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CP7 Delivery Plan – Human Resources



CP7 Delivery Plan

2024-2029

Human Resources

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Our 2024-2029 plan on a page

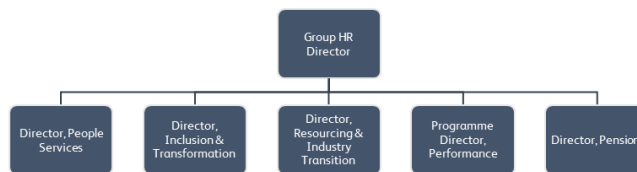
This plan sets out our focus now, in the future, and our priority initiatives to deliver our People strategy. These may change over the control period to reflect our continuous ‘review, learn and adjust’ approach. Our cross-country workstreams will help us deliver our objectives, supported by our business-as-usual activity, region and function plans, collaboration and partnership, enablers, and industry readiness.

As we look towards the future, industry reform and the key trends in the future of work will further shape the focus for our People strategy. Looking ahead from the SBP to the start of CP7, we will build detailed implementation plans for our network-wide workstreams and drive progress through an effective shared governance approach. We will build the conditions needed for rapid and effective delivery in CP7 to take a whole system approach that really delivers value for its customer.

Who we are

GROUP HR

As a key network function, Group HR leads on the development and delivery of people strategy and policies across the network; providing leadership and direction for HR activities, providing HR services and interacting with the regions and functions to design and deliver transformational programmes.



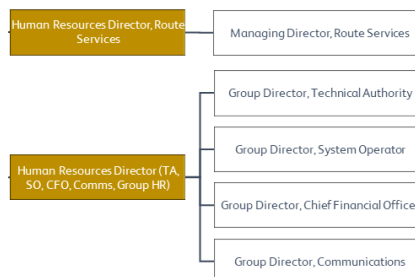
THE REGIONAL HR DIRECTORS

Report directly into their Managing Directors and are accountable for the delivery of day-to-day HR services to their region and routes. As members of the People Leadership team, they work in collaboration with the national Group HR leadership team to deliver the People Strategy and are key to the delivery of transformational change.



SERVICE & NETWORK FUNCTIONS:

Our regions and routes are supported by Network Rail's service and network functions. These include Route Services, System Operator, Technical Authority, Chief Financial Officer, Group HR and Communications.



Our strategy and outcomes

Our CP7 Strategic Objectives

We are building a high performing, service led organisation that provides great customer value, and this is central to how we have developed our People strategy. We have identified 4 strategic objectives for CP7, which underpin our strategy:

- Enable a great employee experience through an engaging, safe, and inclusive culture. A culture that encourages collaboration and a sense of belonging, one where everyone feels valued, safe, and able to realise their potential.
- Right people, right place, right time. Our people are fundamental to the successful delivery of business objectives and depend on us having the right capability deployed to the right work at the appropriate time. This means having talented, appropriately trained, diverse workforce.
- Great leadership. Our future success is dependent on how we develop, empower, and enable our leaders. We need to provide the right structure and environment for them to thrive and enable them to create high performing teams.
- Better work. We will deliver better outcomes for our people and our passengers by taking a whole system and highly collaborative approach to delivering continuous improvement. This will result in better work in a modern and flexible organisation that is safe, high performing, efficient and sustainable.

Our Strategy

CP7 PEOPLE STRATEGY		"My manager cares about me & I'm proud to work for Network Rail"	
People ambition statement:		Be a high performing, service-led organization with an engaged, skilled workforce	
Group HR ambition statement:		Lead on people and transformation and provide expert support to enable a high performing, service led organisation with an engaged, skilled workforce	
CP7 measure of success: Improved engagement index by 3% (to be agreed by People Leadership Team and approved by ELT)			
CP7 Objectives			
Better Work A culture that encourages collaboration and a sense of belonging, one where everyone feels valued, safe and able to realise their potential.	Enable a great employee experience through an engaging, safe and inclusive culture A culture that encourages collaboration and a sense of belonging, one where everyone feels valued, safe and able to realise their potential.	Right people, right place, right time Our people are fundamental to the successful delivery of business objectives and depend on us having the right capability deployed to the right work at the appropriate time. This means having talented, appropriately trained, diverse workforce.	Great leadership Our future success is dependent on how we develop, empower, and enable our leaders. We need to provide the right structure and environment for them to thrive and enable them to create high performing teams.
Group HR Workstreams			
Modernisation	Building the Trust and the Future: Leadership & Frontline Capability Frontline Engagement Improving Industrial Relations	Strategic Workforce Planning	Building HR Capability
Model Maintenance Delivery Unit		Competence and Safety	Performance Management to Performance Improvement
Better Work (Continuous Improvement & System Thinking)			
Wellbeing and attendance Management			
Industry Readiness (Simpler, Better NR)	Systemic Inclusion	Employee Value Proposition	Talent
Group HR Supporting programmes & activities			
Maintenance Management Governance	Frontline Leadership Framework	Strategic Workforce Planning Programme	HR Leadership Development
Model Maintenance Delivery Unit Programme	Improved Industrial Relations	STEM Engagement & Early Careers	HR4NR (CIPD framework)
Managed Stations & Control	Frontline Engagement	Resourcing Strategy	Leadership Programmes (e.g. ALP and Rail Industry Challenge Exchange)
Pay Employees the right amount on time every time intervention (Shared Services)	Pay Strategies Review	Review of Competence policy and standard	Safety Culture Framework Programme
Attendance Management Intervention	Equity, Diversity & Inclusion Strategy	Competence & Safety Intervention trials	Performance Management Strategy
Technology – HR Systems & Software			
GBRTT - NR Readiness for GBR (EVP & People Culture)			
Simpler, Better NR workstream	ED&I Interventions & Programmes	Performance Related Pay reform	Talent Strategy & Succession Planning
People & Culture TOM for HR			



Safety

Competence & Safety

We will implement an effective competence management system, which improves capability so people can safely and competently deliver work.

Key deliverables:

- Effective competence management framework implemented supported by a refreshed policy and standard.
- Reviewed approach to competence improving how we manage, monitor, assure and improve our competence. This programme seeks to modernise the way the maintenance organisation conducts, assures, and reinforces training and competence. This will be achieved via optimisation of learning pathways, enhanced methodology, utilising a gain/maintain approach that is owned, controlled, and delivered locally.
- Embedded outputs from trials to implement an approach to assessment and verification of Operations competence.



Train Service Delivery

Model Maintenance Delivery Units

Create ideal model delivery units in each route with a locally led approach recognising local needs

Key deliverables:

- Model delivery units in each route with a locally led approach recognising local needs.
- High performing teams, with great leadership within the right environment, with local decision making, creating collaborative relationships with our people, trade unions and industry partners and improving frontline engagement.



Efficiency

Modernisation

Deliver modernisation of NR management and maintenance

Key deliverables:

- Improved maintenance and management effectiveness, delivering improvement in the three fundamental aspects that shape this – environment, capability, and structure.
- Modernised maintenance organisation creating a fully skilled workforce with a high performing management structure.

Better work (continuous improvement and systems thinking)

As well as the model delivery unit workstream, we are planning interventions in areas where there are complex problems that need systematic solutions.

Key deliverables:

- Transformed frontline team engagement when we improve their work in the effectiveness of their frontline leader, the way change is implemented, technology and better design of their work.
- Interventions in areas where there are complex problems that need systematic solutions.

Data and Technology

Data and technology legacy systems and processes need to be improved for a modernised workforce. Part of the Industry Readiness work will focus on these changes.

Key deliverables:

- Improve our approach to how we use people analytics, moving from insights into action, moving beyond tracking KPIs and producing dashboards.
- Upgraded functionality to the employee relations system supporting all line managers that interfaces with other systems and be used as ‘software as a service.’
- Reviewing our HR data, processes, and technology to improve our overall effectiveness and efficiency for better business outcomes making our services easier to use.

Group HR aim to deliver £8m of efficiencies in CP7, through:

- £4m Benchmarking headcount and maintaining a right-sized operating model.
- £4m Managing contracts, licenses and subscriptions and Embedding Systems Thinking within the Regions and Functions so that programmes are run as BAU by equipping Regions and Functions with the methodology and tools needed to function as ST consultants.



Sustainable Growth

Strategic Workforce Planning

We will take a collaborative, robust approach to SWP for a strong pipeline of talent and industry resilience by reviewing our strategy, developing talent, and resourcing strategies, STEM engagement, increasing number of apprentices and graduates and workforce plans for professional skills.

Key deliverables:

- Implemented SWP strategy and delivery plan, working with the wider industry to achieve a long term skilled, diverse, talent pipeline, anticipating and meeting the future critical skills needs of the workforce, reflecting on the demographic of our existing workforce.

- Develop and deliver a programme to develop activity and manage risk relating to workforce planning.
- Implemented talent and resourcing strategies aligned to our strategic workforce plans to ensure we are fit for the future to attract and retain the right people for our industry.
- Continue to reskill and deliver STEM engagement and early careers commitments to reduce the skills gap within our industry, including placements and targeted curriculum interventions.
- Increase the number of apprentices, graduates, and placements for year in industry students. Our Apprenticeship Strategy identifies and incorporates new offerings. This includes leading the industry in the development and implementation of industry wide apprenticeships which is a more inclusive approach to our talent attraction and recruitment as we engage with sections of the community that we have not done historically.
- Improved training and development provision creating a learning organisation that engages whole-person and diverse learning styles. This will include coaching, learning by doing, e-learning, blended learning, review and learn and our approach to courses and programmes.
- Efficient in our approach to training, using a supply and demand approach to plan training needs in accordance with available budgets making sure we deploy the right training at the right time to achieve expected outcomes. A simplified approach to mandatory training and relevant to role rather than a one size fits all approach.
- Workforce Plans for professional, skills and technical training packages developed.
- Continued higher education funding for our teams which is beneficial both to the individual and the organisation.



People

Building the Trust and the Future

This will deliver a more engaged and inclusive workforce, invest in leadership capability, work towards a pay strategy, and improve operational resilience focusing on trade union relationships.

Key Deliverables:

- Network-wide strategies to move from Industrial Relations to employee relations, to build better relationships with our people, trade union and partners for better outcomes.
- Industrial Relations strategy – creating the right environment for our people to achieve effective modernisation and deliver our strategic objectives and building industrial relations/employee relations capabilities within our leadership and people teams.

- Maintained and increased the level of contingency cover, continuing to recognise frontline management and build their core railway skills.
- A pay strategy with longevity – combining productivity and role design to deliver progressive pay and great value for money.
- Engaged, inclusive workforce, enabling leaders to spend time communicating and engaging with our people to find creative, systemic solutions to current problems and future challenges, through participation and involvement.
- Invested in leadership capability, the design of work and participation by the people who do the work, with an increased focus on more participation in problem-solving and continuous improvement.
- Opportunities for progression by building competence, capabilities, and skills to allow for individual progression.
- Removed and reduced hassles and frustrations stemming from poorly designed workflows and focus on improvement with trade union participation.

Performance management to performance improvement

Performance improvement will be focused on delivering business outcomes through learning, coaching, participation, and involvement to develop a continuous improvement culture.

Key Deliverables:

- Refined performance improvement process implemented.
- Coaching and mentoring training provision available.
- Active use of data and analysis to understand problems and find solutions.

Leadership and Frontline leadership capability

Building leadership excellence: structure, capability, and environment, to enable our leaders and frontline managers to be the best they can be and give our people the best leadership they have ever had.

Key Deliverables:

Structure

- Reviewed structure and framework to support competence, leadership behaviours and capability.
- Management structures and measures, workforce planning, Industrial Relations, Employee Relations, and Reward.

Capability

- Invested in the capability and mobilisation of our leaders and frontline managers through our leadership development programmes and apprenticeships.
- Active involvement and participation in change and transformation programmes.
- Invested in our leaders and frontline management development, so they have the tools and skills needed to be able to lead and manage effectively, especially during periods of significant change and transformation.

- Incorporated learnings from industrial action and from our System Thinking Intervention Programmes to develop plans for stronger, more comprehensive engagement with our workforce and enable our colleagues to understand their role in the wider industry and their impact on our customers.

Environment

- Reviewed and improved design of work and the environment that our people work within so that it is fit for the 21st century.
- Lead on network-wide engagement surveys and provide analysis and insights to our business leaders to drive improved engagement to improve business performance.
- Evolving the North West & Central All-Aboard roadshows to build engagement through visible and trusted leadership.
- Upskilled leaders to articulate a clear and inspiring vision and who actively listen to learn.

Systemic Inclusion

Our strategy will focus on creating greater equity for our people, removing barriers within our culture and processes that prevent people accessing what they need to realise their full potential. Our Intervention Programmes are critical to creating the right environment, through diagnosing complex root cause issues and by the people who do the work developing long term systemic solutions through a test and learn approach.

Key Deliverables:

- Implemented ED&I Strategy which will focus on creating greater equity for our people, removing barriers within our culture and processes that prevent people accessing what they need to realise their full potential.
- Intervention Programmes embedded to create the right environment, through diagnosing complex root cause issues and by the people who do the work developing long term systemic solutions through a test and learn approach as a key enabler for our colleagues to be themselves at work regardless of gender, ethnicity, disability, age, or sexual orientation.
- Training plans to focus on ED&I training and awareness to support accessibility and inclusion in CP7.

Employee Value Proposition

Employee Value Proposition that enables Network Rail to transition in readiness for industry integration and beyond by defining, building, and implementing a proposition that attracts the right people and review and refine our pay, reward, and recognition strategies

Key Deliverables:

- Implemented employee value proposition that attracts the right people, in the right place, at the right time for our industry.

- Experience, rewards, and benefits package reviewed from both an attraction and retention perspective so that our approach remains current and robust in a competitive market and aligned to our business priorities.
- Pay, reward, and recognition strategies reformed in line with our industrial relations, talent, and performance management strategies.

Wellbeing and attendance management

Tackle the most significant workforce health risks, to manage chronic ill health and reduce the burden of disease on productivity and performance. We will improve attendance management by simplifying and improving reporting, providing support to line managers and employees earlier and reducing overall sickness absence with a focus on reducing mental health related sickness

Key Deliverables:

- Improve attendance management by simplifying and improving reporting, providing support to line managers and employees earlier and reducing overall sickness absence with a focus on reducing mental health related sickness. This will improve the lived experience of line managers and employees.

Talent

Develop our talent strategies to release, see, develop, and utilise potential. Region functional talent review forums will continue to provide the mechanism for local review of talent to develop succession plans for critical roles and identify gaps that need to be addressed in the future

Key Deliverables:

- Talent Strategies implemented.
- Regional Talent Forums embedded.
- Succession plans developed and actively reviewed for critical roles and identify gaps that need to be addressed in the future.
- Understand our people and the market, releasing potential and organisational capability to meet industry needs.
- Whole industry approach taken to build career pathways for track and train to optimise the system, so it is better and more effective.
- Mapped talent bench strength in the industry and make sure we have sufficient to integrate the industry effectively.

Industry Readiness

The aim of this is to firstly enable the HR function to drive readiness in a manner that best suits our requirements, and secondly to get ready for the move, and support future design while strengthening Network Rail's foundations.

Key Deliverables:

- Identify what currently works well in our industry that would be beneficial to take forward.

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- Develop People & Culture framework with industry partners.
- Design and delivery of cultural transformation in readiness for industry reform.
- Target Operating Model Designed for the future needs of HR.
- Pay and Reward strategy.
- Industrial Relations strategy.

Building HR Capability

Investing and developing our future strategic HR leader’s capability. Developing our professional HR framework providing career pathways. Developing our change and transformation capability. Reviewing our HR data, processes, and technology to improve our overall effectiveness and efficiency for better business outcomes making our services easier to use.

Key Deliverables:

- Invest in developing our future strategic HR leader’s capability.
- Professional HR framework providing career pathways.
- Embed change and transformation capability.
- Safety strategy commitments delivered and continue to embed the Safety Framework to improve our safety, health and wellbeing culture and learning.
- Continue to drive up the industry reputation on social value, collaborating with all key parties and re-establishing a national-industry forum.

Measure of success

Strategic Theme	Measure	*CP6 exit	FY25	FY26	FY27	FY28	FY29
People	Network Rail Employee Engagement	49 %	50 %	51 %	52 %	52 %	52 %

*CP6 exit positions are based on a forecast as of February 2024.

How we have developed our plans

As we look towards CP7 we want to build on CP6 and deliver transformation to become a high performing, service-led organisation. We will create better work, with better relationships for a better future for our industry.

Several factors have influenced our plans:

Funders' and stakeholders' expectations	Our values	Service improvement for our customers and becoming service-led	Readiness for industry integration
Whole system approach	Rail Sustainable Development Principles	Regional and route priorities	A learning organisation
Industrial relations and employee engagement	Enabling continuous improvement	Building high performance teams	Reward parameters
Benchmarking and value for money	Social and technological context	Economic and labour market context	Cultural context

Funders and stakeholders' expectations

We have listened to our stakeholders to help us understand their expectations for CP7. They have four key people priorities:

- Create more agility within the organisation through responsive organisational design, strategic workforce planning, talent, and succession planning.
- Continuously improve, delivering better work (including workflows, processes, job design, work-systems) to modernise and keep people safe.
- Build a more inclusive environment where individual differences are accepted, leveraged, and celebrated.
- Improve health and wellbeing.

CP7 operations and support

Support

Our strategic objectives build on our strong delivery of efficiencies in CP6. We have set ourselves ambitious yet realistic CP7 efficiency targets to deliver efficiencies of 10 % on operational expenditure and 15 % on capital expenditure. In CP7 we will continue to work with industry partners to deliver efficiencies across the whole of rail as well as minimise disruption for passengers. This includes closer collaboration with operators across a range of activities to make the best financial decisions for the industry in its entirety. Group HR headcount will remain within the modernising management guiderail through CP7.

We are ensuring our plans are efficient by:

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- Reviewing strategy on an annual basis, prioritising areas of focus based on internal and external business context.
- Maintaining a right-sized operating model.
- Managing contracts, licenses, and subscriptions.
- Equipping Regions and Functions with the Systems Thinking methodology and tools needed to function as Systems Thinking consultants.

CP7 financial summary

The following tables show forecast expenditure for Group HR in CP7.

£m in cash prices	CP6 exit	CP7 baseline					CP7 total
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	
Support and operations	25	28	25	24	21	21	120
Maintenance	0	0	0	0	0	0	0
Industry costs and rates (excl. BT Police) *	0	0	0	0	0	0	0
Renewals	0	0	0	0	0	0	0
Risk Funding	0	0	0	0	0	0	1
Allocated Expenditure	-25	-28	-25	-24	-22	-22	-122
Electricity for traction (EC4T)	0	0	0	0	0	0	0
Total expenditure (excl. EC4T)	0	0	0	0	0	0	0

* Industry costs and rates include Cumulo Rates, ORR subscription, Rail Delivery Group subsidy, etc.

As part of finalising this delivery plan, as agreed with ORR, there has been a reclassification of some expenditure between operations, maintenance and support which means that these categories cannot directly be compared to our Draft Determination response or our CP7 Strategic Business Plan.

Risks and opportunities

Our biggest people challenges that we continue to focus on in achieving our strategic objectives:

- **Industrial action.** This has been hugely challenging and detrimental for our people, our business, and our Industry – and the wider economy. Our practices are outdated, and we must continue to modernise to deliver a service for our passengers.
- **Identified enterprise risks.** The fiscal constraints we face have impacted our organisation, our people, and our passengers.
- **CP7 funding.** We must continue to identify ways to remain effective and efficient in delivering the right outcomes. We will do this through our network-wide workstreams and carefully assessing our business priorities and adapting our strategies and approach.

We expect continued change, challenges, and opportunities, so need to remain agile in CP7. Our organisation needs to be ready to deliver our CP7 commitments, and transition successfully into GBR, and we will do this by continuing to modernise across our organisation to build the capabilities we need now and in the future. As we look towards the future beyond CP7 we will need to also consider our priorities for CP8 given industry changes and the key trends in the future of work:

- Enabling greater use of technology and automation.
- Continue to build a more efficient and effective HR function to deliver strategic value.
- Greater digitalisation to stay connected with the latest technology and workforce needs.
- Making data enabled decisions and advancing our analytical thinking.
- Building a talent marketplace and looking at how skills are distributed for talent flow.
- Flexible and hybrid and working practice changes.
- Changing expectations of work.

As we look towards the future, industry reform and the key trends in the future of work will further shape the focus for our People strategy. We have started to build detailed implementation plans for our network-wide workstreams and drive progress through an effective shared governance approach. We will build the conditions needed for rapid and effective delivery in CP7 to take a whole system approach that really delivers value for its customer.

Governance and assurance

Our ambition is for joined up, professional HR service across national, regional and route teams with effective risk mitigation, aligned to the delivery of our business strategy.

We develop people and transformation strategies in collaboration with our Regional and Functional HR Directors and our business partners to enable a high performing, service led organisation with an engaged, skilled workforce.

As subject matter experts we lead the professionalism for Network Rail across Industrial Relations, Equity, Diversity & Inclusion, Talent & Organisational Development, Employee Engagement, Reward & Benefits, Pensions and System Thinking.

We assure our business strategies, policies, and people management processes in line with the Governance Risk and improvement framework delivering improvement at an organisational level and assure what is the right way of doing things for our people. We provide assurance to Network Rail Board and government bodies and assurance of compliance with current employment legislation.

We measure the effectiveness of our strategy through our People Management Assurance Framework. Assurance of our policies and processes form part of our Community of Practice meetings with representatives from regions and functions; informing the L1 Business Assurance Committee meetings held quarterly with our regional, functional, and national HR leadership teams where performance against the agreed strategic plan is reviewed.

Group HR Key Initiatives for 2024/25

Description	Delivery Date	Renewals (£)	Maintenance (£)	Operations (£) 24/25
Industrial Relations Strategy	2024			
Talent and Succession Strategy	2024			
Strategic Workforce Planning Strategy	2024			
Equity, Diversity, and Inclusion Strategy	30 April 2024			£0.5m
Leadership Development Framework for Front Line Leaders	2024			
Systems Thinking – Model delivery unit delivery	31 December 2025			£9.2m
Reasonable adjustments programme implemented	2024			£0.1m
Your Pay Review (Delivery)	March 2025			
Rail Industry Talent Exchange	2024			