

## UK Project Management Round Up<sup>1</sup>



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

### INTRODUCTION

The report emerges at a very unusual time. First, UK is basking in glorious sunshine with above average temperatures (average 28°C / 85°F), and Scotland has had its hottest day in recorded history - 33°C / 91°F!. Visitors usually remark on the mist, rain and generally dour climate so many are no doubt frustrated by the remarkable spell of sunshine – it has lasted 10 days so far and is expected to stay fine for another week or two. The other remarkable factor is the triumph of the England football team. I know the ball is the wrong shape for many enthusiasts, but we have actually managed to get through to the last 8 by virtue of a penalty shoot-out. Now readers of the popular press know this is almost unheard of in British football history. Well done the team, no doubt there are many lessons for project people but that will have to wait for another time.

This month, we dwell on some well-known major projects and their problems, BREXIT looms yet again, energy projects have been in the news and we are faced by a national disaster that threatens the British way of life.

### PROJECT PROBLEMS

One of the other staples of British conversation is the railway system. This is not just because we invented the wretched thing and had the first fully functional system in place nearly 200 years ago but because it is something we all have to endure. The latest problem to bedevil the trains is a **new timetable**. This came into force on 20 May and immediately plunged the network into chaos with around 1000 trains cancelled on one day alone. Unsurprisingly, this has caused a great outcry with demands for a public inquiry – the standard response when someone wants to kick a problem into the long grass. No inquiry has yet been announced but a brief look at the situation is instructive.

The rail network in UK consists of a series of regional franchises who lease engines and rolling stock and actually operate the trains. Trains operate across the franchise

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boundaries and so some coordination of timetables is needed. Rail scheduling used to be regarded as a profession but like some other so called archaic occupations has been relegated in status and can probably be done by a computer. Regardless of status and the ability of computers, something has gone badly wrong with the scheduling which was intended to better reflect the faster train speeds achievable and the improvements to the rail infrastructure. On two of the major franchises in the north of the country, up to 1 in 8 services a day have been cancelled or delayed by more than 30 minutes.

The problem seems to be a training issue as drivers have to be trained on new routes and not enough time seems to have been allowed for this to take place before the new timetable came into operation. It is hard to see why more time could not have been allocated or the implementation date altered as the conversion training should have been easy to monitor. There have been demands for heads to roll over this debacle but so far, only the boss of the biggest rail operating company has fallen on his sword. Disruption is forecast to last for months as training takes place alongside normal operations.

Still on rail projects, **High Speed 2** has been in the headlines as allegations of “petrifying overspends” have been made by the former Head of Property, **Doug Thornton**. Apparently, many of the estimates of compensation for land compulsorily purchased were based on SWAGs (Scientific Wild Ass Guesses) and some have been £billions out. HS2 has not disputed overruns, some of which have been 10,000 (yes, ten thousand) times more than the original estimate according to reports in the Sunday Times (17 June). The situation was identified in 2016, and the head of planning and performance, **Andrew Bruce**, was due to report to the main HS2 Board but was sent on leave of absence at very short notice. He was due to “present major budget, programme and performance issues”. Both left the Company as the HS2 Phase 1 legislation was at a critical stage in Parliament in 2016. The National Audit Office is investigating these new allegations contained in papers sent to the Cabinet Office.

## **IT WOES CONTINUE**

There seems to be no end in sight for the troubles TSB legacy system upgrade project. You may recall that TSB was spun out of Lloyds Banking Group and used the Lloyds computer system while it developed it's own network. This is a long-planned development and transfer programme due for cut over from old to new systems in March. TSB's owners, Sabadell, reputedly spent £250 million developing the platform, £550 million transferring 5 million customer accounts and more than one billion records from the Lloyds system to their new one.

As we reported in May, problems were encountered as soon as the transfer was made. It has now emerged that the Bank has lost 1.500 customers, is investigating more than 10,000 cases of suspected fraud and more than 95,000 customer complaints of which 24,000 have been resolved using nearly 500 additional complaint handlers engaged since the start of the problem.

The Financial Conduct Authority (FCA) the Prudential Regulation Authority (PRA) have deployed some 14 supervisors. The FCA had its own team embedded with TSB since the crisis unfolded. This will be the FCA's first major investigation into an IT meltdown

in more than 5 years, since the Royal Bank of Scotland's 2012 software issue left millions of customers unable to access accounts. The jointly FCA and PRA investigation took 18 months.

System change over is a notoriously difficult task in IT projects and is one that is based on extensive testing so claims that system testing was inadequate must be extremely disappointing. IBM, brought in to help shortly before the migration claimed that "performance testing did not provide the required evidence of capacity". This comes in the wake of a further report by the Treasury Select committee.

## **BREXIT – AGAIN**

It is inevitable that BREXIT will dominate headlines as the date for departure gets closer. The UK press is reporting the exclusion of British firms from important European projects. We have reported on Galileo, the civil and military satellite system to provide communications and GPS independent of US systems. Brussels has also ensured UK participation in new drugs regulation is minimized. This seems a little short-sighted as UK pharmaceuticals supply many drugs used throughout the EU.

More significantly, the impact of BREXIT on IT projects. HM Revenue and Customs (HMRC), our tax collectors, have drawn up a list of 39 major IT projects that have been put on hold until it is clear how customs will be implemented come the day. HMRC estimate that delay to one major project alone could cost the Government £ billions in delayed or lost tax revenue. Other systems, such as migrant registration are well behind schedule and may not be ready by the time BREXIT is implemented,

It seems some of the Leavers are having second thoughts as demand for a second referendum grow. Some deluded voters seem to think it will be possible to re-negotiate terms if they don't like the outcome of the Government's work. We will have to wait and see how things work but it is not looking good for anyone.

Interestingly, one of the prominent Leavers, Nigel Lawson, best known as Father of the opulent chef Nigella, is seeking permanent residence in France. Lord Lawson was Chairman of the Vote Leave campaign. His motives remain unclear.

## **ENERGY**



Wylfa New Plant – Artists Impression (Hitachi)

There is mixed news on the energy front. The good news is that Hitachi is continuing with development plans for the new nuclear power station at Wylfa, in north Wales.

The company has agreed to continue negotiating over the future of a ¥3tn plant. Sterling costs are reported variously from £16bn - 20bn. This comes after enhanced terms offered by the British government thought to be centred on issues of liability for nuclear accidents and an equity

sharing deal to cost both Hitachi and the British taxpayer some £15bn each.

The new Wylfa plant deal is likely to provide energy significantly cheaper than the much-criticised output of Hinckley Point but still remain more expensive than offshore wind farms. However, there is more good news as the Planning Inspectorate has accepted Hitachi unit Horizon’s application for the twin reactor plant.

## **MORE GOOD NEWS**



Artist’s Impression – New V&A building in East London (Courtesy V&A Museum)

The Victoria and Albert Museum has announced a second new building in East London. Inspired by the geometric layers of a 1950s Balenciaga gown, the building is part of the transformation of the Queen Elizabeth Park into the “East Bank”, a cultural hub with branches of Sadler’s Wells, London College of Fashion and University College London as well a BBC concert hall.

A collaboration with the US Smithsonian Institution, V&A East will be home to the museum’s new Collection and Research Centre, replacing its archive at Blythe House in west London, which is being sold off.

**Tristram Hunt**, director of the museum, said: “V&A East will revolutionise how our world-class collections are accessed, create a new museum, and open up opportunities for collaboration, learning and discovery in ways we’ve never been able to before.”

Designs were unveiled yesterday as Sadiq Khan, the mayor of London, announced that BBC music would also relocate from its studios in Maida Vale, northwest London.

## BRITISH WAY OF LIFE UNDER THREAT



Crumpets (© Joe Gough | fotolia.com)

I've saved the worst till last this month. There is a major threat to the way the British live. Centuries old traditions are at risk and dietary disaster is imminent and it is due in major part to issues in specialized project planning.

Those with experience of production industry such as oil refinery output, industrial plant management and the like will all be well aware of the issues surrounding Outage Planning. This is a complex issue as there are many linked processes, often with significant safety factors to be considered. Outages are always

scheduled at times of least consumption and their duration minimized to prevent loss of income.

It comes as an unwelcome surprise that there is a nation-wide shortage of Carbon Dioxide (CO<sub>2</sub>). This is due to an unfortunate combination of extreme weather, excessive football enthusiasm and lack of coordination between producers. The result is a problem in slaughter houses where CO<sub>2</sub> is used to stun animals prior to slaughter. Elsewhere, soft drinks, sparkling water and the like are not being produced and stocks are depleting rapidly. Beer production is also under threat despite the natural fermentation process producing some gas.

However, the main problem is the great British Crumpet – and I do not mean the non-PC version! The delicacy illustrated above is a staple of the British diet and stocks are disappearing rapidly. Some may have thought the CO<sub>2</sub> generated is responsible for producing the holes but those are in fact produced by steam escaping from the dough. It is packaging again – and the situation is so bad the two production lines have closed down and the few remaining lines are under immediate threat. There is no native equivalent so if production ceases nation-wide, there may be civil unrest!

## About the Author



### **Miles Shepherd**

Salisbury, UK



**Miles Shepherd** is an executive editorial advisor and international correspondent for PM World Journal 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 and a Fellow of the International Project Management Association (IPMA). He is currently a Director for PMI's Global Accreditation Centre and is immediate past 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@m-sp-ltd.co.uk](mailto:miles.shepherd@m-sp-ltd.co.uk).

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