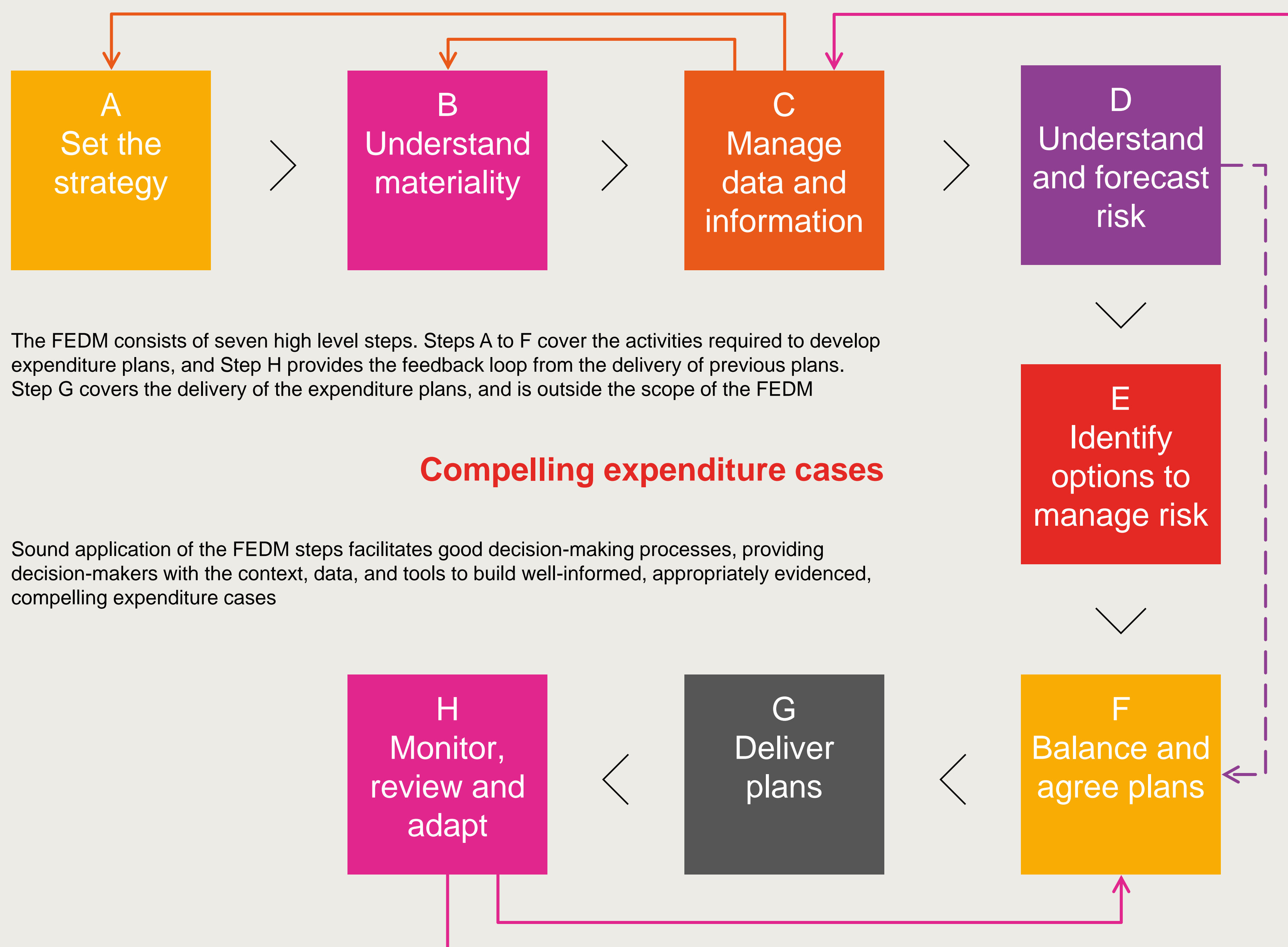


## What is the Framework for Expenditure Decision-Making?

The Framework for Expenditure Decision-Making<sup>1</sup> (FEDM) sets out a process for underpinning expenditure decisions, from setting the strategy, assessing current and future risk, cost, and service, through to agreeing and delivering expenditure plans. Developed for the water sector and published by UK Water Industry Research (UKWIR) in 2014, it integrates current thinking and progress in asset management since the 2002 publication of the original process (Capital Maintenance Planning: A Common Framework<sup>2</sup>).



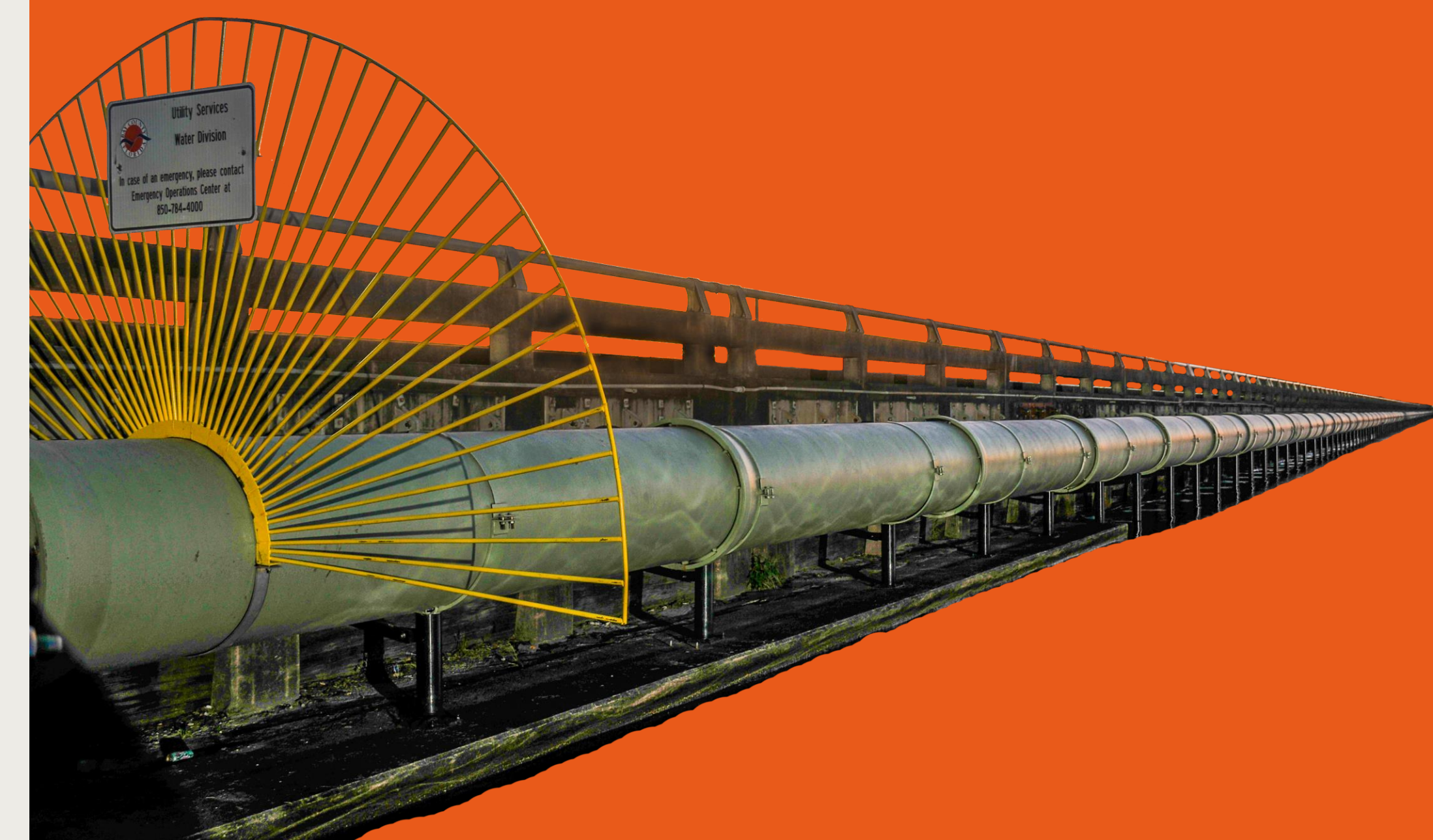
## Integration within Asset Management

The FEDM supports Asset Management within the IAM asset management landscape, aligning with the asset management decision-making subject group

Decision-making following the FEDM supports implementation of an ISO 55001 asset management system

Risk based decision-making presented within the FEDM is aligned with ISO 31000 risk management

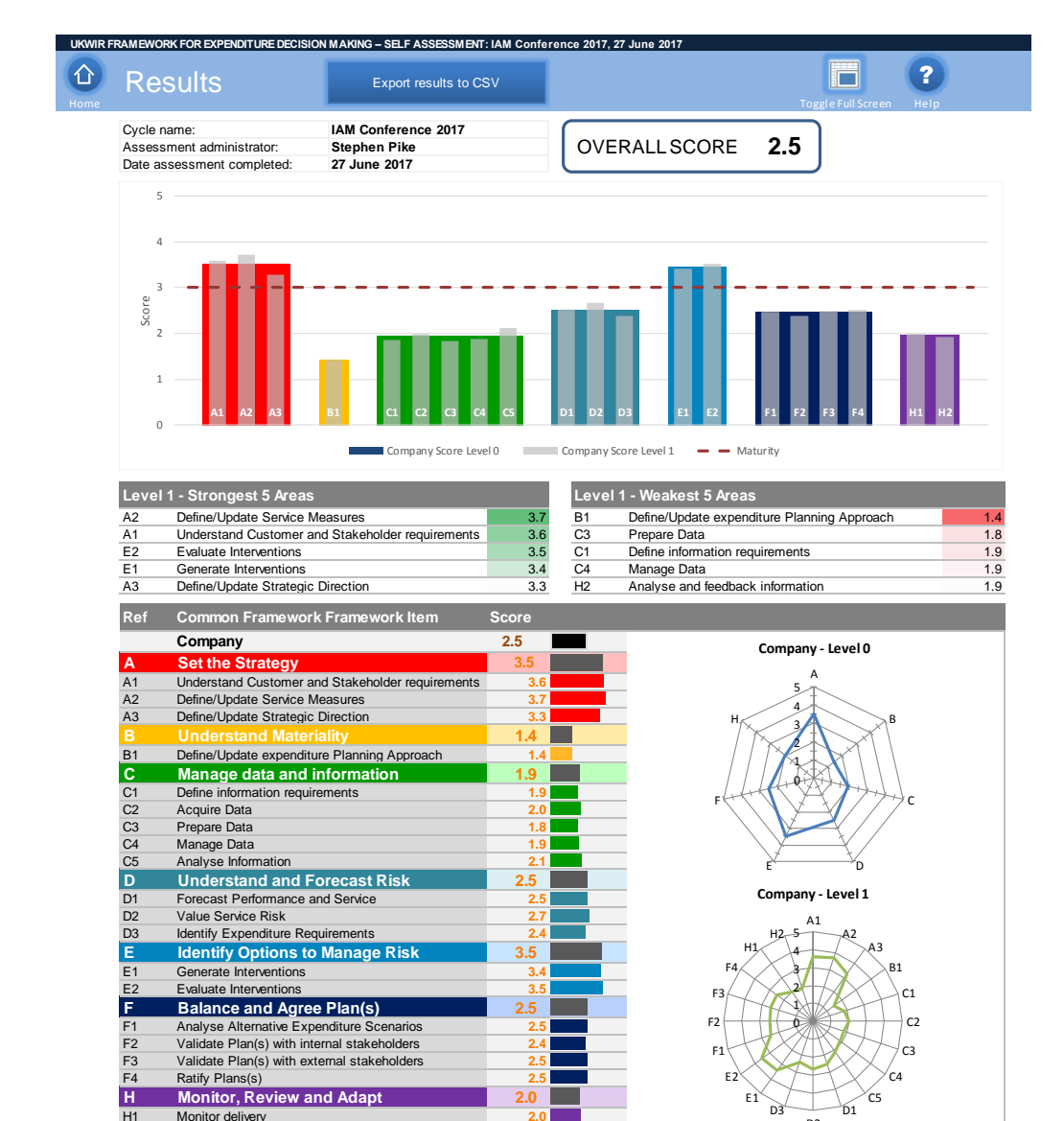
Managing and using data and information aligns with processes set out in BIM standards (PAS 1192 parts 2 and 3) and therefore supports the use of BIM in asset management



## How good is your decision-making?

We supported UKWIR developing a methodology to allow UK water companies to undertake self-assessment of maturity against the FEDM, and incorporated it within a self-assessment tool. The structure of the self-assessment methodology mirrors that of the Framework, and provides contextual information and questions to allow effective assessment against each of the Framework steps. Companies can assess capability at various levels of granularity, from organization-wide down to asset type. Following self-assessment, the tool generates scores and radar plots to graphically display maturity level against each of the Framework steps.

Building on the self-assessment functionality, two optional elements have been developed to add further value should Companies wish to use them. The option to map to company specific Outcomes and Performance Commitments based on asset type scores provides an indication of the strength of expenditure planning processes employed against each Performance Commitment/ Outcome area. In addition, the ability to map between the FEDM steps and ISO 55001 clauses has been developed. Whilst the FEDM and ISO 55001 differ in both scope and level of detail, there are areas of substantive overlap where capability against the Framework would provide evidence of maturity for ISO accreditation.



Dashboard showing example results from an assessment against the FEDM

## Good decision-making leads to better outcomes

Assessing your capability against the FEDM will both highlight strengths and identify areas to target for improvement. And improved decisions will lead to better outcomes for your company, your customers and your stakeholders. By strengthening your decision-making using the FEDM, your expenditure plans will:

- be aligned to customer and stakeholder objectives and values, delivering their requirements
- be information driven, making best use of the available data
- balance cost, risk and performance
- meet competing needs across your asset portfolio
- continually improve by learning from past performance

### REFERENCES

1. UKWIR, 2014, *COMMON FRAMEWORK 2014 - Framework for Expenditure Decision-making, Part 1: Scope Definition*. London: UKWIR, 14/RG/05/40.
2. UKWIR, 2002, *Capital Maintenance Planning: A Common Framework Volume 1: Overview*. London: UKWIR, 02/RG/05/3.

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