

## **UK Project Management Round Up**



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### **INTRODUCTION**

It is always a cliché to bemoan the rapid passage of time, especially at this time of year. However, that does not make it any less of a talking point and I am no different from others in this respect. Not only does 2015 seem to have evaporated even more rapidly than usual but everyone in the project world seems to have the same idea – and have said so! Hence I have little to report in this issue.

For me, the New Year is not just a time for renewal, but a time for optimism. I try to avoid ‘optimism bias’ that Bent Flyvbjerg warns us against but to look for the positive aspects of projects. Reading over my reports last year, it must have been a pretty poor time as all I seemed to encounter was delay, schedule and financial overrun and poorly performing projects. Well, this year, I am looking for positives.

### **LOOKING BACK**

The year just ended was not one of spectacular success if you take the National Audit Office (NAO) report as your only source of information. This report, covering all 149 of the Government’s Major Project Portfolio, was issued at the start of the month. You can download a copy from their website (<https://www.nao.org.uk/report/delivering-major-projects-in-government-a-briefing-for-the-committee-of-public-accounts/>). The report reviews the portfolio which has a combined whole-life cost of £511 billion and an expected spend of £25 billion in 2015-16. More importantly, it provides the House of Commons Public Accounts Committee (PAC) with a starting point for its grilling of public servants responsible for major projects.

Government Major Projects require Treasury approval based on their size, risk and impact. The public sector as a whole delivers many more projects outside the Portfolio, for example, through arm’s length bodies and other bodies such as Network Rail. The NAO public sector has had a poor track record in delivering

projects successfully. While in the last Parliament, the NAO reported on improvements in the way aspects of programmes in some departments were managed, project failures and on ongoing projects that were experiencing considerable difficulties were highlighted. Key recurring issues included an absence of portfolio management at both departmental and government level; lack of clear, consistent data with which to measure performance; poor early planning; lack of capacity and capability to undertake a growing number of projects; and a lack of clear accountability for leadership of a project.

The NAO is particularly worried that a third of projects (37 out of 106) are rated as red or amber-red. Nearly 80 per cent of the Portfolio projects due to be delivered by 2019-20 are to either transform or change the way that services are delivered or accessed. Transformation programmes can present the greatest risk of failure and there is a need to balance ambition and realism in setting goals. For instance, the Better Care Fund was a challenging initiative which Ministers paused and redesigned after the early planning and preparations did not match its scale of ambition.

What must have been even more worrying was that the Major Projects Authority, formed in 2011 with a mandate to oversee and assure the largest government projects has not achieved the performance improvements expected. Based in the Cabinet Office, with a permanent staff of approximately 80 civil servants, MPA was supported by a number of assessors who are brought in to assure individual projects

It was also recognized that Government invested in a number of other major projects as a key stakeholder and often in partnership with private industry. Infrastructure UK (IUK) was established in 2010 to support major infrastructure projects involving public sector capital, such as Crossrail. Based in within HM Treasury it's staff of around 70 civil servants and private sector commercial experts also lead on Private Finance Initiative (PFI) policy across government; and infrastructure guarantees, under which up to £40 billion is available to support investment in UK infrastructure projects.

These two 'Super Project Offices' do not seem to be sufficient to provide the improvements sought by the Government so it came as no surprise that towards the end of 2015, The UK government announced that IUK and the Major Projects Authority MPA are to merge, bringing the government's expertise, knowledge and skills at managing and delivering major economic projects under one roof for the first time.

The new organisation, which will be called the Infrastructure and Projects Authority (IPA), will bring together government expertise in the financing, delivery and assurance of these projects, which range from large scale infrastructure projects such as Crossrail and the Thames Tideway Tunnel to major transformation programmes such as Universal Credit.

## **LOOKING FORWARD**

The New Year got off to a good start with the arrival of the IPA – note that this is the Infrastructure and Projects Authority, not the well-known type of beer. It came into formal existence on 1 January 2016, and is to reporting jointly to the Chancellor and Minister for the Cabinet Office, giving its Chief Executive, Tony Meggs, currently Chief Executive of the MPA, a full in-tray.

It will be interesting to see how this new ‘Super Project Office’ gets on, especially with split reporting. Even this new office with a wide remit does not cover all the big projects in the Government portfolio, with Defence and R&D outside its responsibilities.

One thing is sure and that is the continued scrutiny of the NAO whose view on Government project and portfolio management is one of disappointment. In their recent report, they noted that progress in improving portfolio management is disappointing. No single organisation seemed to have a view of the whole portfolio of government projects. The Portfolio provides increased assurance, and other central departments have an increased role in assuring, approving and improving quality of delivery. But an effective mechanism still needs to be developed for prioritising projects across government or judging whether individual departments have the capacity and capability to deliver them. The NAO has often reported on the difficulties caused for government projects by unrealistic expectations and over-optimism.

According to Amyas Morse, head of the National Audit Office, stated “I acknowledge that a number of positive steps have been taken by the Authority and client departments. At the same time, I am concerned that a third of projects monitored by the Authority are red or amber-red and the overall picture of progress on project performance is opaque. More effort is needed if the success rate of project delivery is to improve.”

## **OTHER NEWS**

On a more optimistic note, the Association for Project Management have recently reported that their APM Research Fund has received almost two dozen formal enquiries along with a number of submissions on their first call. APM would very much like to increase these numbers further so have extended the deadline for submissions to close of play 17th January 2016.

## 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 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](mailto:miles.shepherd@msp-ltd.co.uk).

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