

SCAF Workshop

“The Impact of Brexit on the Costing Community”

Tuesday 7th February 2017

The Royal Institution of Naval Architects

8 - 9 Northumberland Street, London, WC2N 5DA



The United Kingdom European Union Membership Referendum, also known as the EU Referendum or simply Brexit Referendum, took place on the 23 June 2016 in the UK (and Gibraltar) to gauge the support for the country's continued membership in the European Union (EU). The result was close and confounded the polls with an overall vote to leave the EU of 51.9% on a national turnout of 72%, the highest ever for a UK-wide referendum and the highest for the national vote since the 1992 general election. What does this mean for the cost analyst and forecasting community?

Since June the financial markets have reacted negatively in the immediate aftermath of the results with investors in worldwide stock markets losing more than the equivalent of US\$2 trillion on 24 June 2016, making it the worst single-day loss in history in absolute terms. How does this effect your cost forecasts? Are there any new risks or opportunities to consider? What additional currency hedging may be necessary? This workshop will consider what, if anything, is the impact of Brexit on the cost community.

09.15 **Registration and Coffee**

10.00 **Welcome and Opening Remarks – Dale Shermon, Chairman, SCAF**

10.10 **“Defence and Security Implications of Brexit: A Strategic Overview” – Hans Pung, President, RAND Europe and James Black, Defence and Security Analyst, RAND Europe**

This paper examines the potential defence and security implications at a strategic level of the United Kingdom's decision to leave the European Union (“Brexit”). Specifically, it seeks to identify those policy areas, strategic concerns or military capabilities that might be most affected, as well as to explore and define the spectrum of possible outcomes in each area. The goal is to better understand the key questions provoked by Brexit, and thus to inform how defence and security actors begin to plan for, mitigate and address these uncertainties as the UK begins negotiations to leave the European Union. The paper will finish with an overview of some of the key challenges and opportunities for the cost community with respect to Brexit.

10.50 A Presentation by **Terri Harrington**, *Head of Portfolio Insight at Infrastructure and Projects Authority, Cabinet Office*

11.30 “The Impact of Brexit – Value for Money” – **John Ogivlie**, *Head of Appraisal and Evaluation, Defence Economics*

This presentation will cover some of the thinking regarding the definition and assessment of value for money in relation to the development of the Prosperity agenda and new Defence Industrial Strategy. It will also talk briefly about exchange rates and how MOD is dealing with the greater fluctuations in the market post the EU Referendum.

12.10 **Buffet Lunch**

13.10 “How Many Estimators Does It Take To Change a Light Bulb?” – **Andy Nolan**, *Chief of Project Estimation, Rolls-Royce*

Since the early 19th century it has been known that the collective judgement of a crowd can often be better than the guess of any of the individuals within the crowd.

But how big does a crowd have to be and how accurate can it be? The hypothesis that we explored is that crowd size is determined by two factors (1) the experience of the estimator and (2) the accuracy of estimate required.

This paper summarises the research from 3760 “guesses” to determine, just how many estimators it takes to make a crowd?

13.50 “Strategic Cost Analysis in an Uncertain Future” – **Dr Stuart Taylor**, *Principal Analyst, Dstl and Andy Nye*, *Senior Cost Analyst, Polaris Consulting*

Evolving geopolitical threats, regular defence reviews and medium to long term budget uncertainty are strategic drivers for change in Defence, which are compounded by uncertainty in programmed costs. Dstl supports these strategic decisions by drawing upon a high-level modelling capability, which includes the Force Structure Cost Model and associated tool suite. This capability is used to understand the force structural requirements, costs and affordability of different Defence policy options, and also to support high level balance of investment decisions. Through the increasing use of visualisation, Dstl is also able to support stakeholders’ understanding of cost drivers and potentially highlight opportunities for efficiency.

14.30 **Tea**

15.00 “Disruption - Brexit and technology” - **Richard Westgarth**, *Strategy Major Programmes, QinetiQ*

15.40 **"Brexit - But what might it mean to a SCAF member?"** - **Bob Mills**, *Snr Manager, PC&D Finance, Tools & Methods, Jaguar Land Rover*

As the UK prepares to embark upon Brexit what do we know about it and its impact upon the companies that we represent and indeed ourselves as individuals? For the Cost Analyst & Forecaster is there anything 'special' that we can and should be doing to prepare for the, well frankly, what?

16.30 **Closing Remarks** - **Dale Shermon**, *Chairman, SCAF*

SCAF Workshop

“The Impact of Brexit on the Costing Community”

Tuesday 7th February 2017

The Royal Institution of Naval Architects
8 - 9 Northumberland Street, London, WC2N 5DA



Registration and Costs

Registration and coffee will be available from 09.15. The Conference will commence at 10.00am. The costs for the Workshop is £135.00 per delegate. A 10% discount is available for group bookings of 4 or more delegates and a 15% discount is available for group bookings of 10 or more delegates. These costs include all refreshments, a buffet lunch and **FREE** attendance to all future SCAF organised events until August 2017 (subject to availability).

SCAF also offers enterprises the facility to purchase Corporate entitlement to send employees to events throughout the SCAF year. Details of Corporate Membership may be found at <http://www.scaf.org.uk/membership.html>

Please reserve a place for me at the SCAF workshop being held on Tuesday 7th February 2017 at the The Royal Institution of Naval Architects, 8 - 9 Northumberland Street, London, WC2N 5DA commencing at 10.00am.

- I enclose a cheque (payable to SCAF) for the amount due. Please forward cheques to:- Mr D Hedley, SCAF Treasurer, 42 Liphook Road, Lindford, Hants, GU35 0PP
- Please invoice me.
- Certificate of Attendance Required
- Receipt Required

•Name:

•Company:

•Address:

•.....

•Tel: Email:.....

•Nationality:

•Dietary Requirements:

To register, please email: ndmorrill@dstl.gov.uk or
call 01980 955548