

UK Project Management Round Up



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INTRODUCTION

For many UK residents, we are in the middle of what is known as the ‘Silly Season’ – where little happens, secondary schools are on vacation and the newspapers can find little to talk about. For those of us concerned with the project world, such frivolities rarely occur and there is still much going on. July has seen extensive coverage of the PM profession in the quality press, further criticism of government and public sector projects by the House of Commons Public Accounts Committee, particularly the High Speed 2 programme.

On a more positive note, it is now exactly a year since one of the major project related successes took place – the London Olympic Games. The debate about its legacy rumbles on but there are many useful lessons learned in addition to the financial and social aspects. Further good news comes from the research world and we also have a reminder of the interconnectedness of major projects. And as always, there are further developments in energy projects.

Press Coverage



We have seen major coverage of project management in two major national newspapers. First, the *Daily Telegraph* produced a supplement, sponsored by several big players in the project related commercial sector, with case studies on recent major projects such as the Shard, change management in government, communications at Heathrow, risk management and the BBC restructuring. Also commenting was Terry Cooke Davies, well known as a world class researcher as well as an expert in portfolio management and corporate PM. The supplement was sponsored by PMI in a major investment in raising its fairly low UK profile. The Association for Project

Management was also well represented with comments from APM CEO **Andrew Bragg**.

Less than a month later, the Times included an independent supplement by Raconteur, a special interest media company with a reputation for addressing a wide range of business issues and trends. The lead article hit hard on the shortage of project managers and specialist functional specialists such as risk analysts, schedulers and planners. Special mention was made of APM's efforts to have project management formally recognized as a profession and the progress to date with an informative interview with APM Chair **Mike Nichols** explaining the strap line 'All projects Succeed'. . Also featured was an interesting interview on women project management with **Carol Bell**, who played an important role in the Eden Project and is currently the senior principal project manager at the City of London. There was also discussion of sustainable project management, risk management, recruitment issues and leadership. Overall, a very good presentation of PM to the business world!



Andrew Bragg, CEO APM

Public Sector Projects

Two main topics attract attention – still! First, the debate over High Speed 2 continues to rumble on with claim and counter claim about the business case the current centre of attention. Last month the Chancellor announced further funding for the programme only to be hassled by detractors who challenge the claimed financial uplift forecast, as reported last month. The latest development is not rail related but linked to the redevelopment of the A14 trunk road. This is a flagship programme, costed at about £1.5 billion and is intended to open up the route to Felixstowe, a major container port on the east coast. Clemence Cheng, chief executive of Hutchinson Ports UK, the operator of the port, told the House of Commons Select Committee on Transport that although the proposed development is important, only 3% of the transport on the road is freight coming into the port, so it is not that important. The Chancellor is no doubt very happy that Mr Cheng went on to say that rail links to Felixstowe are much more important – but they are not planned and it seems highly unlikely that funds will be available to improve the rail route. Another nail in the HS2 coffin? Interestingly, several countryside groups are also opposing road upgrades which form part of the £28 Billion road upgrade programme. Many of these protesters fail to link reduction in road transportation with increases in rail capacity.

Meanwhile, the debate over London's airport access continues to rage. London Mayor Boris Johnson is distancing himself from the concept of moving the airport to a new island in the middle of the Thames estuary. The cause of this change of attitude appears to cost – the UK tax payer will need to pay £5 Billion a year for 10 years to provide road and rail links in addition to construction costs. Setting these against the 375,000 new jobs by 2050 and add £742 Billion to the value of goods and services produced in UK according to the Mayor's transport team. The peak spend on road and

rail upgrades would be 2019 to 2028 which is when HS2 is scheduled for implementation.

There are also reports that Mr Johnson has recommended that the Government should buy out Heathrow for £15 Billion in order to build new housing for 250,00 people. This would provide about 40,000 new jobs on the 1220 hectare site and has the advantage that good under- and over-ground rail links are already present and roads are already in place.

There has been another flurry of recrimination over the failed BBC Digital Media Initiative project which went belly up when the new Director General arrived. The losses were originally put at £98.4 million but apparently another £27 million may have been lost in the early years of the project. According to press reports, only £800,000 was recovered when the BBC took the project back in house despite the claim that Siemens repaid £27 million. The row is about whether what the National Audit Office calls a 'transfer of assets' valued at £2.2m, 'reduced service charges' worth £15m and 'service reduction' of some £9.5m – BBC has declined to expand on this according to the Times.

London Olympics and the Legacy

It is now a year since the start of the London Olympics and a highly successful Anniversary Games were held at the end of the month with sell out crowds reliving the enjoyment and enthusiasm generated by the Games themselves. In part this is the famous 'legacy' promised by politicians as the cost of the Games escalated. At a more prosaic level, much has changed in East London and at the Olympic Park – now known as the Queen Elizabeth Olympic Park.

The basketball arena and the Riverbank Arena have been removed, the former to make way for housing and the latter has been replaced by new facilities at Eton Manor. The Waterpolo Stadium was a temporary structure and its silver skin made from recycled PVC has itself been recycled and is now in use elsewhere – in Brazil. The Aquatics Centre remains but its 'wings have been removed, reducing seating capacity to a mere 2500 but it is expected to attract some 800,000 visitors per year. Other venues such as the Copper Box, Velodrome and the Olympic Stadium remain. The Stadium closed immediately after the Anniversary Games to allow modifications to be made before it is handed over to West Ham football club to move in as tenants in 2016.

One of the less obvious outcomes of the Games has been the spin off business won by various British companies in the wake of the Games. These companies are now allowed to use their Olympic connections to speak on their behalf and attract further business. Hence companies as varied as small advertising agencies, poster designers, branding specialists and architecture have been highly successful. While these firms may not have had much project linkage, they illustrate how difficult it is to estimate with any accuracy the collateral earnings for a project such as the Games. In this case, there are many success stories to relate but it might have all turned to dust had not people of vision held their courage and got on with the job – and turned it into a major success. For many, it is this attitude and its demonstration to other people that is the real legacy of the games.

Interconnectedness

Despite major cuts in the UK Defence budget, 48 F-35 fighters are on order from Lockheed Martin. The cost of these aircraft is about £100 million each compared to £70 million each for the Eurofighter. Phillip Hammond, Minister of State for Defence has confirmed the order recently but has said nothing about the further option to purchase 80 additional aircraft. The F-35 programme is the largest weapon programme in history. Lockheed Martin are developing 3 models for the US Government and 8 countries are contributing to fund the new aircraft. Hammond is in a difficult position: the F-35 is barely affordable and Canada has faltered in its contribution. However, some 100 UK firms are involved in the development and it is estimated that the UK contribution will some 15%, creating 24,00 jobs throughout the country. Firms as diverse as BAE Systems, GE Aviation, Chobham and Rolls Royce are joined by family firms such as Martin Baker.

Energy Projects



Photo courtesy Guardian Newspapers plc

Regular readers will recall dire warning of impending energy shortages in UK. While there is no reason to think the threat has receded, at least the Energy Regulator has taken note. One small contribution is the news that Drax, the largest coal fired power station in UK (pictured left) is reducing its carbon footprint in an effort to lose it's reputation as Europe's biggest polluter.

The programme consists of converting half of its 6 boiler to run on wood rather than coal fuel. This entails the construction of two plants in USA to convert trees felled there into pellets which will be loaded onto ships in the Gulf of Mexico and then sent across the Atlantic, round UK to Hull and on to the Selby site. While this plan may seem a little light on the environmental side, it is better than burning coal. More importantly, it will reduce the carbon tax Drax has to pay and has hit its bottom line directly since its inception in April. There is also the EU carbon monoxide permits to consider. According to press reports (Sunday Times 28 July) one major factor in this programme is government subsidies which will see it pay £105 per megawatt hour for generators that convert to biomass.

Research News

As Parliament winds down for the summer, news comes of many smaller but no less significant projects. Probably the smallest in terms of investment is the Government's review of the decline of the UK bee population. We are promised a plan for reversing the decline of many species of bees (and some other pollinators) but November. This is on the back of an 'urgent and comprehensive review of policy, evidence and civil

society on pollinators to identify what needs to be done to integrate and step up our approach'. Bold words!

Equally bold comes news from Anglia Ruskin University who have determined that elephants in Africa are risk averse. This is deduced from observations that show elephants follow the lunar cycle to raid farms and crops in African villages on nights when there is no moon. This demonstrates pachyderms know several things – first that they are doing something wrong; and second that they have a better chance of avoiding unwanted intervention by carrying out their raids in the dark, thus implementing a risk mitigation strategy. Lessons here for some Project Sponsors?

Towards the end of July came news that plans are being prepared for a really major programme – a manned expedition to Mars. The concept plan, developed by scientists at Imperial College London in conjunction with the BBC, to send a 3 man team in a two section space vehicle. The sections will be connected in such a way that they can be spun in order to generate their own gravity. The journey is scheduled to take 9 months to get to the Red Planet and would depend on a prepositioned vehicle, powered by ice from under the surface of Mars, to get from the surface of Mars to the orbiting return vehicle.

According to Imperial College's Team Leader, Prof Tom Pike, all the technology has been proved. However "there are big, big jumps between a demonstration at one level and putting together the engineering systems for a mission, but they are engineering challenges. They are not fundamentally about making new discoveries." Timings will be critical as any delay on Mars would mean missing key alignments. According to the Imperial team time spent on the surface could be two months, if the window is missed for whatever reasons, the team might have to spend more than two years on Mars. Further details of the concept plan are available on the BBS website at <http://www.bbc.co.uk/news/science-environment-22952441>.



Artist's impression of the Skylon courtesy BBC

Finally, the SABRE project – Synergistic Air-breathing Rocket Engine – is to receive some £60 million to build a full scale prototype which is intended to power a fully reusable space shuttle. Unlike NASA's space shuttle, the Skylon (illustrated below) will not need to carry fuel tanks that are jettisoned as the vehicle climbs. It is expected that the Skylon will be capable of

putting a payload of around 15 tonnes into low earth orbit. Operating costs are expected to be some 2% of existing expendable shuttles.

About the Author



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Miles Shepherd is an executive editorial advisor and international correspondent for PM World in the United Kingdom. He is also managing director for MS Projects Ltd, a consulting company supporting various UK and overseas Government agencies, nuclear industry organisations and other businesses. Miles has over 30 years' experience on a variety of projects in UK, Eastern Europe and Russia. His PM experience includes defence, major IT projects, decommissioning of nuclear reactors, nuclear security, rail and business projects for the UK Government and EU. Past Chair and Fellow of the Association for Project Management (APM), Miles is also past president and chair of the International Project Management Association (IPMA). He is currently the Chair of the ISO committee developing new international standards for Project Management and for Program/Portfolio Management. He was involved in setting up APM's team developing guidelines for project management oversight and governance. Miles is based in Salisbury, England and can be contacted at miles.shepherd@msp-ltd.co.uk.