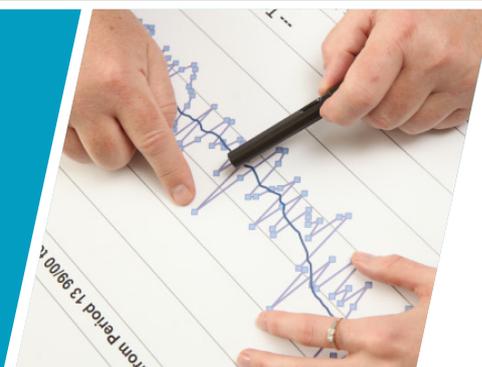


# Asset Policy



## Background

There is ever-increasing pressure on rail infrastructure owners and managers to deliver safe and sustainable performance at lowest whole-life-cost and value for money to the taxpayer. This has meant a greater focus on the application of industry best practice asset management policy development.

## The Challenge

The challenge facing many companies is the requirement to squeeze more and more capacity and performance out of an ageing infrastructure while relentlessly driving down costs and improving safety. Evidence based asset policies are fundamental to effective asset management. The decisions we take on maintaining, renewing and enhancing our assets drive the majority of expenditure on the infrastructure and determine the level at which the network will be able to perform, now and in the long term. The development of asset policies is fundamentally concerned with optimising these decisions, such that the infrastructure

outputs required by our customers are provided at the lowest whole life, whole system cost.

## How We Can Help

We have extensive experience in developing suites of asset policies having employed over 50 people over several years to work on optimising our maintenance and renewals (M&R) decisions, developing long-term forecasts and implementing them in route plans. We have been recognised by the UK's Office of Rail Regulation's asset management auditors as having achieved industry best practice in these areas, and are acknowledged by other European railways as the most advanced railway in the field of asset management. We are able to take this experience and help organisations by;

- ▶ applying a proven framework for policy development
- ▶ providing historical analysis of data to inform policy development

- ▶ advising on data collection and system development
- ▶ developing modelling tools to determine intervention regimes and predict future expenditure and condition
- ▶ developing or advising on the development of strategic planning tools and Whole Life Cost comparison tools
- ▶ applying a consistent framework for its application through Asset Management Plans
- ▶ advise on competency requirements and development
- ▶ developing "line of sight" measures

In addition to developing new policies and tools we are equally able to provide advise on existing policies and assess their maturity against key indicators such as robustness, sustainability and efficiency.



## Asset Management Improvement Programme Model (AMIP)

Over the past five years, in a bi-lateral arrangement with the Rail Regulator and its Independent Reporter, we have had our asset management capability assessed in 23 areas using the Asset Management Excellence Model (AMEM).

Recommendations against these 23 areas have been translated into an Asset Management Improvement Roadmap which is being delivered by the AMIP via the 7 workstreams below.

- ▶ Asset management policy and strategy
- ▶ Asset policies
- ▶ Route asset management plans
- ▶ Asset information
- ▶ Asset management competencies
- ▶ Asset management benchmarking
- ▶ Asset management research and development

When the programme is complete Network Rail will provide the benchmark against which organisations throughout the world assess their own asset management capabilities. We are currently on programme to be demonstrably comparable in March 2014 with best practice elsewhere in Britain.

### Track Asset Policy

Improvements we have made in our track policies have reduced whole life cycle costs by greater than 10%, achieved by extending the life of existing assets without increasing risks, simply through a greater appreciation of cost / risk trade offs.

We have since applied the learning from our experiences on track to our other asset groups and have released similar efficiencies on them too.

### Cost Models

The development of Our Lifecycle Cost Models has allowed us to understand the longer-term implications of Policy

choices allowing consideration of alternative investment levels including Lowest first cost and Optimal Whole Life Cost, allowing us to tailor our activity to available funding levels.

### Buildings & Civils Asset Management (BCAM) Transformation Programme

The successful delivery of a 2-year programme to improve the safe and efficient management of structures and earthwork assets. This included the production of risk-based policies supported by detailed modelling and data analysis.

### Signalling Asset Policy

Improved appreciation of the mechanisms of degradation and associated changes in the reliability of our signalling equipment have allowed us to reduce maintenance activity without reducing established levels of performance, this has reduced maintenance costs by greater than 5% against previous levels.