

UK Project Management Round Up



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INTRODUCTION

As the New Year dawns, there is quite a bit that has rolled over from 2013. This month, there are transport projects covering road, rail and air; more IT project ‘failure’; a range of developments in the energy sector; Defence projects and the recent announcement of major infrastructure investments. And to round off there is a short commentary on some issues in national level projects.

SPECIAL PROJECTS

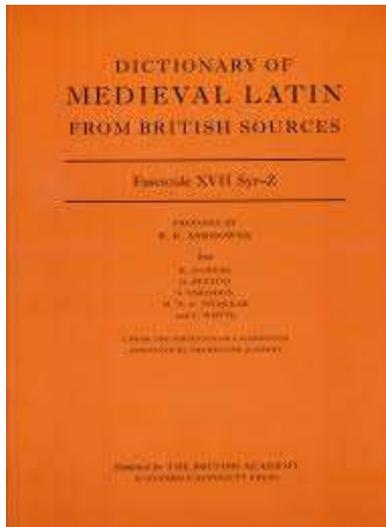
First, three long term projects were completed as the year ended: two made the papers but the other did not. The **British Trust for Ornithology**, in conjunction with project partners **BirdWatch Ireland** and the **Scottish Ornithologists Club**, finally issued released *Bird Atlas 2007 – 2011 The breeding birds of Britain and Ireland*. This wondrous book of some 700 pages is the most complete and comprehensive overview of bird distribution and change in Britain and Ireland.



More than 1300 maps describe patterns of distribution, abundance and change for nearly 300 species in one hardback volume. The book has been compiled from data collected by over 40,000 volunteer surveyors through timed visits, roving records and other sources, over four summers and winters. This is not a guide to bird recognition, although there are some excellent photographs to support the text. Weighing in at nearly 5 lbs, this is not a book to be read in bed! For the serious birder, this Atlas identifies the changing fortunes of the birds of Britain and Ireland through the expert analysis and interpretation of scientists and authors **Dawn Balmer, Simon Gillings, Brian Caffrey, Bob Swann, Iain Downie and Rob Fuller**.



The latest scientific findings about distribution and change are identified and there are supporting distribution maps and chapters telling the atlas story and highlighting the factors influencing our changing bird fauna.



The story that did make the national press is even more esoteric – and took even longer to complete. The *Dictionary of Mediaeval Latin from British Sources* is an equally magnificent tome that has been compiled over one hundred years. The project began in response to an appeal in *The Times* for help in compiling the dictionary. Last month, the final part of the 17 volume dictionary was published. Drawing on sources ranging from poetry and sermons to scientific texts and state records, the Dictionary has more than 58,000 entries in nearly 4000 pages.

Speaking to *The Times*, **Dr Richard Ashdowne** explained “This is the first ever comprehensive description of the vocabulary of the Latin language used in Britain between AD 540 and 1600. For the past 100 years, the project has been systematically scouring the surviving British mediaeval Latin texts to find evidence for every word and all its meanings and usage.” While this may sound a dry, esoteric outcome, it is vital to understanding how many facets of British life evolved. The Dictionary should shed light on not just the meaning of words but also will allow better understanding of documents such as the *Magna Carta* and the *Domesday Book*.

The other publicly acknowledged project is the Stonehenge Visitor Centre. This project has been bedeviled by political controversy as various groups promised the necessary funding, then withdrew it. Support for various layouts and concepts waxed and waned over the years since it was first mooted in 1927. So there has been a major issue around stakeholder management.



Artist's Impression courtesy English Heritage

The new visitor centre opened on 18 December. Costing £27 million, the new facility is intended to “restore the dignity” of the monument. Sited some 1.5 miles away from the

Stones, at Airman's Corner and out of sight of the monument, the new Centre houses several new features. These include an exhibition with more than 250 objects, many of which have not been seen in public, a shop, café and toilets. A major feature is the new projection suite that allows visitors to see what the Stones are like at various times of the year, from inside the monument. Visitors are transported to the monument by a land train that allows views of the surrounding area and put the 5000stones into perspective in their environment.

Landscape changes include closure of the A344 which ran alongside the monument, and tall fences removed and the reconnection of The Avenue, Stonehenge's ancient processional approach, to the monument. Work to restore the site of the old, dilapidated entrance and car park begins this month.

The exhibition includes two rare 14th Century manuscripts, including some of the earliest drawings of the monument, Roman coins and jewellery, and early surveying equipment. One of the highlights of the new exhibition is a forensic reconstruction of an early Neolithic man, based on a 5,500-year-old skeleton buried in a long barrow burial site near Stonehenge.

Despite the significant improvements, the project continues to be dogged by controversy. The closure of the A344 road and construction of new roundabouts on the A303, a major trunk road, has caused traffic problems in local towns as drivers seek alternative routes to avoid the delays at choke points. Controversially, a skeleton found at the monument forms part of the exhibition. Local man and self styled leader of the Druid movement, King Arthur Pendragon led a protest against the exhibition during the opening ceremony. Earlier this year lost he lost his second legal bid to have the cremated remains reburied at the ancient site. He claims the bones discovered in 2008 are the remains of members of the royal line and wants them re-interred.

The remains of more than 40 bodies, thought to be at least 5,000 years old, were removed from the burial site at the ancient stone circle in Wiltshire in 2008.

Simon Thurley, chief executive of English Heritage, said it was the "end of an incredibly long journey".

NATIONAL INFRASTRUCTURE PLAN

The Chancellor of the Exchequer, George Osborne, made his now annual Christmas present to the nation somewhat early in December. Under the National Infrastructure Plan (NIP), some 646 projects are outlined in the pipeline spreadsheet. Of these, 291 have already been started or completed under the £375 bn investment plan. This is an increase of about £66 bn over previous years and well ahead of the piecemeal investments under the previous administration (apart from the year leading up to the 2010 General Election). Confusingly, the Treasury lists projects and programmes separately in a way that makes them look like independent entities.

So the 'project count' reported in the press consists of 480 projects and 166 programmes. The sector breakdown is:

Sector	Project Count	Programme Count	Planned Cost
Communications	7	1	£4,644
Energy	315	275	£12,331
Flood	67	42	£568
Intellectual Capital	8	6	£264
Transport	183	121	£14,169
Waste	34	34	£793
Water	32	1	£3,722
Totals	646	480	£36,491

Other details include:

- Further £50m for a redevelopment of the railway station at Gatwick Airport
- Government guarantee to support finance for the development of a new nuclear power station at Wylfa, North Wales
- Confirmation that a UK guarantee has now been agreed for the £1bn Northern Line extension to Battersea in London
- Funding for improvements to the A50 around Uttoxeter, in Staffordshire, to start no later than 2015-16
- Improvements to the A14 around the strategically important port of Felixstowe in Suffolk
- Target for the sale of corporate and financial assets will be doubled to £20bn between 2014 and 2020, including the government's shareholding in Eurostar

Previous infrastructure plans have been criticised for slow progress. Chris Leslie, shadow chief secretary to the Treasury, claimed that infrastructure work is down 3.7% in the last year, and fell by 10% in 2012. Mr Leslie said "Scheme after scheme has been announced to great fanfare but then little actually delivered. With the country facing a cost-of-living crisis we need to invest in infrastructure to create jobs, boost living standards, and strengthen our economy for the long term."

However, the Plan was broadly welcomed with a £25 Billion investment over 5 years from the Insurance sector demonstrating private sector confidence. The BBC reported Katja Hall, chief policy director of the Confederation of British Industry (CBI), the employers' organisation, said: "With the majority of national infrastructure projects earmarked to be delivered by the private sector, the insurance industry's £25bn investment is good news." Other qualified praise came from the Guardian newspaper who reported that UK government's infrastructure plan is a good first step

National infrastructure programme had done well to secure private sector funding, but government shouldn't get complacent.

TRANSPORT SECTOR

This sector covers road, rail and air transport. Each component benefits from the newly announced NIP but there is further news on the roads programme. There has been a relaxation of pollution rules under which Planning Inspectors were required to consider greenhouse gas emissions from additional traffic on new roads. This meant that many badly needed bypasses and upgrades to dual carriageway were rejected. Under changed proposal in the draft National Policy Statement for transport networks, challenges based on extra CO₂ will no longer be grounds for refusal. Several major developments such as the Thames Gateway Bridge and the Westbury bypass were rejected partly on the grounds that the improvements would encourage more traffic leading to increases in emissions.



Photo courtesy of
WWW.constructionphotography.com

Meanwhile, in the air, the long awaited Airports Commission interim report on UK airport capacity and connectivity was published last month. Amazingly, the Commission concluded that there is a need for 1 'net additional runway' to be in operation in the south east by 2030. Its analysis also indicates that there is likely to be a demand case for a second additional runway to be operational by 2050.

The Commission also announced that it will be taking forward for further detailed study proposals for new runways at 2 locations:

- Gatwick Airport - Gatwick Airport Ltd's proposal for a new runway to the south of the existing runway
- Heathrow Airport (two options)
 - Heathrow Airport Ltd's proposal for one new 3,500m runway to the northwest
 - Heathrow Hub's proposal to extend the existing northern runway to at least 6,000m, enabling the extended runway to operate as 2 independent runways.



Source: Heathrow Airport

This seems to preclude further consideration of the so called Boris Island solution of a completely new 4 runway hub in the Thames estuary. However, press reports seem to indicate that the option has not been entirely discounted.

The Commission is between a rock and a hard place as there are challenges on all sides. First, the Coalition scrapped the former Labour government's plan for a third runway at Heathrow when it came to power in 2010, and has reiterated its intention to delay any implementation till 2015 despite Heathrow's problems with running at 98% capacity. Both airport operating companies oppose the options for the other airport while London Mayor Boris Johnson still holds out for a totally new airport. Added to this, the various residents groups oppose local expansions and wildlife groups oppose any expansion, especially the Boris Island option.

There are also threats legal challenges on the composition of the Commission which, if upheld, would kick any recommendations into the long grass. And British business is demanding much faster decision making and implementation. Who would be a programme sponsor!



Boris Island - Source: Daily Telegraph website

IT SECTOR

Very large IT projects always seem to run into problems and the Government's Universal Credit seems to be following a well trodden path with delays and cost overruns now sharply criticized by the National Audit Office (NAO). Welfare payments are one of the largest spends in the Government's budget and ways to make payments

more efficient (and to reduce cost) have been sought for many years and by successive administrations.

The programme is even more complex than a simple IT development since it involves major revision to the underlying system of benefits which has grown enormously since the welfare state was established in the immediate post war period. The main issue seems to revolve around the multiple IT systems supporting different aspects of welfare benefits. Critics cite multiple keying, incompatible systems and lack of integration as major issues. So far, the system is undergoing trials in a small number of Benefits Office and looks certain to miss revised introduction dates.

Howard Shiplee, one of the key players in the Olympics PM team, has been brought in to sort out problems and get the programme back on track, so far with limited success. The latest performance figures were issued on the same day as the Chancellor's Autumn Statement which seemed to use the well known distraction ploy when bad news is published.

ENERGY PROJECTS

Despite the 40 energy programmes listed in the National Infrastructure Plan, there are still fears that the lights will go out unless much more urgent action is taken. So it comes as good news that Drax, UK's largest single power station has formally opened its new biomass plant. Supplying the new plant's massive furnaces is a new train system operated by Drax itself. Each of the 4 trains consists of 25 wagons, designed and built in UK. They transport wood pellets from east coast ports of Hull, Immingham and Tyne.



Britain's first purpose-built biomass hopper. *Photo courtesy International Railway Journal*

Interestingly, these wagons were innovative wagons were designed by Lloyds Register Rail and built by WH Davis, in Mansfield, rather than more well known train builders in Derby. Each wagon has a tare weight of 30 tonnes and is capable of carrying a 71.6-tonne payload with a total capacity of 116 cubic metres. Work began on two prototypes in January and Drax says designers faced a particular challenge developing a vehicle which could be accommodated within the tight limits of W6a loading gauge, which allows operation over most of the British mainline network.

The conversion from coal to biomass has been welcomed by environmentalists and the European Union but critics point to the overall carbon footprint of a generator that draws its highly subsidized fuel stock from North America.

The last few months have been somewhat difficult for wind energy projects, with the scrapping of two major off shore fields. Now it is the turn of small scale on shore wind farms as news comes of changes to Government policy. Ministers redirected some of the 5 per cent cut to subsidies announced in the NIP from on-shore to off-shore turbines. According to the Daily Telegraph, off-shore turbines cost at least 50% more but attract less opposition than on-shore farms which are seen as destroying views and damaging to wild life.

Subsidies for all wind farms are paid for through levies on consumer energy bills. Under the new subsidy system, companies will be guaranteed payments - several times higher than the current electricity price - for any power they produce for 15 years. Financial support for onshore wind has been reduced by £5/MWh from 2015 onwards compared to the draft strike prices, e.g. £100/MWh in 2015/16 has fallen to £95/MWh, and £95/MWh in 2017/18 has dropped to £90/MWh

Danny Alexander, Chief Secretary to the Treasury, has stated that he wishes to see at least 10 gigawatts of offshore wind installed by 2020. This is three times the current installed total; however, at the end of November, the National Grid reported that more than 6 gigawatts of wind energy had been delivered in one half hour reporting period – a new record. This is equivalent to 13.5% of demand at that time. While wind energy is capable of providing useful peaks in power delivery, it remains erratic and unreliable, requiring back up generating capacity to cover for slack periods.

In other news for this sector the Bristol Channel wind farm might be rescued by the use of floating, rather than fixed, wind turbines. RWE abandoned work on the Atlantic Array in November but the Crown Estate has announced that it had granted Statoil a lease to locate 5 large floating turbines off the coast of Peterhead, in Aberdeen. Although the concept of floating turbines is still under test, it is hoped they can be deployed in deeper water. According to industry spokesmen RenewablesUK, the Bristol Channel seabed characteristics make it difficult and expensive to install pilings for fixed turbine towers.. Floating turbines currently require double the subsidy presently available.

DEFENCE PROJECTS

The Government is apparently trying to rescue elements of their plan to overhaul the £14 Bn Ministry of Defence (MoD) procurement operations. As reported last month, the outsourcing of MoD procurement has been withdrawn after a key bidder pulled out of the tendering stage. The outsourcing was a key part of the draft Defence Reform Bill. Reports in the press (Financial Times 9 Dec) suggest that the Defence Secretary, Phillip Hammond, is still attempting to outsource large parts of “day to day” functions of the Defence Equipment and Support (DE&S).

According to the BBS (10 Dec), the agency would still get a "significant injection of private-sector skill", Mr Hammond told MPs, adding that this would ensure "the organisation becomes match-fit" adding that he was creating a new arms-length government trading entity to buy equipment and supplies, which would be able to recruit and manage staff "along commercial lines".

There is also news of some interesting research that may benefit Defence projects. The University of Cambridge and Lehigh University in Pennsylvania are investigating how owls fly silently when hunting. The project, reported in *The Times*, is funded by the US Navy. Dr Justin Jaworski of Cambridge University explained that owls depress noise levels to below the threshold they can hear. He added “If we can figure out what makes the owls fly quieter we should be able to translate that technology to different scales – to aircraft or submarine-sized scales.”

COMMENTARY

The start of a new year is always a time for optimism and not only am I inclined to take a rosy view of the project world but I am also encouraged as I have seen interesting signs that the general public is taking more interest in projects. Usually, the public is only given to tut tut over failings in projects but in the last few days of 2013, I saw a different view beginning to emerge. That such ideas surfaced just after the Chancellor’s Autumn Statement is no real surprise but the ideas themselves were not the usual criticisms.

Few observers, expert or otherwise, are happy about the problems surrounding the Universal Credit programme. There is a view emerging that one of the lessons to be learned is the importance of accurate project reporting. This is only to be expected from such august bodies as the National Audit Office, but I read in the newspapers that the usual blame game needs to take a different perspective. Against a background of delays (some 2 years late so far) and cost overruns (£41 million written off on failed IT systems), the Government is blaming what it sees as incompetent and reactionary Civil Service. For their part, the Civil Servants see the programme as a classic case of buck passing with Ministers failing to take responsibility for their own actions. The NAO (and the Commons Public Accounts Committee) see “weak management, ineffective control and poor governance.” What emerges is a notion that the basic idea behind the programme is about right. The concept is bound to be controversial, given that affects so many people, but there is strong cross party support, according to *The Times*. The main issue is competence, and not just project management competence and this is being picked up by the Major Projects Authority (MPA). Leader writers are calling for more accountability at all levels, particularly at senior levels of the civil service. It will be interesting to see how the MPA, Ministers and Senior Civil Servants manage such issues.

Another aspect to catch my eye is a call for a closer look at benefits of Government projects. These are usually very large in terms of both costs and impact on the economy. The NIP is seen as a good idea and helps ensure transparency. NIP also covers real investment in capital projects rather than in running cost spend so fulfill the basic requirement to be called ‘investments’. Now there is a recognition that much as we need such ‘investment’, it must be paid for – usually in the future and over many years. Examples such as the new Thames Tideway Tunnel will be paid for by consumers who will have an increased waste water charge of £70 - £80.

The new nuclear reactor Hinckley Point C will cost around £16 Bn but needs to be offset against 25,000 temporary jobs and 900 permanent jobs. The point here is that yes, we do need to build these very large infrastructure projects but they also need to be paid for – and the money to do that comes from the public. So there is a down side as well as an upside to investment.

In a similar vein, I note that the same Leader Writers who complain of poor governance and the cost of investment also complain about lack of long term investment. One writer went so far as to worry about major national issues such as the long term future of the National Health Service, educational reform and energy security. All these are national level programme issues rather than project management issues but the point here is that priorities need to be established so that the portfolio of national projects can be managed efficiently. So plans to cope with a major deficiency in energy supply, the economic importance of a hub airport in southern England and improved flood prevention schemes are all needed. So too is a strong understanding of governance of projects in the broadest sense is what is really needed.

While the issues above may look depressing, the good news is that the general public is seeing these and is likely to be better informed and therefore better able to challenge some of the political point scoring that surrounds ‘investment.’

I wish you all a very good New Year and hope that whatever your investments in projects you make in 2014, you prosper!

About the Author



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