

UK Project Management Round Up



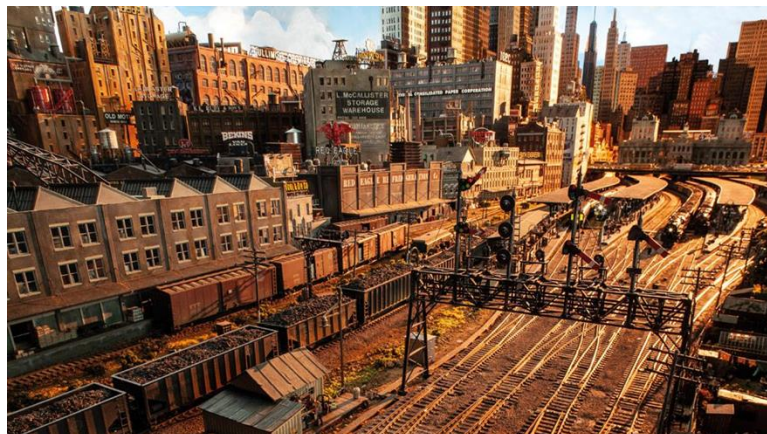
By Miles Shepherd
Executive Advisor & International Correspondent
Salisbury, England, UK

INTRODUCTION

As always at the end of the year, thought turn to festivities and here in UK, it is the season of PM Awards so it seems appropriate to take a look at what the membership associations have been up to. There have been a few project reports which should provide some food for thought this festive season and some observations of social change that affect projects

GOOD NEWS

So let's begin with the good news and start with rail. Whether you are an enthusiast of **trains, big or little**, the news is definitely good. On the small train side, Sir Rod Stewart, the famous rocker, has reported that he has completed his huge model train layout. This is far from a vanity project and is the result of 23 years work. Apart from the electrics, Sir Rod did almost all the work himself, he clearly enjoys the construction of these detailed models. It also emerged that Sir Rod donated a significant sum of cash to help fellow railway modelers rebuild a vandalized railway club layout.



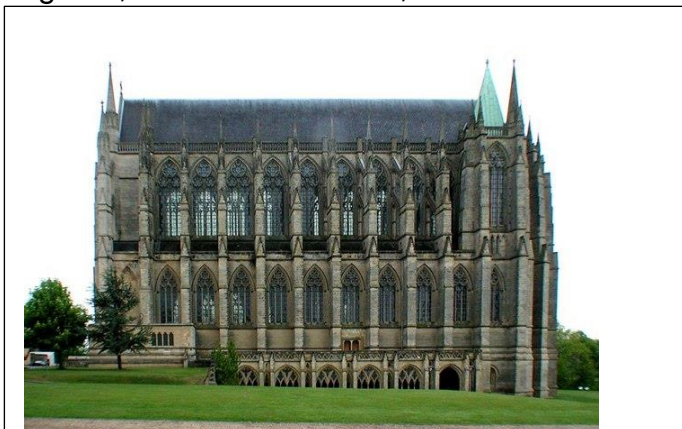
Detail from Sir Rod Stewart's model railway (Photo courtesy Steve Crise/Railway Modeller).

Large Trains. For fans of rather larger layout comes news that there are no less than five new full-size steam engines under construction in UK. This is taking model railways to a higher level, but heritage railways are hugely popular with engineers, both amateur and professional, as well as general public. According to *The Times*, it is not just elderly enthusiasts who have nostalgic views of a bygone age of steam trains but also a much younger demographic brought up on Thomas the Tank Engine. Some 8 million people travelled on heritage railways last year.

The latest project is the recreation of a London and North Eastern Railway (LNER) engine scraped more than 60 years ago. Previous projects resulted in a new “Peppercorn A1 Pacific class engine; the *Tornado* cost £3 million and at the time (2008) was the first new steam engine built in UK for more than 50 years. The A1 Steam Locomotive Trust, which built *Tornado*, is also building a P2 Mikado. To be named *Prince of Wales*, it is expected to cost £5 million and take 3 years to build. This project receives no official funding but relies on the generosity of volunteers and enthusiasts. It will also provide a training opportunity for a number of apprentices. An appeal is scheduled to be launched in the Spring of 2020 to raise some £350,000 for a third, smaller, loco – this time a V4 Prairie mixed traffic engine. These new engines will add to the 200 odd engines currently in service on more than 100 heritage railways.

Safety Approval. Other good news on the railway front is the approval of the safety strategy for the new range of hydrogen fueled trains under development in two separate projects. It is hoped these new trains can be in service quickly, possibly by 2012. They should contribute significantly to reducing pollution and provide a major step in achieving the planned eradication of diesel from the network by 2040.

Overrun ends. We also have news of a long overrunning project that looks to be in line for completion – 150 years after work ended. Work started on what eventually became the biggest School chapel in UK if not the world in 1868. Located outside Brighton, on the south coast, it is built on chalk based which caused major problems



Lancing College Chapel. Photo courtesy Wikipedia Commons

during construction, requiring several thousand tons of concrete to be poured into the foundation. The chapel was effectively completed and consecrated in 1911 but one side was far from finished as it comprised sheets of corrugated iron, rather than stone. In 1978 a large stained glass window was installed to replace the unfinished wall although the west wall remains substantially incomplete with filled in arches and temporary doors. Now comes news that a project has been

proposed to connect the chapel to the school. It comprises a scaled down version of an earlier £3.5 million project that was not commissioned. The new project is costed

at about £1.5 million and there is a small shortfall of £350,00 to find before project launch next year.

Contract Signature. Other good news is that Scottish shipyards have received a major shot in the arm with the contract award for five new frigates. The contracts are not new, but contract signature has been waited for several months. The deal is worth £1.25 billion. These “budget” frigates will be multirole ships and the first is expected to be in service by 2023.



Photo: Virgin Galactic

Space Ports. The UK government has shortlisted five potential sites for Virgin Galactic landing. It is not clear which these will be but recent reports state that Branson’s small satellite launch company Virgin Orbit announced today that it has secured final approval on a £7.35 million (\$9.5 million) grant from the U.K. Space Agency (UKSA), funds which will be used by Virgin Orbit to help set up its Cornwall-based launch facility. Virgin Orbit has been putting together funding and securing regulatory

approvals to establish the new launch site, which will be called Spaceport Cornwall and is planned to be part of Cornwall Airport Newquay.

And there’s more! A new project has been launched to provide access to a major archive of material from British museums, art galleries and document archives. Under this project, artefacts will be digitized and brought together as a national collection. This major IT project is supported by £19 million of government funding and is intended to be on line by the end of 2024. Sadly, IT projects have an appalling record of missed delivery and cost overruns. Added to this, successive Governments have similarly poor delivery record but we are going to be optimistic about this one.

New Reactor. Europe’s first nuclear fission reactor was built more than 70 years ago at Harwell, near Oxford. More recently, the world’s first controlled nuclear fusion reactor was built as a European programme at Culham before moving to France for further development. Now comes news of a new fusion development programme at Culham. Currently plans are vague, but the intention is to ensure any commercialization takes place in UK. This will be a major change if it happens. We should be glad that a clear intension has been set.

NOT SO GOOD NEWS

A curious story. Apparently there is a “fight to save ‘conspiracy canals’ of Portcullis”. Portcullis is the palatial office block opposite the Palace of Westminster and it has a large atrium in its centre with some graceful indoor trees and water features. With the Members away on election duty, the officials responsible for the building are reported

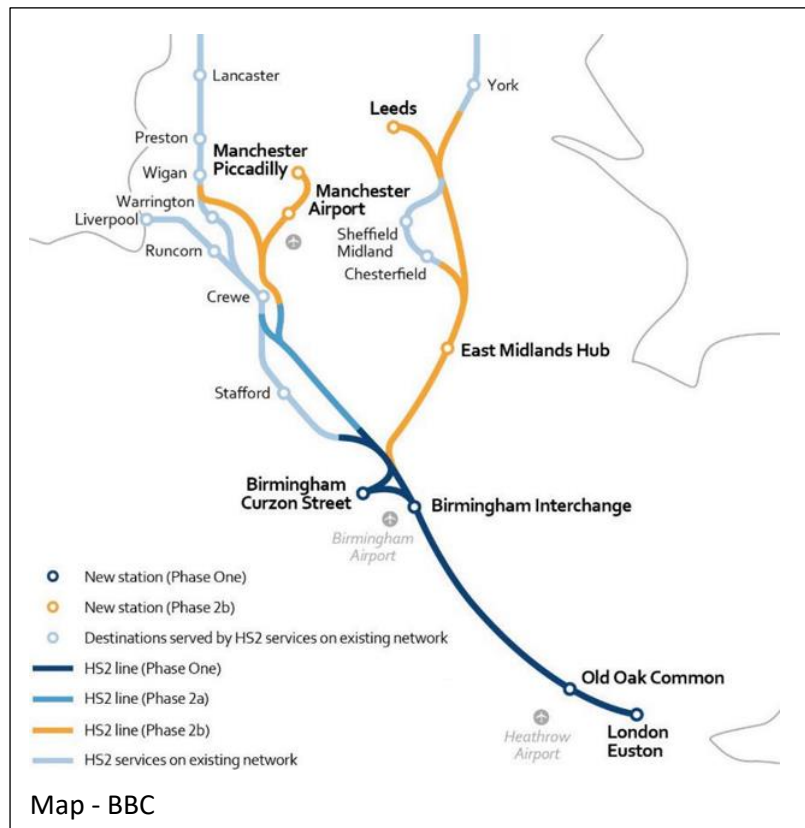
to have demolished the water features. This has set up a howl from heritage organisations and the designers of the building. The designers claim the features are essential to the design and ensure that the atrium had a “sociable and relaxing” atmosphere. Seems a little strange in a site that has plenty of recreational facilities, not to say bars, restaurants and debating chambers needs further places for slacking by members and their innumerable staff. You could be forgiven for thinking that ‘elf n safety might want rid of hazards but heritage organisations???

Major project failure. On a more serious note, the report into the TSB fiasco was published. The headline news is that senior management did not understand the risks. As a result, 2 million customers of the bank were locked out of their accounts and exposed to a range of on-line criminal activities and potential fraud. The report alleges managerial incompetence and blames senior management for not appreciating the risks involved in the cut over of 5.2 million accounts. This report has cost TCB some £21 million by city law firm Slaughter and May. This is clearly a major project management failure, yet the blame is being laid squarely on senior management. The CEO lost his job over the meltdown while the bank lost £330 million (including compensation). Reports in *The Times* claim that Sabis, the IT arm of Sabadell, the Spanish bank that acquired TSB in 2015, breached its contractual obligations. Sabadell had ordered Sabis to build and test new technology for TSB’s upgrade, but Sabis failed to deliver on crucial aspects of the work, a source said at the time. Sabis struck a “provisional agreement” to pay TSB £153m.

Rumours at the time indicated that on the takeover, the new parent company got rid of the staff who had run the IT part of the bank and brought in new, temporary staff who were found to be inadequate. It is not clear how the project management side was run but cut over is always seen as a critical activity and the perils of a big bang approach well known. Reports in *The Times* indicate lack of board level communication. Key members of the TSB senior management team were unaware that they were getting a completely new (and largely untested) major system. They thought they were getting a proven Spanish banking platform. It looks like the PM did not do a good job of keeping the Project Sponsor fully informed of the level of risk involved. It may well be that the PM did what was needed but the Board would not listen to the Sponsor. Certainly the CIO seems not to have passed on the full details of the situation, particularly the lack of data centre testing. It would have been interesting to see a report on these major project problems undertaken by a project management company. I have seen no comment from either APM or PMI – I wonder why?

High Speed 2. The other major report to hit the streets is the review called by our esteemed Prime Minister into High Speed 2 (HS2). It was always going to be a controversial report given the range of irreconcilable opinions on view but even before it was published, one of the co-authors claimed the report is unbalanced and unquestioning. The only thing we can be assured of is the ever-mounting cost – it has gone up from an initial £55.7 billion to a current estimate of £85 billion with some experts forecasting a final cost in excess of £104 billion. HS2 is the largest infrastructure project in Europe and has already spent some £7 billion on Phase 1 so

far and has been widely criticized on several grounds, none of which can easily be quantified.



This lack of quantification is the root of all problems so far as viability of the project is concerned. The business case is under constant attack over the cost estimates. Further uncertainty lies in the benefit case as the outcomes are all speculative. Political uncertainty surrounding BREXIT and the state of the economy affect potential outcomes. Added to this, we have the promise from Magic Grandad (“leader” of Her Majesty’s Loyal Opposition) that his mob will re-nationalise the rail system, and no doubt then claim any of the inevitable

failures that result on their predecessors, neatly forgetting that it was set up by a Labour government. Thus judgement of the business case and the long term viability of HS2 are highly problematic.

Importantly, the report is the work of APM Hon Fellow and former Chairman of HS2. He is a highly experienced rail engineer as well as a project manager so the report should be credible, despite the misgivings of its co-author. The word is that HS2 should continue but costs lowered, which some key contractors believe is possible. Yet again, communications seems to lie at the heart of the problem. Hearts and minds have not been won over by the HS2 Ltd, public opinion is divided, the business case is open to attack and no-one seems to have a coherent view of how to proceed. Clearly some lessons can be learned from the Cross Rail project but it seems unlikely that the project will be abandoned despite the claims that it is 7 years behind schedule and well over budget. The outcome of the General Election is a complicating factor as to halt the project would hit the rail industry and British engineering very hard.

BREXIT

It’s not happening this year – no news (is that good?) on progress. However, there is some news that Brussels is about to approve UK’s anti-black out plan so that limits the possibility of further project work by candlelight a la 1970’s winter of discontent.

CULTURE

Two items caught my eye this month. The first was a full page spread in one of the progress of women in the workplace. This particular report highlights the fact that several of the project managers on the Thames Tideway super-sewer project are young women. This should have come as no surprise as several of the tunnelling PMs on the Cross Rail project are young women. What was interesting in this report is the statistical evidence it lines up showing the increase in female employment rising from 65.8% in 2010 to 71.8 this year. This rise is mainly in the traditionally male dominated occupations of skilled construction trades (82% increase), culture media and sports (52 % up) and business, media and public service (up 51.6%). Smaller but significant increases were found in science, technology and engineering, corporate management and health care. As one of the PMs remarked, “I don’t have to prove myself anymore.” Interestingly, a French woman working with a French contractor on the project pointed out that UK is far ahead of France in accepting women in the workplace. Project Managers leading the way again?

The other report concerned the Royal Marines who are considering a new uniform and rank system in a new study under way. Only the distinctive Green Beret worn by Commandos is guaranteed to remain, everything else is up for challenge. While logic may suggest such scrutiny is needed, the forces of tradition are hard to overcome and symbols such as rank and uniform are firmly embedded in hearts and minds. Thus to effect any changes recommended by the study are likely to need very careful handling – and what better way than a major change programme?

PM AWARDS

I promised to cover the annual Awards from APM but time and space is limited. Suffice it to say that the Award Gala was spectacular and well supported. The ceremony again took place at Old Billingsgate, London, and saw the best of the project management profession come together to celebrate and recognise their success. The event was hosted by APM’s new president **Sue Kershaw**, Managing Director, KPMG Infrastructure Advisory Group.

A total of 19 awards were handed out across a wide range of categories, including two new awards: The *Innovation in Projects Award* and the *Contribution to the Profession*



APM’s new Honorary Fellows (Picture APM) L to R Dr Sally Howes, Sir Tim Smit, Myrtle Dawes, Andrew Bragg and Hilary McGrady

Award (which consists of three sub categories – Company, Consultancy and Not-for-Profit/Charity).

Fiver new Honorary Fellows were announced, **Dr Sally Howes OBE**, chair of the UK Space Agency Steering Board and previously a member of the Executive Team at the National Audit Office; **Hilary McGrady** director-general of the National Trust; **Andrew Bragg** formerly chief executive of APM for 10 years, continuously going above and beyond normal duties in the long journey to achieve APM's Royal Charter: **Myrtle Dawes**, responsible for the delivery of substantial oil and gas projects in the UK and overseas for BHP Billiton and UK Board of the Institution of Chemical Engineers (IChemE) and a chartered chemical engineer. She was recently cited in the Cranfield 100 Women to Watch; and **Sir Tim Smit**, co-founder of the Eden Project, one of the most celebrated and innovative projects of recent times. He has also developed the 'Lost Gardens of Heligon' project.

Full coverage is on the APM website www.apm.org.uk/apm-awards/ where you can see all the winners.

This year saw the first PMI UK – awards, interestingly called the National PM awards. As always with PMI events held outside USA, these were held a week before the APM awards and finalists are listed here <https://pmi.org.uk/awards2019-finalists> I have not been able to find any list of winners.

CLOSING REMARKS

As the year draws to an end, I hope we can all say that it has been an interesting one. As we live in a post-truth era, whatever one says will upset someone but I do want to wish you all a very joyous festive season. Thank you for reading my notes and for the feedback I occasionally get. It is gratifying to think someone actually reads all this and I will try to cover the UK project scene again in the New Year.

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 was until recently 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.