



ABOUT NETWORK RAIL

Who we are and what we do

Our purpose is to get people and goods where they need to be, and to support Great Britain's economic prosperity.

Our role is to run a safe, reliable and efficient railway, serving our customers and communities.

We own, repair and develop the railway infrastructure in England, Scotland and Wales.

How we're funded

As a company, Network Rail is limited by guarantee and does not issue shares. Because we don't have shares, we do not have any shareholders, so we don't pay dividends. We use the profit we make to improve the railway network for our passengers and freight users.

Network Rail is also a public sector arm's length body, meaning that we're part of Government. As we don't have any shareholders, we have one 'member', the Secretary of State for Transport. Our framework agreement with the Department for Transport sets out how we will work together in terms of corporate governance and financial management.

Our income is a mix of grants from the UK and Scottish Governments, payments from train and freight operators that use the railway, and a small amount of income from the property we own, eg, rental income from shops at stations. We also work closely with organisations that are willing to pay for specific projects that benefit both them and our passengers and freight users.

We work in five-year funding cycles, called Control Periods (CP), and each year is divided into thirteen, four-week reporting periods. The UK and Scottish Governments tell us what they need from the railway

network in each CP and how much they can afford to pay for it. The 2020/21 financial year is the second year of CP6 which runs from April 2019 to March 2024.

The Office of Rail and Road (ORR), our independent regulator, decides how much money it thinks we need to run our business efficiently and to deliver what the governments have asked for. The ORR then fixes the amount we can charge train operating companies for using the railway network.

Network Rail's vision

Our vision is

“Putting Passengers First”

We're becoming a company that is on the side of passengers and freight users. A company that is easy to engage with and is an efficient and dependable partner; a company people are proud to work for.

In 2019 we asked our customers, stakeholders and employees what they thought of Network Rail. People thought we were hard to do business with, we had a confusing structure that was too siloed and too centralised, and that we did not empower our people to make decisions. Our people wanted to feel proud to work for the company. We developed our Putting Passengers First vision to address this feedback.

We identified our six strategic priorities for delivering that vision. And we organised our business to bring decision making closer to those we serve, making sure that the regions and routes meet the needs of their passengers, customers and communities.

We defined our corporate values to help our people understand how they can put passengers first. We're emphasising that the work each of us does, connects us with our passengers and freight users. And we're making it easier for our partners and suppliers across the industry to work with us.

Our culture

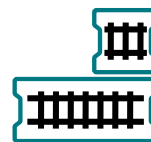
To complement our putting passengers first vision, we're embedding a customer service mindset across the business. Embodying this mindset, and to help our people understand how they can put passengers first, we have defined our corporate values:

We **empower** our people to always be **safe, care** about the railway, its users and each other, and put **teamwork** at the heart of all that we do.

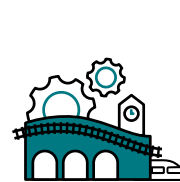
These values include our corporate behaviours of being accountable, challenging, collaborative and customer driven.



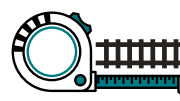
NUMBER OF PASSENGER JOURNEYS



AMOUNT OF FREIGHT (bn net tonne kilometres)



Over 2,500 stations, the 20 largest are managed by Network Rail



20,000 miles of track



30,000 bridges, tunnels & viaducts

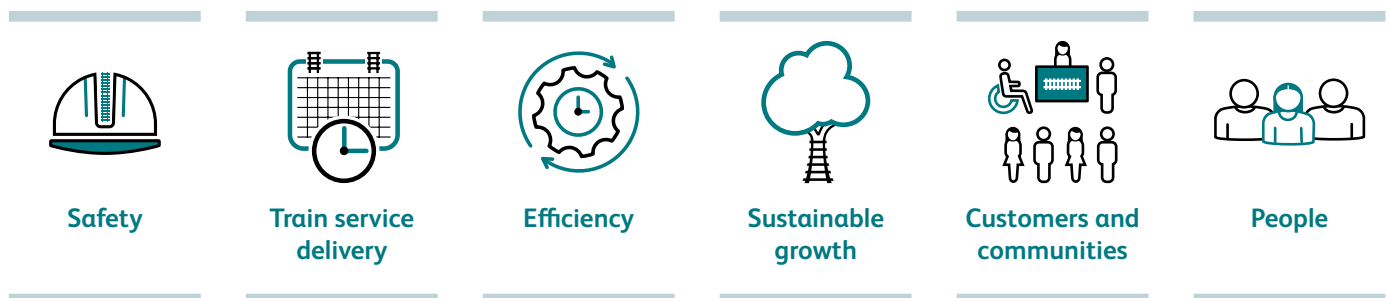


Our customer service mindset not only applies to how we work with passengers. It defines how we work with our colleagues within Network Rail and our other stakeholders, such as those living next to or close by the railway, and the train operating companies.

This culture will show that we're on the side of passengers and freight users; that we're easy to engage with, an efficient and dependable partner; and it will help our people to feel proud to work for Network Rail.

Our strategic priorities

To help us deliver our putting passengers first vision, we identified six strategic priorities to focus on:



Our **safety** vision is Everyone Home Safe Every Day. For us, safety is paramount. We work to make sure passengers and other members of the public understand how to stay safe around the railway, and we're passionate about the safety of our employees and contractors. Safety is at the heart of every decision we take during our improvement works. We measure our safety performance and work hard to improve where we can.

We are improving **train service delivery** by reducing delays and disruption for passengers and freight users. We do this by working to stop faults happening. By improving how we work and the technology we use to find and fix faults more quickly, we can get the service back to normal as swiftly as possible.

We are working to deliver an affordable and **efficient** railway. While we don't set rail fares, we do understand our responsibility to spend tax-payers' money wisely in improving the railway infrastructure. We're using the latest technology and practices to speed up our work safely, on and off the track. By taking less time to complete work, we're saving money and causing less delay and disruption for our passengers and freight users.

Prior to the coronavirus pandemic, **sustainable growth** was as much about increasing the capacity on the rail network as about reducing our impact on the environment. Passenger numbers in a post-pandemic world remain

uncertain, as does the passenger profile between business travellers, commuters and those travelling for leisure. We continue to model and forecast potential passenger trends that we might see in the months and years ahead. However, we also need to continue our work to improve the railway infrastructure where there is a strong business case to do so.

In September 2020 we published our Environmental Sustainability Strategy 2020-2050. That strategy commits us to delivering a low emission railway, a reliable railway service that is resilient to climate change, with improved biodiversity of plants and wildlife, and minimal waste and sustainable use of materials (see the Environmental Sustainability section on page 71).

We're improving the service we provide to our **customers and communities** by listening to what they need and responding appropriately. We're working more closely with our lineside neighbours, the people and businesses who live and work next to the railway, trying to minimise the impact our trackside works may have on them, both in terms of noise and disruption, and our workers' behaviour. We have reduced the time it takes us to respond to any complaints we receive.

We can only achieve our vision of putting passengers first if we employ the best **people**. To help us attract and retain the best, we must create an environment in which people can bring their whole selves to work. We need our people to

feel safe to be who they are without fear of discrimination, and we need to offer them an environment in which they can fulfil their potential and feel valued. A diverse workforce will reflect the diversity of our passengers, the communities we serve and in which we operate; it will help us to understand and address what people need from us.

Our business model – how we are organised

We are organised into five geographical regions, each with its own managing director, see map on page 35. Those regions are sub-divided into a total of 15 routes. Many decisions that were previously taken centrally now take place at region or route level. The people making the decisions are closer to their passengers and freight users and have a better understanding of what they need so we can deliver any changes more effectively.

Regions lead on local resourcing strategy and planning activities, bringing together engineering capability and asset (eg, track, bridges, signals, cuttings, etc) management. Regions are accountable for improving the railway network within their geographies, and are responsible for some aspects of longer-term planning, including early timetable and project business case development.

Routes are responsible for running the railway on a day to day basis. This includes carrying out repairs to our assets over the short to medium term.

For more information on each region, please see their individual reports:

Eastern on page 36

North West & Central on page 40

Scotland's Railway on page 44

Southern on page 48

Wales & Western on page 52

Our **Route Services** directorate supports our routes, regions and functions by providing network operations, freight, telecoms and technical expertise, as well as 60 different customer-focussed services to regional customers and other parts of our business. Route Services includes, amongst

other teams; commercial and procurement, supply chain operations, business services, IT services, asset information services, and engineering services. By overseeing the delivery of national programmes and initiatives, the team focuses on providing services that put our passengers and freight customers first.

We have two network-wide directorates, System Operator and Technical Authority, and our core professional functions, the Chief Financial Officer's directorate, Human Resources (HR), and Communications.

System Operator provides industry leadership in the development of long term network strategies and advice to funders, integrating the railway service we need to deliver, and production of the railway timetable.

Technical Authority has network wide accountability for setting and monitoring compliance with the policy, strategy and control frameworks relating to safety, engineering, asset management, security, environment and sustainability in accordance with our Licence to Operate and Safety Authorisation.

Our **CFO directorate** is made up of eight functions; Group Finance, Property, Legal and Corporate Services, Audit and Risk, Planning and Regulation, Corporate Finance and Business Development, Corporate Commercial, and the Rail Investment Centre of Excellence. These functions deliver the company's legal reporting and compliance requirements with the ORR and third parties and lead the development and delivery of network strategy and our business plan. The function also provides professional leadership and assurance on capital delivery affordability and holds the business to account for delivering sustainable efficiencies.

Human Resources (HR) leads the development and delivery of our people strategy and policies across the business. It provides professional HR leadership and services, working with the regions and functions according to their needs and demand. The team also delivers strategic transformation initiatives.

Communications provides strategic leadership for our communication teams: promoting best practice, supporting outstanding communications to enable delivery of scorecards, facilitating local delivery of communications, and ensuring compliance with corporate standards.

How we measure our progress

We measure how well we're doing in delivering our vision through the measures in our scorecard. This scorecard is designed to align to our strategic priorities. The things we measure are:

Safety	<ul style="list-style-type: none"> • Workforce fatalities and weighted injuries • Personal accountability for safety • Passenger passenger safety
Train service delivery	<ul style="list-style-type: none"> • On time • Passenger satisfaction • Freight cancellations
Efficiencies	<ul style="list-style-type: none"> • Financial performance measures • Enhancement milestones • Effective volumes
Sustainable growth	<ul style="list-style-type: none"> • Environmental sustainability index
Customers and communities	<ul style="list-style-type: none"> • Complaints handling
People	<ul style="list-style-type: none"> • Employee engagement

The How we performed section on page 26 gives more detail on this scorecard and how we performed during 2020/21.

There is also a broader overview of our performance in the CFO's review of 2020/21 on page 30.

The scorecard informs any payments made to our people under our performance related pay scheme. That scheme is based on the achievement of stretching annual performance targets aligned to each of the strategic priorities. The extent to which those targets have been met, moderated by reference to an individual's personal performance during the year, determines the percentage pay-out against the maximum potential award. More information on the performance related pay scheme can be found on page 126.

While these quantitative measures are useful, for most people it's more meaningful to measure our success by the comments our stakeholders make about us. So, we've written some statements showing the sort of comments we want people to make about us:

"Network Rail plans for the long-term future of the railway"	"My train is on time"	"I have a really good journey... because my station is nice, safe and if things go wrong, I'm looked after"	"It's easy to work with Network Rail and we are good neighbours"	"I do everything I can to keep myself safe and colleagues safe"
"Network Rail helps keep me safe and well"	"Network Rail is efficient and value for money"	"I get the service I am promised"	"Network Rail is a responsible and environmentally sustainable company"	"My manager cares about me and I'm proud to work for Network Rail"

When these are the kinds of comments that we regularly hear, then we'll know we're putting passengers first.