

Risk and Value Management



Background

Network Rail's Risk & Value team has a diverse background, with broad skill sets that enhance the ability of both projects and the broader business to manage uncertainty, establish efficient contingencies – both cost and time and encourage proactive decisions. This broad experience allows the team to appreciate risks across a spectrum of stakeholders both within and outside the rail sector. Cost and schedule assurance are undertaken on a risk assessed basis with low risk activities having minor interventions whilst major projects have dedicated support teams.

Delivering works within possessions is a particular focus. The team provides analyses to help with project planning and reduce the impact on the network.

The Challenge

Active risk management demonstrates good corporate governance and Network Rail requires every part of the business to monitor and report their risk management and the effectiveness of action plans on an ongoing basis.

This discipline allows the railway to be enhanced whilst minimising costs and disruption to operating companies and the travelling public.

In parallel with such a large investment in the network there is an increasing challenge to improve value for money and generate greater efficiencies. In response, the Risk & Value team has evolved over 20 years to promote risk and value awareness across the project delivery business.

How We Can Help

The Risk & Value Team adds value to projects providing the following services:

Value Management:

- ▶ facilitate a structured approach to defining value and delivering clients' needs.
- ▶ support teams to establish clear objectives, remove unnecessary cost, and clarify assumptions and constraints.

Risk Management:

- ▶ provide advice and assurance that project objectives can be delivered within cost and time constraints and in particular that any works within possessions can be completed with controlled operational impact.
- ▶ assist teams to manage threats and opportunities with independent expertise and challenge
- ▶ efficiently collate risks and present cumulative effects coherently

Creative Thinking:

- ▶ enable teams to look beyond immediate issues and consider strategic objectives and opportunities by thinking differently.

Knowledge Management:

- ▶ champion knowledge sharing; maintaining a wealth of experiences relating to successful risk and value management and facilitating team thinking to move beyond reaction to a proactive desire to seek knowledge.



Crossrail

Europe's largest investment programme has demonstrated a demanding operating environment, with complex interfaces with other projects in the Western route. With the main focus on risk, the project has been supported by a dedicated team who have actively reinvested lessons from Thameslink to provide surety of programme milestones and helped secure funding.

Thameslink

This multi- billion pound investment has a dedicated team which has demonstrated to the Department for Transport and the Office of Rail Regulation that risks are understood and objectives can be assured. Despite many challenges, effective risk and value management has kept cost within the Government-agreed funding cap.

Airdrie-Bathgate (A2B)

A2B is a significant investment programme in the Mid-Lothian commuter belt. The Scottish government's interest and a demanding combination of track enhancements and five station construction projects has been supported by the team. Value management was focused on the functionality needed for capacity improvement and tight cost control.

Birmingham New Street

This multi- million pound investment project has been characterised by complex funding arrangements, high-profile commercial tenants and the challenges of renovating a 1960s structure. The team's contribution was pivotal in ensuring that the risks were understood to the major funders, Birmingham City Council and the Department for Transport.

Expert Risk Management System Users

Active Risk Manager (ARM) is the world-leading risk management database application maintained by the Risk & Value team for Network Rail to manage strategic, business and project risks. A central team provides training and support.

The Risk & Value team are experts in analytical tools such as @Risk and Primavera Risk Analysis.

Competency and Training

The Risk & Value team maintain a mentor programme which uses an assessment of individual competency with targeted personal development, aligned to business objectives.

Up skilling of teams in specific Risk & Value team techniques is achieved by various Institute of Risk Management and Institute of Value Management accredited packages.