

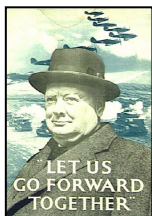
"There are risks and costs to a programme of action but they are far less than the long range risks and costs of comfortable inaction" - JFK

RISK SOLUTIONS NEWS

Autumn 2005

An Enigma Variation

With terrorism and national security at the top of the political agenda we chose a related theme for our latest client event. Having 'rendezvoused' at the Cabinet War Rooms our guests were set the challenging task of decoding intercepted messages to prevent an attempt on Churchill's life. The evening also gave us chance to explore the importance of making decisions despite uncertainty, taking account of societal concern and the need to present information in ways that inform and can be readily acted upon.



New Owners

On 7th October Risk Solutions was sold to Collier Capital. The sale, part of a wider deal involving other 'non-core businesses', will enable AEA Technology to concentrate on its Rail and Environment businesses and enable us to develop Risk Solutions in ways that were previously not possible.

There are no plans to change the way we operate so, whilst we are excited about the opportunities created by the change, it will be 'business as usual' for our clients.

Staff News

We are sorry to announce that Sara Sharpe, who joined Risk Solutions in 2003, left us at the end of July. Drawing on her experience in the Foreign Office, Sara made an important contribution to a number of major projects in the public sector. Sara has left to develop two small businesses with friends.

We are pleased to announce that Tracey Shorrocks had a baby girl, Melissa, in August and is now on maternity leave. Claire Snell, who is also on maternity leave following the birth of her second child in March, left Risk Solutions in October. We wish her good luck in her new role as full time mum to Amélie and Anaïs.

This issue of Risk Solutions News focuses on the impact of regulation – an increasingly important area of work for us. In the above quote, John F Kennedy pointed out that the cost of inaction can outweigh the short term risks and costs of taking action – an idea we explored in our client event and which is highly relevant to the topic of regulation. Our three case studies illustrate ways in which we help clients develop policy and assess the impact of change in terms of the increased regulatory burden versus the wider benefits to society.

Disease Control Strategies

Risk Solutions has helped Defra to determine how best to handle any future outbreak of Foot and Mouth Disease in the UK, with a unique simulation and decision support tool.

Following the 2001 FMD outbreak, the Lessons Learned Inquiry recommended that Defra update the cost benefit analysis of different control strategies. We were asked to develop a model that uniquely integrated the epidemiology, resource use and economics associated with a potential future outbreak, allowing the overall impacts of different policies to be considered together. We then used it to compare the likely effects of a range of vaccination and cull strategies. We found that there is no 'one size fits all' solution, with the attractiveness of vaccination being highly dependent on where an outbreak starts, how large it might become, and how well the policy of culling infected animals is implemented.



Defra now has a tool that it can use to generate scenarios for training exercises, and provide information to support decision making during any future outbreak. Following the success of this work, we are starting to use a similar approach to address issues such as the role of wild deer in maintaining tuberculosis in cattle, and the threat of avian flu.

Reducing Red Tape

The government recognises that reducing the 'red tape' burden for UK business is important to maintaining the UK's competitiveness in the global economy. In particular the Hampton Review, published in March 2005, recommended fundamental changes to reduce the UK's regulatory burden.

An important instrument for ensuring the amount of 'red tape' is minimised is the Regulatory Impact Assessment (RIA). This is effectively a cost benefit analysis of a regulatory change but some sectors of industry have been critical of Whitehall's ability to predict, accurately, impacts on compliance costs. In response to these concerns, the Inland Revenue (now HM Revenue and Customs, HMRC) initiated a comprehensive review of the accuracy of 'compliance cost' estimates in its RIAs. Risk Solutions was invited to develop a review process and test its suitability through a pilot study and consultation with stakeholders. The review programme is a key part of the department's drive to meet the challenge of the 'better regulation' agenda. HMRC accepted our recommendations and have implemented our methodology for future assessments.

We are now exploring how the approach could be extended to assist other Government departments and regulatory bodies.

Helping Reduce Occupational Health & Safety Risk



As part of its drive to improve occupational health and safety performance in the UK, HSE identified a set of priority hazards in key sectors, where they judged that focusing their activity would realise most benefit.

Topic Based Inspection (TBI) was introduced by the Field Operations Directorate (FOD) in April 2002 as a practical mechanism to reflect these priorities during inspection activities. Risk Solutions was commissioned by the HSE to evaluate whether or not TBI has delivered the intended benefits. The work involved the application of a variety of qualitative survey and quantitative analysis methods to establish: how well TBI had been implemented; how it had been received by business; what evidence there was to link TBI to delivery of national occupational health and safety targets; and whether or not there were any other benefits being realised from the approach. The HSE are using the results of this evaluation to help establish future priorities and ensure that it delivers best value to society.

To find out more about these articles, or Risk Solutions in general, contact enquiries@risksol.co.uk
Risk Solutions, 1st Floor, Central House, 14 Upper Woburn Place, London WC1H 0JN
Tel. 020 7554 5505 Fax. 020 7554 5510 www.risksol.co.uk