

UK Project Management Round Up



*By Miles Shepherd
Executive Advisor & International Correspondent
Salisbury, England, UK*

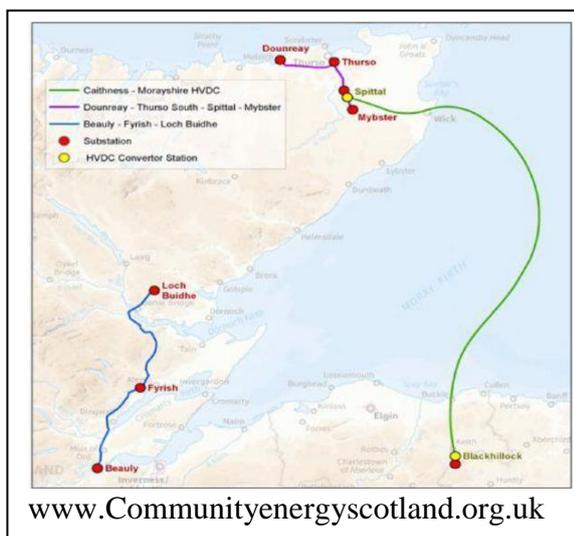
INTRODUCTION

As autumn slides slowly into winter, the Project World in UK seems to be holding its breath as the results of this year's Association for Project Management Awards are due for release just after we go to press. You can be sure that the results will be fully covered here as soon as they are available.

On a more prosaic note, the focus on infrastructure projects continues as further announcements are made on rail projects, problems over winter power supply have finally penetrated to the Parliamentary mind and to the BBC. We are also seeing more challenges to project plans with a complaint over estimated costs as well as the well-worn but equally challenging views over high speed rail.

There are some other project issues that also attracted attention, notably concerns over strategic capabilities of Boards and interesting news of a very important project seeking improved diagnostics concerned with Alzheimers'.

CLIENT INTERVENTIONS



All too often, the client does not get a look in on these pages so I offer a small note of protest from the Office of Gas and Electricity Markets – or Ofgem – that claimed that the cost of the new Caithness – Moray transmission link was too high. Ofgem carried out its own estimate for the project and concluded that their total came to £1.06 million or £174 million less than owners Scottish and South East (SEE) calculation. The project is operated by SHE (Scottish Hydro Electric Transmission) and is intended to link renewable energy to the grid in the north of Scotland.

Ofgem claims that unnecessary costs derive from over-estimates of risk, by some 61%. It claimed that in addition to over-estimating the risk, SHE had not provided sufficient justification for the risk allowance and produced insufficient evidence to support their estimate of the impact of certain risks. Unusually, Ofgem also said that SHE had budgeted to too many 'overpaid staff and claimed that there was excessive monitoring of contractors. Ofgem are reported to be concerned that the extra costs will have to be paid for by customers.

The project is part of the long term energy policy developed by the Scottish Government that seeks to have all of Scotland's energy generated from renewable sources by 2020. According to press reports, customers – especially those in some the very remote parts of the country – are concerned that the move to renewables will increase costs. Many others are concerned about the proliferation of wind farms in areas of outstanding natural beauty.

In another stakeholder rebellion, the Annual General Meeting of Balfour Beatty was the scene of a protest by a single "investor" who had bought a voting share in the company. He protested, vigorously, that the Chair was a "corporate psychopath" as part of his attempt to prevent the £820 million sale of Parsons Brinckerhoff to WSP of Canada. The sale was completed at the end of October and the specialist press has reported that WSP has appointed several senior staff from Parsons Brinckerhoff and CH2M Hill as the group continues to expand in the UK.

RAIL NEWS

Crossrail have had a busy month with projects completed in Buckinghamshire, Docklands and south east London. First, A 110 metre long temporary road bridge weighing 350 tonnes has been launched over the Great Western Main Line as part of Crossrail improvement works in the area. The temporary structure has been installed at Thorney Lane, in Iver, ahead of the demolition of the existing bridge at Christmas. Second, Crossrail's train tunnels in Docklands and southeast London are now structurally complete, following the breakthrough by tunnel machine Ellie at Victoria Dock Portal in east London. At the same time, tunnel machine Elizabeth has started the final push west from Whitechapel that will see her and sister machine Victoria complete Crossrail's train tunnels at Farringdon next year. Finally,

A temporary station at Abbey Wood has opened to allow work for the new Crossrail station to get underway. The temporary station includes a staffed gate line, ticket machines and windows, a cash point and, for the first time, lifts to all platforms. Work will shortly get underway to remove the existing station building. The new, two-level station will open in 2017 and will be built above two new dedicated Crossrail tracks and those used by North Kent services.

While Crossrail makes progress, High Speed 2, the new line from London to the North of England, has been holding public meetings to allay fears concerning noise, property value losses and related matters of interest to those who live along the proposed route. The route is expected to be confirmed by the end of the year – not much longer to wait!

HS2 construction is not scheduled to start until 2017 but already there are calls for what is being called HS3 – a new high speed rail link under the Pennines. Calls by council chiefs in the North have been listened to as the government backed proposals from HS2's chairman to radically reduce journey times between Manchester, Leeds and cities across the north. And what will this new whizzy idea cost, in cash terms? A snip at £6.7 billion. The plan apparently proposes a link between Hull and Liverpool with the first stretch running between Leeds and Manchester. This will be another highly controversial project and aimed as much at improving relations between the Government and the big city councils in the region.

INFRASTRUCTURE PROJECTS

With rail projects racking up huge long term costs, the Government will no doubt be pleased to learn that Beijing is preparing to invest another £105 billion in UK infrastructure projects. This is in addition to the already announced funding of nuclear power stations, numerous property developments and transport links. A recent report by the Centre for Economics and Business Research, commissioned by law firm Pinsent Masons, predicts such investment in the next 10 years. According to press releases, expectations for put investments of £43.5 billion in energy projects, £36 billion in property development and £15 billion in transport infrastructure. This is in addition to commercial investments such as Manganese Bronze plc and the like.

POWER PROJECTS

A major fire at Didcot B power station has called into question whether or not plans to keep the lights on over the winter can succeed. Capacity is at its lowest for 7 years and the first test of new plans is expected to come in early December when some plants will be shut down for maintenance just as demand increases.



Aerial view of the damaged Didcot Power Station

The cause of the fire is not yet known and no immediate capacity problems are anticipated although if the weather deteriorates, this view may be revised.

Government plans rely in part on the reopening of two nuclear plants currently closed for safety reasons. According to reports in *The Times*, EDF have already delayed switching Heysham and Hartlepool back on and they will only be operating at reduced levels for the next 2 years. The National Grid have a plan to pay 3 power stations to form an emergency reserve. This was to have been implemented next year but the plan has been brought forward after analysis confirmed that wind turbines can produce very little output in very cold weather – just when demand increases. Against this background, EDF have asked the Office of the Nuclear Regulator to approve increases in the permitted weight loss in reactor core graphite moderators.

PROJECT DISASTER

There are many problems that can afflict projects, ranging from simple over-estimates, misanalysis of risks and loss of funding to technical problems. It was with great sadness that we noted the fatal incident that befell Sir Richard Branson's Virgin Galactic project when SpaceShip Two crashed, fatally injuring one pilot and severely injuring the other.

According to the *Guardian* newspaper:

SpaceShipTwo broke up at an altitude of about 45,000ft shortly after separating from its mothership, WhiteKnightTwo. One crewmember, identified as 39-year-old Michael Tyner Alsbury of Tehachapi, California, was killed. Alsbury was a project engineer and test pilot at Scaled Composites, a Northrop Grumman Corp subsidiary that built and designed the spacecraft for Virgin Galactic. He was flying for the ninth time aboard SpaceShipTwo, including serving as the co-pilot on the vehicle's first rocket-powered test flight on April 29, 2013, according to his biography on the company's website. Another, who has been named as Peter Siebold, was injured. The impact of the crash has yet to be assessed but some observers have suggested that this spells the end for the idea of Space Tourism.

This disaster comes just days after the failure of the Antares rocket owned by Orbital Sciences. The rocket contained 2,200 kilograms of supplies for the six astronauts stationed aboard the space station, according to *BBC News*. The rocket faltered just 15 seconds after liftoff, fell back to Earth, and exploded. A Russian rocket similarly failed in May.



PROJECT GOOD NEWS

Fortunately, all is not doom and disaster in the project world as news comes of a research project conducted in Scotland, at Dundee University. The team is developing a test that detects early signs of Alzheimer's Disease. The diagnostic is based on an eye test that analyses high definition images of the eye. The project which has cost £11.1 million and is planned to run for 3 years. This comes shortly after news of another British project investigating blood tests to identify specific proteins that predict the onset of Alzheimer's Disease. According to BBC News, Research into treatments for Alzheimer's disease has been plagued by failure. Between 2002 and 2012, 99.6% of trials aimed at preventing or reversing the disease flopped.

ACADEMIC NEWS

Project management research and teaching started at the University of Manchester 50 years ago. Stephen Wearne, its joint founder, is celebrating the 50 years with a new book based on case studies of emergency, urgent, unexpected projects ranging from the launch of the UK Freeview system to the sifting of the New York 9/11 pile. A paper in the February/March Project Management Journal also gives the results of a 23 year study showing the scope for reducing 'fire-fighting' in project management. The mix of courses now run at Manchester include the Management of Projects MSc programme attended by over 250 full time or part time graduates yearly and a set of distance learning executive programmes for the nuclear, construction and oil and gas industries.

CONCLUSION

And so another month closes on the Project World in UK. As always, there is good and bad news but on balance, we see a vibrant scene with projects forming a major part of national, political and commercial life. We look forward to the annual Awards Gala where APM members and their guests celebrate successful projects and look for more news on projects and programmes.

About the Author



MILES SHEPHERD

Salisbury, UK



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 Director of PMI's Global Accreditation Centre and 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.

To view other works by Miles Shepherd, visit his author showcase in the PM World Library at <http://pmworldlibrary.net/authors/miles-shepherd/>.