In February 2011, we published our current Asset Management Policy. This is the first update incorporating further developments in our thinking on capacity planning and timetabling. We have also taken the opportunity to demonstrate how the policy aligns with Network Rail’s purpose, role and vision.

Asset Management underpins our ability to realise our key purpose to generate outstanding value for taxpayers and customers. It is also fundamental in enabling the delivery of our longer term vision for the railway.
We are one of the largest asset management organisations in Britain, with a diverse portfolio of assets, including: 30,000 bridges and tunnels, 2,500 stations and over 20,000 miles of track.

The effective management of these assets requires a robust understanding of their behaviour and the most appropriate actions to mitigate asset degradation and failure. This understanding must be supported by reliable information, effective processes and delivered by competent people.

Our aim is to meet our obligations in a manner that is demonstrably world class, with capabilities appropriately matched to the needs of ourselves and our industry partners. We recognise that the principles of the discipline of asset management will help us deliver these. This policy defines how we will develop our overall approach to asset management.

Allied with this document, we have developed an improvement programme to deliver the capabilities to meet our aspiration. Our benchmarked comparisons have demonstrated that we are already established as best practice amongst European railways and UK utilities in our strategic planning, the delivery of projects & maintenance, and the way we work with our suppliers. We will develop these areas further whilst also improving our asset information, whole lifecycle planning, approaches to sustainable development, adapting to our changing climate and developing our organisational culture.

Network Rail’s organisation-wide work on safety culture recognises the need to create a clearer line of sight through our business where people feel included and where safety is seen as a driver of good performance. Asset management fully supports this intention. We will put safety at the heart of our asset policies and our investment decisions.

We are committed to the continued management of our assets in a manner that aligns with sustainable development. Our approach to this task is based on continuously improving our safety performance, supporting economic growth and social opportunities whilst minimising our impact on the environment. By placing safety and sustainable development at the heart of everything we do, we will make our business more efficient, protect the value of our assets and deliver a railway fit for future generations. We will embed these principles into established processes and systems so that sustainable development becomes business as usual.

Adopting asset management principles allows us to demonstrate that we are delivering services optimised to whole life cost. This confirms that planning and programming is efficient and alternative options of cost, benefits and standards of service are available, allowing informed choices for funders. This provides feedback to longer-term strategic planning processes and allows us to describe clearly the levels of current and future system risk based on different intervention regimes.

Additionally, excellent asset management supports the economic delivery of optimised asset investment, managing dependencies between assets in the system and integrating future enhancement, renewal and maintenance work across the asset system. This provides a basis for measuring whether our work results in the outputs intended and thereby identifies areas for further improvement.
This Asset Management Policy plays a key role in creating an overall ‘line-of-sight’ between our asset interventions and the overall Network Rail objectives. Specifically it provides the framework and document hierarchy (see Figure 2 on page 4) that we will use in disseminating our overall output and funding specification, into both an effective asset management plan and the associated interventions on the relevant assets.

Our asset management definition and objective
We have adopted the definition of asset management as proposed by the International Standard, ISO 55000, as follows:

‘Coordinated activities of an organisation to realise value from physical assets’

Asset Management is therefore about aligning the way we manage our assets with our corporate objectives. In the case of Network Rail our principle objective is to deliver our outputs in a safe and sustainable way, for the lowest whole life and whole system cost.

Our targets
We recognise that improvements from asset management arise through long-term concerted effort. We have set targets to guide our work over the next 10 years:

By 2019
We will provide a benchmark against which organisations throughout the world assess their own asset management capabilities. We will hold high-quality asset information, which is available real time and applicable system wide to support the operation of the network.

By 2024
We intend to extend our use of asset management to achieve first-rate, cross-rail industry systems and processes.

Network Rail’s vision is to be a trusted leader in the rail industry
To achieve this we will work with our partners and use our skills and knowledge to improve safety, increase reliability, grow capacity and achieve real value for customers and taxpayers.

Our strategy is supported by a series of strategic themes covering areas of improvement and these are shown in Figure 1 opposite. One of these themes relates to an enhanced asset management capability.
Figure 1
Network Rail’s Purpose, Role, Vision, Strategy, Behaviours and Strategic Themes.

<table>
<thead>
<tr>
<th>Our purpose (Why we exist)</th>
<th>To generate outstanding value for taxpayers and customers</th>
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</thead>
<tbody>
<tr>
<td>Our role (What we do)</td>
<td>A better railway for a better Britain</td>
</tr>
<tr>
<td>Our vision (What we want to be)</td>
<td>To be a trusted leader in the rail industry</td>
</tr>
<tr>
<td>Our strategy (How we are going to do it)</td>
<td>To work with our partners and use our full potential to improve safety, reliability, capacity and value for customers and taxpayers</td>
</tr>
<tr>
<td>Our behaviours (How we need to work)</td>
<td>Customer driven, Accountable, Challenging, Collaborative</td>
</tr>
<tr>
<td>Our strategic themes</td>
<td>Safety and sustainability</td>
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<td></td>
<td>Corporate capabilities</td>
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<td>Key enablers</td>
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<td>Asset management</td>
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<td>Project development and delivery</td>
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<td>Technology and innovation</td>
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<td>Organisational change</td>
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<td>Transparency and public information</td>
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<td>Funding and affordability</td>
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</tbody>
</table>
Figure 2
The Asset Management Policy and its relationship with other key documents and processes.

1 Utilising technology to improve maintenance productivity.

2 Haywards Heath Tunnel.
The sheer quantity and variety of Network Rail’s asset portfolio, including track, signalling and overhead line equipment.
This document has been developed based on good practice guidance from internationally recognised sources.

It has been developed to comply with the relevant clauses of BSI PAS 55:2008 Management of Infrastructure Assets and the requirements of the ISO 55000 Asset Management series of standards. The extent of the discipline of asset management has been defined to adopt the 39 subjects within the Asset Management Landscape developed by the Global Forum for Maintenance and Asset Management (GFMAM) and the Institute of Asset Management (IAM).

**Scope**

The framework we use to define the scope of activities covered by this policy is shown in Figure 3 below. This policy applies to all assets that constitute the operational railway, for example track, signalling, civils (structures and earthworks), buildings (stations and depots), electrical power, drainage, and telecommunications. It does not cover non-operational assets such as offices and IT equipment. All asset-related activities are covered (wherever carried out in the organisation), including inspection, maintenance and renewal of existing assets and the design and installation of new assets to enhance the capability of the network. The scope of asset management includes relevant operational activities including capacity planning, operational control and timetabling. The policy applies to all Network Rail personnel involved in asset management activities and all relevant suppliers of asset management services.

Corporate outputs are determined as part of the periodic review process. Specific asset condition, capability and reliability targets, funding and output measures are included in our Asset Management Strategy.

Figure 3

Network Rail’s Asset Management Framework.

Network Rail is a patron of the IAM. Patrons work to develop and share good practice in the application of asset management.
The policy

This Asset Management Policy is based on i) a set of policy statements aligned to corporate objectives that reflect our overall company role, purpose and vision and ii) a specific set of core asset management principles:

Policy statements

1. We will reduce safety risks for passengers, the public and our workforce.

2. All activity on our assets will be carried out in compliance with relevant legislative and statutory requirements.

3. The management of asset-related risk shall be undertaken in accordance with the Corporate Risk Management Policy and controlled through processes defined through the development of Network Rail ‘Business Critical Rules.’

4. Assets, systems and networks shall be managed in accordance with sustainable development principles, including due consideration of long-term financial, societal and environmental impacts.

5. The asset management approach shall be aligned to the needs of the Network Rail Technical Strategy. This defines Network Rail’s contribution to the wider Rail Technical Strategy.

6. The asset management approach shall be appropriate to the scale and relative importance of the assets and asset systems to achieving the overall organisational objectives.

7. We shall proactively seek continual improvement of our asset management capabilities and activities to assure value for money for customers and stakeholders.
Core principles:

1. We will undertake asset management in a consistent way, working to align organisational and functional approaches to develop a truly integrated approach with a clear ‘line of sight’ linking activities to organisational objectives.

2. We will manage our assets in a systematic way applied in a structured management system; we will apply this at national portfolio, route ‘asset system’ and on an individual asset basis. This management system will adopt the control framework as defined through the business critical rules programme.

3. The appropriate balance between stakeholder expectations regarding system reliability, risk and cost will be determined reflecting reasonable requirements of operators and funders, including regulated outputs set out in our plans and other commitments.

4. All asset management interventions will be aligned to the principles defined in our Asset Policies for all operational assets. These set out the major requirements and decision-making criteria for the work we do to deliver the required network and route outputs for the funding available. These policies will be continuously improved and will:
   a. Be based on minimising whole life, whole system costs.
   b. Be underpinned by appropriate facts from enhanced asset information.
   c. Define the most appropriate approach to asset maintenance, inspection and renewal, supported by reliability, availability, maintainability and safety specifications.
   d. Define a risk-based approach to determining intervention requirements to specified levels of reliability.
   e. Define resilience requirements to a specified range of weather conditions, taking account of emerging knowledge of climate change.
   f. Define how sustainable development requirements are to be addressed.

5. Our asset management activity will be continuously improved to adopt sustainable development principles within decision making, managing our consumption of natural resources, the environmental impact of materials we use, and the way in which we manage waste and emissions.

6. Develop technology, tools and methods to support fact-based whole lifecycle decisions on maintaining, renewing and enhancing the infrastructure and improving our capability for predicting and preventing failures. These tools will include forecasts of the outputs that are expected as a result of the decisions.

7. Optimise the trade-off between efficiency of work through longer possessions with access to the network for the delivery of the timetable.

8. Create an environment where our asset management teams are motivated, driven by customer needs, and proud of their work; this will be supported by investment to professionalise our competency in asset management.

9. Develop the asset management capabilities of the organisation to an appropriate level of maturity to deliver efficient outcomes for customers and stakeholders.

10. Undertake benchmarking to establish best practice and adopt relevant findings through our Asset Management System.

11. Provide an annual statement of the outcomes delivered through our asset management, and how these relate to sustainable development.
Images, top to bottom
1. Ouse Valley Viaduct.
2. King’s Cross Station, Western Concourse.
3. Clayton Tunnel, South Downs.
4. Overhead Line Equipment, West Coast Main Line.
Communication, implementation and continuous review and improvement

A policy must be shared if it is to truly achieve its goals. Through effective communication Network Rail will ensure that this document is at the heart of all asset management decision making, and that it is accessible to all. It is everyone’s responsibility to ensure that Network Rail achieves its Asset Management commitments now, and in the future.

Communication
Communication to relevant internal and external stakeholders, service providers and other relevant parties who require knowledge of the Asset Management Policy is via the following mechanisms:

- To external stakeholders by publication on the Network Rail Internet.
- To our staff through the Network Rail intranet alongside wider asset management documentation.
- As part of the associated asset management training and development programme.

Implementation
Accountability for the implementation of this Asset Management Policy sits with the Group Asset Management Director.

We will maintain an Asset Management Strategy that provides details of the mechanisms, accountabilities and responsibilities for how this policy will be implemented, identifying key milestones and deliverables. This will be reviewed, and where necessary updated, on a biennial basis.

We will measure our capability through the use of established excellence models and through wider benchmarking work with leading organisations throughout the world in both rail and other sectors.

We will develop and maintain all documents required to operate our Asset Management System adopting standard terminology and definitions.

The Asset Management System will be used to:

- Document the processes by which our asset management responsibilities are delivered.
- Identify key roles and accountabilities.
- Identify the asset management competencies required for these roles and seek to ensure that our teams meet these capability requirements.
- Identify compliance with the recognised best practice approach to infrastructure asset management (BSI PAS 55 and ISO 55,000 or subsequent recognised guidance).

The Asset Management System will be subject to regular review at least annually.

Continuous review and improvement
The Group Asset Management Director will arrange for the policy to be reviewed with the Network Rail Executive Committee at least once every two years or when the Committee identifies a need to do so.

Each review shall include due consideration of:

- The alignment with Network Rail Vision, Strategic Business Plan, wider policies and the risk management framework.
- Compliance of Asset Policies with all relevant regulations, laws and accepted best practice.
- The line of sight created by the policy and the Asset Management System, verified through appropriate assurance review.
• Opportunities for improvements in the format, communication and implementation of the Asset Management Policy itself.
• The rate of progress achieved towards our goal to provide a benchmark against which organisations throughout the world assess their own asset management capabilities.
• Opportunities for continual improvement within the Asset Management System.
• The alignment with established best practice guidelines, (for example the requirements of BS PAS 55 or ISO 55000).

Maintenance personnel undertaking routine checks on points infrastructure.
**Definition of terms**

British Standards Institute Publicly Available Specification for the management of physical assets (BSI PAS 55:2008) contains a useful glossary of key terms in asset management. The following items are extracted from these standards and have been complemented by the specific addition of Network Rail documents.

**Assets(s)** Plant, machinery, property, buildings, vehicles and other items that have a distinct value to the organisation.

**Asset Information Strategy** The activities Network Rail is undertaking to ensure that our definition, collection and use of asset information meets current and future requirements.

**Asset management** Coordinated activities of an organisation to realise value from physical assets.

**Asset Management Competency Framework** Defines the competencies required to successfully implement asset management.

**Asset management information** Meaningful data relating to assets and asset management.

NOTE Examples of asset management information include asset registers, drawings, contracts, licences, legal, regulatory and statutory documents, policies, standards, guidance notes, technical instructions, procedures, operating criteria, asset performance and condition data, or all asset management records.

**Asset Management Information System** System for the storage, processing and transmission of asset management information.

**Asset Management Objective(s)**

1. Specific and measurable outcome or achievement required of asset system(s) in order to implement the asset management policy and asset management strategy; and/or
2. Detailed and measurable level of performance or condition required of the assets; and/or
3. Specific and measurable outcome or achievement required of the asset management system.

**Asset management performance** Measurable results of an organisation’s management of its assets and/or asset system(s).

**Asset Management Plan** Document specifying activities and resources, responsibilities and timescales for implementing the asset management strategy and delivering the asset management objectives. Applicable as either a network wide plan or operational route level.

**Asset Management Policy** Principles and mandated requirements derived from, and consistent with, the organisational strategic plan, providing a framework for the development and implementation of the asset management strategy and the setting of the asset management objectives.

**Asset Management Strategy** Long-term optimised approach to the management of assets. It is derived from, and consistent with, the organisational strategic plan and the asset management policy including a high-level, long-term action plan.

**Asset Management System** An organisation’s Asset Management Policy, Asset Management Strategy, Asset Management Objectives, Asset Management Plan(s) and the activities, processes and organisational structures necessary for their development, effective communication, implementation and continual improvement.

**Asset Policy** Specified approach, rules and boundaries that provide direction and the framework for the control of specific asset-related processes and activities such as capital investment and maintenance.

**Asset portfolio** Complete range of assets and asset systems owned by an organisation.

**Asset System** Set of assets that interact and/or are interrelated so as to deliver a required business function or service.

**Contingency Plans** These confirm how we identify and respond to incidents and emergency situations, including the maintenance of critical activities and services. These confirm competence requirements, arrangements for communication, access to resources and means to revert to business as usual.

**Enablers (asset management)** Supportive systems, procedures, processes, activities and resources that enable an organisation to operate its asset management system efficiently and effectively.

**Lifecycle** Time interval that commences with the identification of the need for an asset and terminates with the decommissioning of the asset or any associated liabilities.

**Maintenance Strategy** A defined approach to the undertaking of maintenance. This includes approaches to planning, delivery, outsourcing and improvement priorities, as well as mechanisms to continuously improve and acquire feedback.

**Optimise** Achieve by a quantitative or qualitative method, as appropriate, the best value compromise between conflicting factors such as performance, costs and retained risk within any non-negotiable constraints.

**Organisation** Company, corporation, firm, enterprise, authority or institution, or part or combination thereof, whether incorporated or not, public or private, that has its own functions and administration.

**Route Utilisation Strategy** Aligned to the strategic business plan, the RUS defines at high level current infrastructure capability, capacity and availability and how they are intended to change over 10 and 30 year timelines.

**Route Delivery Plan** Detailed plan to optimise the delivery of renewals, maintenance and enhancement, grouping works spatially and where complementary in form with the coordination of people, other resources, track access and supplier capability to deliver in the most efficient and effective way.

**Sustainable Business Plan** Overall long-term plan for Network Rail that is derived from, and embodies, our Role, Purpose & Vision, key Strategic Programme Themes, stakeholder requirements, objectives, management of its risks and funding requirements for the 5 year regulated Control Period.

**Sustainable** Achieving or retaining an optimum compromise between performance, costs and risks over the lifecycle, whilst avoiding adverse long-term impacts to the organisation from short-term decisions.

**Sustainability** Achieving the quality of being sustainable.

**Sustainable development** Achieving an enduring balanced approach between environmental responsibility, social progress and economic aspects of activities.

**Technical Strategy** Identifies the technical barriers that prevent us from achieving our corporate objectives and the R&D activities that will allow us to overcome these. With this Strategy in place, technology will be able to function as a key driver for our business.
Related corporate documents and contact information

This Asset Management Policy should be read in conjunction with the following:
- Network Rail Strategic Business Plan
- Corporate Responsibility Report
- Sustainable Development Policy
- Health and Safety Policy
- Diversity and Inclusion Policy
- Route Utilisation Strategies
- Delivery Plan (updated annually)
- The Network Operating Strategy
- Technical Strategy

Press enquiries
T: +44 (0)20 3356 8700
E: mediarelations@networkrail.co.uk
Twitter: @networkrailPR

To view this document online please visit www.networkrail.co.uk