Remit Case study: Network Rail

As part of its Digital Transformation Programme, Network Rail is laying the foundations for its property services to become a digital business. Remit Consulting and Atos joined forces to carry out a three-month discovery stage. Following successful completion of this element of the project, Remit and Atos are now delivering a three-year programme to achieve the outcomes that NR is seeking.

Supporting digital transformation at Network Rail Property

Network Rail Property Digital Services manages Network Rail's land and commercial property assets, with six divisions that specialise in Commercial Lettings, Development, Sales, Planning and Land, Property Services and Retail. The organisation oversees the retail portfolio for 19 of the UK's largest stations, including London Waterloo, London Euston, Reading and Edinburgh Waverley.

Network Rail Property's property portfolio includes 65,000 lettable properties, 14,500 properties the business occupies as owners, 30,000 income-producing rights of way, easements etc and over 700 parcels of land. Income receipts are in the region of £217M per annum.

Laying the foundations for a digital future

Vince Herrera-Leon, Head of Digital Services (Property) at Network Rail set out a high-level vision to carry out a digital transformation of the property function of the business. He was looking for support to transform Network Rail's property business in four key ways:

1. **Enabling digital stations** – using digital technology to improve the customer experience in stations. For example, using the combined power of CCTV and AI to identify passengers who might need help, such as wheelchair users or people carrying heavy luggage.
2. **Becoming a digital landlord** – using technology to improve every aspect of property management from rents and leases to budgeting, forecasting and financial management.
3. **Creating a digital workplace** – using technology to optimise use of Network Rail office space, enable smart buildings and improve ways of working.
4. **Empowering digital employees** – making the most of process automation and artificial intelligence to help employees work smarter and be more productive.

Atos partner with Remit for property expertise

Previously, Atos has supported Route Services IT within Network Rail, providing IT services that act as digital enablers.

David Blount, Atos' UK Transport Consulting lead, explains why he called on Remit as a partner. "We'd worked with Remit previously at TfL and thought they would be a good fit for this project. We have expertise in IT and Remit has expertise both in property management and property technology."

Remit fielded a team that included Charles Woollam, a Chartered Surveyor, Joel Suissa, a property technology specialist, Peter Earl, a former CIO of British Land, and Andrew Waller, a Partner at Remit Consulting.

Andrew is also a fan of the arrangement; he points out the benefits to Remit from working with Atos. "Atos is a full-service digital consultancy and gives us access to skills and experience rarely available in the Real Estate market. It allows us to focus on the change experience for the client from a real estate perspective whilst knowing that the digital solutions chosen will be tested against not only the property market but across many industries".

A "master stroke"

"From the beginning, Remit's consultants were able to talk confidently to the client about the tools on the market," says Vince. "It was a master stroke that they brought Charles to the pitch. As a surveyor, he spoke the same language as the people in Network Rail's property business."

David Blount, Atos, commented "Having Remit on board helped build trust with the client and reassured them that we understood the challenges the business faced and would be able to deliver what they needed."

Carrying out a three-month discovery phase

Together, Remit and Atos carried out a discovery stage to understand the scope and priorities for the digital transformation programme, establish what needed to change, create a target design and market approach, and set out a three-year transformation road map.

The objectives of the process review were to:

- Explore opportunities for increased efficiency
- Clarify roles and responsibilities within teams
- Pull together collected knowledge and expertise within Network Rail
- Adapt leading market practice processes to meet Network Rail requirements.

Remit's experience gives the project a head start

"Remit understand what 'good' looks like in the property world from a business point of view," says David Blount. "They know from experience the areas where property management organisations typically have issues, so they were able to anticipate and identify potential problems."

"As consultants, you can come in and meet the people and find out what's not working, starting from zero. But clearly it's more efficient if you have that best practice understanding from the outset."

Andrew Waller of Remit adds: "In any real estate project, we know which elements are likely to generate the most value and income. These include credit control, allocation of receipts and arrears management, operating service charges, mid-tenancy rent adjustments and terminal dilapidations. So we focused on those areas for Network Rail first to drive the project forward."

Exploring opportunities for change

Starting in January 2021, Atos and Remit carried out a series of eight workshops within Network Rail's property business. The first, on innovation and future-proofing, aimed to discover people's appetite for change. Subsequent workshops explored the existing in-house technology and how innovation and property technology could add value in the future.

Next, the joint team ran seven process workshops using the Remit Process Model. These sessions identified how the different processes were currently working and who was responsible for each one, and documented opportunities for technology and process improvements.

People from across Network Rail's property business took part in the workshops, from surveyors, lawyers and accountants to finance, business support and technology specialists.

"We were aware that this was not the first time that Network Rail had attempted a digital transformation," says Joel Suissa of Remit. "In order to counter potential change fatigue, we set up a clear strategy to get people on board, working closely with Atos' change management team."

"We assigned product owners to system improvement projects to ensure that they felt ownership in driving the project. As a result, the programme leads tell us they've seen a great deal of buy-in, enthusiasm and engagement from people at all levels of the property business."

Benefits identified from the discovery stage

Allan Love, benefits management specialist at Atos, outlined the following key benefits from the initial stage of the programme.

- Improved safety and compliance
- Non-cash-releasing benefits:
    - Staff productivity gained through improved processes and tooling
    - Reduction of risk associated with compliance
- Cash-releasing benefits:
    - Increased cashflow through earlier receipt and settlement of payments
    - Improving accuracy of rental, service and insurance charges, increasing the overall income
- Improved job satisfaction (increase 'tools for the job' survey rating from ~40% to 70% target)
- Improved assurance through alignment with Information Management Programme.

Following the initial phase, we have outlined a series of improvements related to:

- Making the most of the process automation and productivity features of existing software systems, including Office 365 and Horizon.
- Automating workflows with Microsoft PowerAutomate, helping to improve compliance and due diligence.
- Improving business analytics with Microsoft's Power BI service.
- Investigating how to use Artificial Intelligence for financial reconciliation tasks.
- Establishing a central budgeting and forecasting system that integrates with other Network Rail Property & Finance Systems and has advanced automated functions.
- Specifying, selecting and implementing a digital Inspections Solution, involving collaborating with Network Rail Surveyors across the regions, evaluating a selection of 'Proptech' solution providers, and running a pilot of this tool.
- Specifying a Customer Relationship Management System - including setting up the parameters for an automated tenant portal that connects potential tenants with relevant leasing departments.
- Identifying time savings and efficiencies for property processes across Network Rail.

What's happening next?

Remit and Atos are delighted that Network Rail's Group Property business has selected them to carry out the three-year transformation programme following on from the discovery stage.

"I hope our working relationship continues to go from strength to strength," says David Blount of Atos. "I look forward to Remit bringing their subject matter expertise and specific capability into the new components that emerge on the road map as we go forward."

"I would wholeheartedly recommend Remit for this kind of transformational project within the property sector."

Andrew Waller of Remit Consulting comments: "This is such an exciting project because Network Rail genuinely think they can achieve what they set out to do in the first place. That's not a given in this kind of project, because there are so many moving parts and different agendas."

"We're delighted to be working with Atos on the next stage. Our areas of expertise blend well and we've set up a great team together. The Financial Director of Network Rail told us they'd been trying to get this transformation under way for 11 years and we managed it in three months. Let's see what we can achieve in the next three years!"

Remit Consulting