

UK Project Management Round Up



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

INTRODUCTION

This month is the end of the sensible reporting season in UK as Members of Parliament prepare to go on their extended summer holiday and social events begin to dominate the Press. As some readers may have noticed, we are still some way off from closing the BREXIT project although one phase is drawing to a painful close as the Conservative and Unionist Party elect a new leader. While the political gyrations are of little interest, it has significance for the project world so a few words on this topic follow. We have also seen a major expansion of a key transport programme and there are further developments in this sector so these, too, appear below.

GOOD NEWS

First the good news as far as transport projects are concerned. This one is linked to sustainability and so falls into the Good News category. As an animal loving nation, Britons go to some trouble to preserve various creatures, especially when they come up against motor transport. Thus we have roadside signs warning drivers to be alert for various creatures, starting at the higher developed end with the elderly and children but covering livestock, deer, ducks and toads. Indeed, toads seem especially close to people and I have encountered squads of concerned citizens late at night ushering large numbers of the beasts across roads during their breeding season. However, some other creatures have been neglected, and some hint this amounts to discrimination. So it is with some enthusiasm that I can confirm that hedgehogs will now be brought into the warm conservation embrace of highway planners. The problem is serious as it has been estimated that about 100,000 hedgehogs die on British roads annually. Efforts to teach hedgehogs better road sense have been notable for their lack of success so alternative methods have



been adopted, a sign of taking on board lessons learned, good project management practice. The new road signs have been designed and will be posted on strategic blackspots and so prevent hedgehog casualties. Those disappointed by the lack of response from hedgehogs to earlier schemes are skeptical about the hedgehog response but the Department for Transport is confident that the scheme will be successful. Apparently they think the signs will alert drivers who may avoid contributing to the carnage and also help prevent crashes as drivers and motorcyclists swerve to avoid hedgehogs.

Other good news is the launch of the latest set of plans to develop London's Heathrow airport. Long discussed, the Coalition Government in UK set up a Commission to assess options for a new runway. This ran into heavy criticism over location, pollution and costs but eventually a decision was reached in Parliament. This is a minor miracle as Parliament is renowned for avoiding decision making, a fact reported as long ago as 1882 when Gilbert and Sullivan made reference to this reluctance in their comic opera *Iolanthe*.



Now we have a public consultation on the redevelopment so this can only be good news! The plan is quite ambitious and will likely take many years to get off the ground despite Heathrow using the findings from the consultation to adjust the plans and apply for a development consent order, allowing it to start work. All this for a mere £14 billion! Personally, I'd double the number I first thought of and add a zero. However, this is a challenge for estimators and there is some challenge on the ability of contractors to keep within the budget. It seems to me that it is a little unwise to make an estimate before the plan has been developed.

More good news comes on the sustainability front as Rolls Royce announce plans to purchase a unit devoted to electric aerospace projects. The unit is currently part of Siemens and consists of 180 specialist engineers. Rolls Royce CEO, **Warren East** said "It demonstrates continued momentum on the electrification journey, and it's designed to accelerate electrification generally." This M&A project will be quite tricky as the existing unit has operations in German and Hungary so its integration into Derby based Rolls Royce will not be straightforward.

NOT SO GOOD NEWS

On every parade a little rain falls and so it is with some sadness that I can reveal that not everything in the project garden is smelling of roses, to mix my metaphors. First we learn that the cost of nuclear projects at the Ministry of Defence will cost 26% more than estimated over the next three years. Added to this news is the claim recently by NIS (Nuclear Information Service), a civilian campaign group, that four upgrade projects had been scrapped and five more are experiencing financial difficulties. Three of the projects which appear in the annual Infrastructure report are rated as amber/red or red and we all know what that means!

I'm not entirely sure where this next item fits but I will leave you to decide whether it is a case of faulty planning (bad news) or realistic project management (good news). Anyway, a £1.4 billion road project has been scrapped over costs, not just financial costs but also environmental costs. The M4 relief road, designed to ease congestion around Cardiff and South Wales, has been cancelled after its route could not be agreed despite 30 years of debate. Planners have tried to balance the impact on the ecologically important Gwent Levels and the air pollution of dense traffic in built up areas. The scheme was the subject of public enquiry costing £44 million. The cry now comes that similar schemes in England should also be cancelled, including the £14 billion A14 upgrade between Cambridge and Huntingdon, which is under major construction: the £6 billion Thames tunnel east of the artform Crossing and the £2.3 billion Stonehenge tunnel. Magic Grandad (Leader of Her Majesty's Loyal Opposition) apparently prefer humans to suffer poor air quality and countless construction workers to go jobless than build much needed road upgrades.

BREXIT

And so to BREXIT...this topic has STILL not been resolved. We have delays in cricket where rain stops play but here we have a stoppage for the election of a new leader. Such a project is always fraught and this one is going to be severely time constrained, which

has an immediate impact on the BREXIT timeline. This timeline is already under threat as Parliamentarians go on their hols later this month and do not return until early September, when the Party Conferences take out most sittings of the House. Hard to see how our leaders will find time to fit in votes on BREXIT but the end of October.

One point to emerge from the dreary round of in-fighting is the impact of political leadership on some major projects. One potential Leader, formerly noted for opposition to the Heathrow expansion, has challenged the viability of High Speed 2. As usually, such challenges are generally ill-informed attempts to garner personal support and taking a swipe at HS2 is like shooting fish in a barrel. Talks of a failed business plan seem to ignore the realities of an important infrastructure plan by loading onto it many additional social improvement costs that were outside the original business plan. From an engineering, and project, plan perspective the case remains sound.

In more practical terms, the Press reports doom and gloom everywhere with speculative reports indicating a 20% in export performance and a worrying lack of preparedness for a No Deal exit. One firm has halted a £400 million construction project because of BREXIT uncertainty as firms face higher costs to trade with up to a dozen overseas countries as the Foreign Office seems unlikely to get the 16 trade agreements we currently enjoy through the European Union by the time we leave. There are also reports that financial service companies in the City of London are preparing to shift up to £1 Trillion from UK. Some 23 companies have made preparations to move all their investments, stock and other assets out of UK to shield them from the consequences of a No Deal departure. Some of this is apocryphal as such moves would have immediate repercussion in the Stock Market but the Times claims that the value of assets expected to leave UK has risen by £200 million in the last Qtr. Some of this is likely to be misinformation from EU sources aimed at putting the frighteners on UK business but some firms will most certainly try to profit from the uncertainty currently rife in the market place. To cap it all, we learn that the BBC is preparing to open a base in Amsterdam or Brussels to allow the broadcaster to continue to operate channels in the EU. Even the BBC is subject to profit motivation!

CLOSING REMARKS

AS I said at the outset, this is the start of the Silly Season in UK but before that annual fixture hits, one set of project news emerges from the Association for Project Management (APM). Not content to sit on their laurels after the triumph of the Charter application, APM is reviewing its position in the profession and taking stock of where it sees the profession going. A team consisting of Tim Banfield, lately of National Audit Office, Alistair Godbold from PM consultancy Nichols Group and APM CEO Debbie Dore, Dr Jon Broome, Nick Smallwood and APM Chairman Peter Glynne. Know as the APM Projecting the Future Group, they will be reviewing six primary questions for the future of project management. You can read more about this a separate report and learn how you can influence the future of the profession.

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@msp-ltd.co.uk.