



THE INSTITUTE OF RISK MANAGEMENT

NOTES OF THE PPP/PFI SPECIAL INTEREST GROUP

HELD AT CORDA, STIRLING HOUSE, LONDON

ON TUESDAY 28TH NOVEMBER 2006

Attendees

Sian Biggs (TfL), Geoff Buckingham (CORDA), Martyn Cubitt (CORDA), Sandra Elston (Willis), Joanne Foley (Willis), Steve Fowler (CEO, IRM), Rolf Gantner (PartnerRe), Andy Garlick (The Risk Agenda), Iain Green (CORDA), Andrew Harland (Currie and Bown), Andy Lister (BT), Ben Martyr (Currie and Brown), Gary Nicholls (EPRIMORIS), Mike Peet (Top Solutions), Neil Rodgers (Mansell), Andrew Rae (Top Solutions), Phil Sturgess (EPRIMORIS), Mike Walker (Currie and Brown, Chair of SIG and of IRM),

Apologies

Warren Beardall (JLT), Harry Scarff (Partnership for Schools), Barry Dickinson (Currie and Brown)

Items

1. Geoff Buckingham from CORDA welcomed us all to the meeting.
2. Mike Walker, the SIG Chairman, welcomed everyone to the SIG, and asked them to introduce themselves.
3. Steve Fowler, the CEO of the IRM, gave a brief introduction to the Institute and described the interest generated by the recent visit that he and Mike had paid to Australia, Hong Kong, Malaysia, Dubai. He noted the forthcoming IRM Annual Forum on 12-13 September 2007, and the Annual Lecture in April 2007, which would be given by Tim Smit, the founder of the Eden Project. Steve noted that there was lots of information on the IRM website www.theirm.org.
4. Martin Cubitt of CORDA gave the main presentation on CORDA and its approach to risk in PFIs. The main points were the following
 - one area of their work is enhancing operational performance - optimising the conversion of resource inputs into outputs
 - CORDA adopt a process for this - REZOLVE - which incorporates a high level systems modelling approach which enables the overall features of an enterprise to be visualised
 - the approach identifies and helps to resolve problems in purposive systems where there are difficulties in getting a clear view of the final state and performance and the route to getting there
 - the visualisation can be developed using a rapid application deployment approach which enables the visualisation to be developed quickly in consultation with the client organisation
 - several examples were discussed, including the Project Allenby/Connaught PFI to provide accommodation for 18,000 service personnel; the technique identified a major strategic error in the bid concept and £100m of net savings were found by de-risking the construction stage and accepting a lower income stream

- another example concerned the Tornado aircraft availability contract where a significant risk was the availability of repair resources
 - the technique enables drill down into the source of significant sensitivities and in doing this provides a quantified prioritisation of the risks in the detailed risk register
 - this leads to a coherent methodology for joining up the top-down approach of the systems dynamics with the bottom up approach of risk registers
 - CORDA are collaborating with Top Solutions to take this further.
5. In response to questions, Martyn said that such models would typically start to be usable within 5 weeks, and be comprehensive in 12.
 6. The meeting broke for a buffet lunch, kindly provided by CORDA.
 7. A short post-lunch session on potential future meetings indicated a desire for briefings on the detail of IRM courses and qualifications.
 8. It was agreed the next meeting would be in February, date and location to be advised.
 9. Mike closed the meeting with thanks from the IRM to CORDA for acting as hosts.

Attachments: PowerPoint Presentations to follow.