14	O: Effective delivery of Network Rail is a great place to work campaign	Promote our key projects - Better Every Day and NR transformation, You Said, We Did, diversity and inclusion, pay and benefits, recruitment.	Director, Internal Communications	2019-2024
15	O: Effective delivery of Everyone home safe, every day messaging	Manage development and delivery of NR safety campaigns including workforce safety and wellbeing, level crossings, station safety, trespass and suicide prevention.	Director, External Communications, Director. Internal Communications	2019-2024
16	R: Maintenance of NR National Helpline due to cost increase as result of contract retender and loss of incumbent provided	New procurement underway. The cost base is going to increase by £250k per annum, a CP6 additional cost of £1m. This is not currently factored into our SBP.	Director, External Engagement	2018-2024

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

4.2. Cost and volume summary**Expenditure (post headwinds and efficiencies in 17/18 prices)**

Unit of measure	CP5						CP6						CP7
	14/15	15/16	16/17	17/18	18/19	CP5	19/20	20/21	21/22	22/23	23/24	CP6	24/25
Renewals £m													
Controllable opex £m	£13.9M	£11.5M	£9.8M	£10.5M	£9.6M	£55.4M	£11.5M	£11.4M	£11.4M	£11.3M	£11.3M	£57M	£11.3M
Non-controllable industry costs £m													
Total £m	£13.9M	£11.5M	£9.8M	£10.5M	£9.6M	£55.4M	£11.5M	£11.4M	£11.4M	£11.3M	£11.3M	£57M	£11.3M
Permanent Headcount	108	159	74	66	65	65	67	67	67	67	67	67	67
Agency	6	1	0	0	0	0	0	0	0	0	0	0	0
Total headcount	114	160	74	66	65	65	67	67	67	67	67	67	67

Basis for costs

The core trend is for steady state activity from the FY19 exit position: in line with the current headcount with the exemption of additional heads to cover government relations as requested by Excom. In line with committed non payroll costs. With the exception of additional campaign costs £7.5M & £2.5M Whitehall headcount, spend and headcount are assumed flat. Our CP5 £55.4M 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. These have all been identified and are being reviewed on a periodic basis.

Summary of costs by team or activity within the function

Activity/team	CP6 total (£m)	Comments
Strategic Communications	£3.8M	Managing Network Rail's external stakeholder engagement
Media Relations	£4.9M	Managing a full reactive and proactive media management service for every route
Major Projects	£0M	Sets and provides leadership for the development and delivery of all operational communications
Marketing Services	£5.4M	Sets and provides leadership for the delivery of Network Rail's corporate marketing
Internal Communications	£9.6M	Provides strategic leadership for the development and delivery of the corporate internal communications
Digital, Social Media & Film	£5.1M	Provide leadership for the delivery of Network Rail's Digital and Content strategy
Brand & Community Engagement	£12.6M	24/7 management of all incoming public contact to the business
Gov & Corp Affairs	£6.6M	Sets and provides strategic leadership for the delivery of Network Rail
Campaigns	£7.5M	Rail Industry Group public-facing industry campaign
Whitehall	£2.5M	Strengthening government relations and political engagement, providing political intelligence and counsel
Total	£57M	

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.

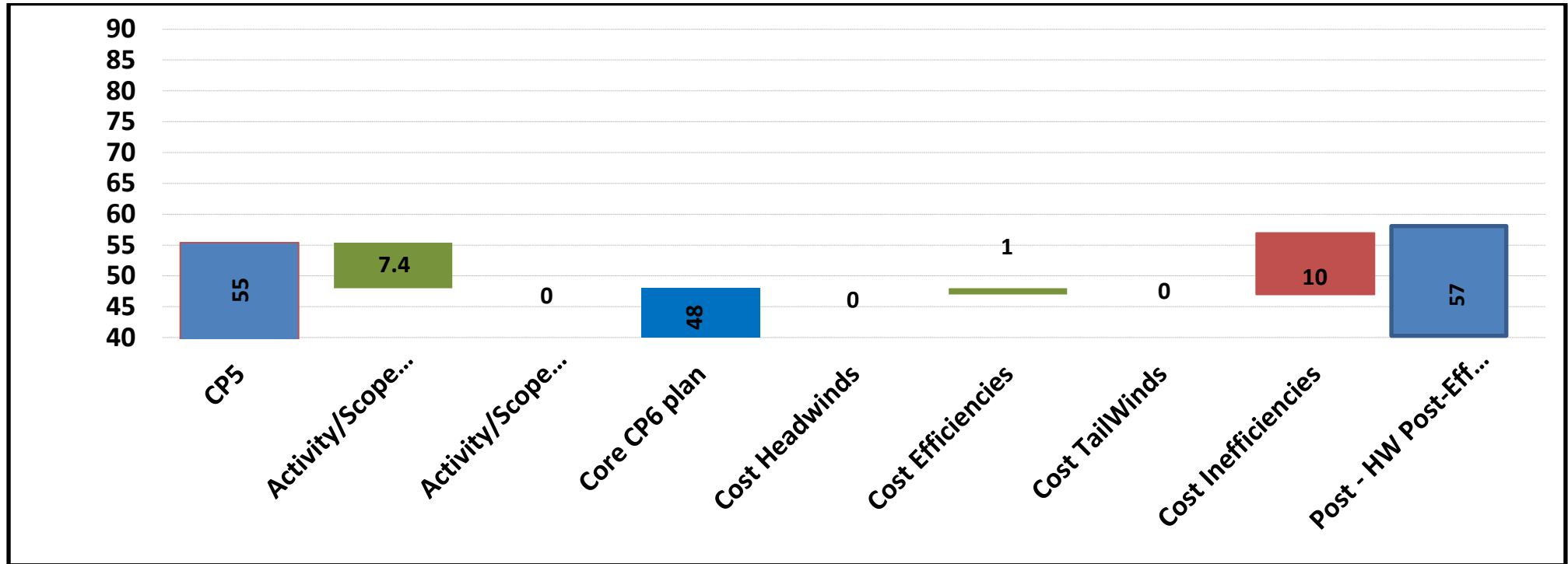
CP6 allocation not yet defined. Table above reflects current CP5 allocations and will be continually updated.

4.3. Route Business Scotland details

	CP5 Year			CP6 Year					CP6 total
	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	
National Cost (£m)				11.5	11.4	11.4	11.3	11.3	57
Scotland Cost (£m)				1.0	1.0	1.0	1.0	1.0	5.1
Scotland (%)				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.								

4.4. Cost drivers, headwinds and efficiency

Summary of cost changes between CP5 and CP6. CP5 base at £55M, 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 £7.4M to a base of £48M. Combination of efficiencies and headwinds result in a £9M increase in CP6 base spend to £57M an 18% increase mainly driven by campaigns £7.5M increase & Whitehall £2.5M. CP5 base includes £3.5M of identifies efficiencies.



Summary of Corporate Communication efficiency

Total (O,M,R)	Year			Year					CP6 total
	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	
Pre-efficient plan^[1] (£m)	£10.4M	£11.8M	£10.9M	£9.6M	£9.6M	£9.6M	£9.6M	£9.6M	£48M
Activity/scope efficiencies (%)	£0.6M	£1.3M	£1.3M	£0M	£0m	£0M	£0M	£0M	£0M
Core plan (£m)	£10.4M	£11.8M	£10.9M	£9.6M	£9.6M	£9.6M	£9.6M	£9.6M	£48M
Head winds (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%
Efficiency (%)	(6%)	(11%)	(12%)	(1%)	(2%)	(2%)	(3%)	(3%)	(2%)
Tailwinds (%)	0%	0%	0%	0%	0%	0%	0%	0%	0%
Inefficiency (%)	0%	0%	9%	20%	20%	20%	20%	20%	20%
Post-HW, post-Eff spend (£m)	£9.8M	£10.5M	£10.6M	£11.5M	£11.4M	£11.4M	£11.3M	£11.3M	£57M

Inefficiency: - RDG BROR/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 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 (2 heads)

Station Posters brand Favourability: - Utilise station poster sites with engaging communications (assumes we are allocated a circuit of poster sites)

£0.0M Per year, 5 years

Efficiencies: - Better pricing / value for money / free services from suppliers /vacancies **£1M CP6 base 2%**

Headcount reduction considered, but believed this would impact service levels at this point. This can be revisited at some stage in CP6, comms are CP5 compliant and by the close of CP5 will have achieved circa £3.5M of efficiencies including the recent RF2 challenge and a £0.6m over delivery.

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>Investing time in Better Every Day / Lean LND / Better pricing / value for money / added value services from suppliers/ process & Controls. £1M benefit in CP6.</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>	Efficiencies 2% of base Inefficiencies 18% of base
	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. £1.5M pa for 5 year. 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> <p>Station Posters brand Favourability:- Utilise station poster sites with engaging communications (assumes we are allocated a circuit of poster sites) we have decided not to continue with the (£2.5M over CP6) £0.0M Per year, 5 years</p>	
	Headwind (9d)	<p>View that no 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 risk status opposed to headwinds. Helpline is the closed to headwind at this point it sits within our risk calculation and our core assumptions.</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.

4.5. 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 2016/17 unit rates to develop our Opex forecasts and CP5 exit rates for support, operations and maintenance expenditure forecasts. We have no capital requirements in our submission. 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 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.

4.6. 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 (S, O, M, R, Income)	Potential range (low – spot – high)	Summary of key drivers of the uncertainty range	
		Driver of range	% of range
Renewals			
Maintenance			
Support and operations			
Total expenditure		Low represents an optimistic view on additional efficiency delivery which is unknown so less likely Low also assumes reduced BROR/ campaign charges. Low also represents opportunities on assumptions 1.7/ 1.15 High represents under delivery on efficiency levels. High represents impact of risk on our base numbers, major event, increased medium events assumptions 1.1 /1.4 /1.9 & possibilities on lower risk ranges	5% lower 10% higher

5. Sign-off

- This document and accompanying templates are owned by the **Director, Corporate Communications**.
- 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 **Director, Corporate Communications** 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:




James Coowar
Financial Controller Corporate
Services & System Operator

01/12/17

Scot Marchbank
Interim Director
Corporate Communications

01/12/17

Appendix A N/A

Appendix B Key assumptions

[It is vital that the assumptions provide a clear description of what costs or activity are assumed to be in route or other central functions' plans, and therefore excluded from the plan of this central function.]

[If highly material, the assumption should also be articulated in section 4.1 above for greater visibility]

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 medium 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

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?
1.5	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 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.	Marketing £500k per year. Risk low	No Change vs 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	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?
			low risk.	
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, NR has support at diff level CP5, not budgeted. TOCs match NR input built into inefficacies £2M p.a.	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
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 increase or decrease our structure.	Risk +/- reduce save money but reduce service. Increase due to activity will cost more.	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?
1.18	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. This contract is being retendered; costs are coming in at £250kper annum more than submitted in the SBP.	Risk in non-pay role costs circa £1M. Factored into our risk range	No change vs CP5

Appendix C N/A

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
Strategic Comms	£1.4M	£0.3M	Enhance corporate publication toolkit
Media Relations	£1.7M	£0.3M	Enhanced media coverage reporting
Major Projects	£0M	£0M	-
Marketing Services	£1.7M	£0.3M	Online brand centre enhancements
Internal Communications	£3.5M	£0.7M	Scope and resourcing support for My Connect project. Enhanced Business Briefings.
Digital, Social Media and Film	£1.7M	£0.3M	Equipment for film team. Additional resource for web and social media content.
Community Relations	£4.5M	£0.9M	Fund national route and project lineside neighbour service training
Gov & Corp Affairs	£2.1M	£0.4M	Consultancy opportunities. Training and development for function.
Total	£16.6M	£3.3M	

Corporate Communications are expecting to stay within their CP5 budget. Additional expenditure would be used to fund as yet unscoped activity. Some ideas are included in the table above.

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
Strategic Comms	£1.4M	(£0.3M)	Headcount impact
Media Relations	£1.7M	(£0.3M)	Headcount impact
Major Projects	£0M	(£0M)	Headcount impact
Marketing Services	£1.7M	(£0.3M)	Reduced research & insight scope, limited brand centre functionality
Internal Communications	£3.5M	(£0.7M)	Delivery of Network, scope of Business Briefings
Digital, Social Media and Film	£1.7M	(£0.3M)	Headcount impact
Community Relations	£4.5M	(£0.9M)	Scope of National Helpline, lineside neighbour engagement initiatives impacted
Gov & Corp Affairs	£2.1M	(£0.4M)	Headcount impact
Total	£16.6M	(£3.3M)	

The majority of P&M costs within the Corporate Communications budget are fixed, paying for services such as the Online Brand Centre, the Network Rail Call Centre, reporting services (media), etc. A 20% reduction in the remaining CP5 will result in the de-scoping of some P&M activities but would also have potential headcount impact. Some of the 20% could be met with projected underspend.

Part 2: CP6 scenario planning: investment options (No directly Communication owned investment)

Given the type of function Communication services is, there is limited scope for capital investment. The bulk of costs within the function are people working within the business. No areas within this function have been identified for potential capital investment, no spend has taken place in previous control periods.

Appendix D N/A

Appendix E N/A

Appendix F Glossary of terms