



## Asset-Pro's Response to the McNulty Rail Value for Money Study

19<sup>th</sup> May 2011 marked the date on which the final McNulty Value for Money report was issued under the heading 'Realising the Potential of GB Rail'.

This was an independent report of a study chaired by Sir Roy McNulty and commissioned by the Secretary of State for Transport to examine the opportunities and barriers to improve the value for money of GB rail for taxpayers, passengers and freight customers.

A significant area of the report was delivered under the heading of 'asset management' and the report concluded that the rail industry must slash overall costs by 30% by 2019.

The asset management section (9 – Area E) considers how better asset management can improve value for money in the GB rail industry. When considering that out of a total of £12.7bn in whole industry costs, approximately half of this was spent on maintenance, renewals and enhancements, the scope for delivering savings is enormous.

**Asset-Pro** is proud to have contributed to the report in providing real life examples of cost savings achieved and we demonstrated that across the national stations estate alone, at least £500 million could be saved through a more effective asset management approach. This was based on over 10 years experience working in this area. We firmly believe that the **Asset-Pro** system represents best practice in the UK rail industry and delivers substantial savings by providing a framework for excellence in asset management.

**Asset-Pro** has been delivering significant savings since 2003 through the provision of web-based asset management systems and consultancy support for stations, depots, and infrastructure.

We can implement our system in around 6 weeks and thereby start to deliver efficiencies and financial savings that add money back to an organisation's bottom line without compromising health and safety, the environment or operational integrity.



The McNulty Report listed many barriers to efficiency and franchise renewal points and Control Period commencement were identified as major opportunities to drive change. The report points out that there is a compelling case to act in advance of these points.

Asset management is much broader than delivering maintenance or renewals and McNulty comments that this should be an integral part of how a business operates. The study backs rail ingenuity and better productivity. **Asset-Pro** is here to provide this!

Details of the McNulty Report are available as a download from the DfT's web-site at [www.dft.gov.uk/publications](http://www.dft.gov.uk/publications). For further details on the **Asset-Pro** system and the services that we can provide, please contact Kevin Ballard at [Kevin@asset-pro.com](mailto:Kevin@asset-pro.com) or 0845 120 2046.





**A s s e t - P r o**

*Pioneering asset management solutions*

### Better Asset Management improving value for money in GB Rail – the Asset-Pro McNulty Checklist!

McNulty Observation		Asset-Pro Response
PAS 55 – internationally recognised <b>good practice framework</b> for the optimized management of physical assets.	√	<b>Asset-Pro</b> is consistent with asset management processes set out in PAS-55.
Switzerland – 20-25% reduction in unit costs as a result of implementing an integrated asset management system	√	<b>Asset-Pro</b> has delivered similar unit cost reductions in UK rail where used, since 2003.
Misaligned objectives of industry stakeholders	√	<b>Asset-Pro</b> allows collaborative working.
Misaligned and short term financial forecasting and planning cycles	√	<b>Asset-Pro</b> supports better alignment of financial forecasting and planning cycles.
Little evidence of regular effective cross-industry sharing of information to facilitate better decision making.	√	<b>Asset-Pro</b> supports collaborative working and provides opportunities for sharing of information to facilitate better decision making.
Barriers to improvement and efficiency.	√	<b>Asset-Pro</b> removes barriers to improvement and efficiency and stimulates cultural change.
Franchises are only interested in short term cost minimization.	√	<b>Asset-Pro</b> has shown to be invaluable on long term PFI contracts as well as cost effective on shorter term franchise contracts.
Poor use of and capability of asset management systems and piecemeal take up of modern asset management approaches.	√	<b>Asset-Pro</b> is a modern asset management system that is available and is already being used in the UK rail industry for stations, depots and infrastructure.
Poor transparency of Cost, Revenue and Performance risks.	√	<b>Asset-Pro</b> provides full transparency of all Cost, Revenue and Performance risks.
Understanding and management of risk is poor.	√	<b>Asset-Pro</b> supports continuous improvement by capturing and reporting risks, allowing proactive risk management.
No whole system asset management review and audit process in place	√	<b>Asset-Pro</b> could support whole system asset management review and would allow auditing 'on line'.
No clear line of sight from industry objectives down to individual asset decisions.	√	<b>Asset-Pro</b> provides a clear line of sight with its fully transparent information!
How to get appropriate and accessible asset management information that enables timely and cost effective decision making at all levels of industry.	√	<b>Asset-Pro</b> can produce reports that provide management information in real time to whatever level of detail is required.
Long term financial forecasting and planning.	√	<b>Asset-Pro</b> has a predictive asset management capability that can be used for long term financial forecasting and planning.
Minimal tailoring on new 'off the shelf' technology.	√	<b>Asset-Pro</b> is configured for UK stations, depots, infrastructure and rolling stock and is available 'off the shelf' for rapid implementation.