

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



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### INTRODUCTION

Those of you who have read my notes for more than a year will know that in UK there is period of each year that we know as the Silly Season. In this period, news stories are few and far between (and I hope no one is thinking this is reflected my dispatches at any time!) so the pages of the popular press are filled with trivia. Well, we are at the start of the Silly Season which, unlike many other countries who categorize it as the Christmas season, usually runs between mid-July and mid-September. This is the period when the Houses of Parliament are in recess, so the mainstream Press seem to think little of serious interest happens.

Actually, there is quite a lot going on, certainly at the start of the season as Members of Parliament clear their desks via various Committee Meetings and publish their reports which often cover projects and programmes of interest so this month we can look at the Government Major Project Portfolio, some rail programmes and developments in the house building sector. And just to show that the project world is different, we have plenty to talk about this month, starting with one of the greatest of all programmes, the Olympic Games.

### GOOD NEWS

*The Olympic Games* finally got off to a subdued start in Tokyo, a year later than scheduled but the delay was hardly the fault of our program management colleagues in Japan – Covid has hit the Games, like much else. Actually, I don't know how to classify the Olympics – for the Organizers, it will be a programme, for many contractors it might represent a portfolio of projects and for some, their part being more easily defined will see it as a project, albeit a very important one. (Image: Getty / Lintao Zhang)



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Many stakeholders, notably the athletes, will see it as the project of their lives – but I wonder how many will treat it as a project manager would?

*Wildlife Projects.* The Wildlife Trusts unveil new nature recovery projects – restoring peatlands, saltmarsh, kelp forests, chalk grassland, wetlands and woods – to store carbon. They focus on employing nature-based solutions to increase carbon storage while restoring habitats on land and at sea. The projects are:

1. Bedfordshire, Cambridgeshire & Northamptonshire Wildlife Trust – creating habitat features to help temperature-sensitive butterflies
2. Cheshire, Staffordshire and Shropshire Wildlife Trusts – restoring fragmented wetlands, paving the way to bring back beavers
3. Cumbria Wildlife Trust – peatland repair and sphagnum moss farming
4. Derbyshire Wildlife Trust – woodland creation and restoration in the Derwent Valley
5. Devon Wildlife Trust – creating a site to demonstrate nature-based solutions
6. Essex Wildlife Trust – expanding saltmarsh restoration
7. Hampshire & Isle of Wight Wildlife Trust – seagrass restoration in the Solent
8. Nottinghamshire Wildlife Trust – creating a nature recovery network
9. Sheffield and Rotherham Wildlife Trust – natural flood management across a river catchment
10. Somerset Wildlife Trust – survey work to enable lowland peatland restoration
11. Sussex Wildlife Trust – working with local communities to restore a kelp forest
12. Yorkshire Wildlife Trust – the restoration of the Great North Bog

The projects, which will help the UK achieve its ambition of reaching net zero carbon emissions by 2050, are able to move forward thanks to almost £2 million in funding raised by players of People’s Postcode Lottery

*Eden Project Dundee.* The Scottish city of Dundee (*pictured at right*) has had its fair share of spectacular projects in recent years so another that the City Council say will provide a wow factor and really put the city on the tourist trail will add to the attractions which already include V&A North and the Discovery Centre.



According to the Eden Project website, the new project is themed around nine new “Guilds” – of Healers, Growers, Navigators, Myth-Makers, Noticers, Alchemists, Celebrators, Menders and “Re-Sourcerors”. These draw the city’s historic Nine Incorporated

Trades. Each Guild will have its own Hall on the main Eden Project Dundee site with opportunities for “embassies” elsewhere in the city.

These Guild Halls will form the central experience spaces for Eden Project Dundee visitors and will include areas such as the Lookout, which celebrates connections between people and the natural world, the Lush Bunker, a high-tech zone showcasing new ways to grow plants and featuring hyper-real journeys into the air, soil and water, and the Seam, a collection of emotional, story-driven experiences related to mining and its alternatives.

Eden predicts that the project will create 200 jobs (with an additional 300 indirectly created) and contribute £27m per year to the regional economy.

## NOT SO GOOD NEWS

**Crossrail.** The National Audit Office (NAO), the Government’s independent spending watchdog, has released a report that finds Crossrail’s latest schedule and budget agreed in April 2019 was unachievable. NAO claims that the programme was further from being complete than Crossrail Ltd and the programme’s sponsors understood. Although cost increases and schedule delays are in line with Crossrail Ltd’s 2020 estimates, they exceed the available budget and there are still significant issues that could arise as the railway is brought into service.

The story will be familiar to many Project Managers: a new management team was brought in late 2018 and they had to start largely from scratch when setting a new plan to complete the programme. Milestones were repeatedly missed in 2019 and into 2020 as Crossrail Ltd continually uncovered problems or requirements for new work. Despite contractors meeting only 30% of milestones on average throughout 2019 and early 2020, Crossrail Ltd continued to base its plans on more optimistic levels of productivity. Covid also affected the estimates and Crossrail Ltd estimates that £228 million of the cost increase in cost April 2019 is a direct result of the virus.



Reading Station

Image: Crossrail

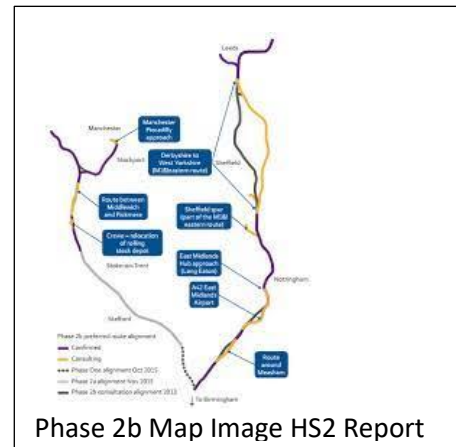
The news is not all bad as most major construction work is complete, and Crossrail Ltd is in the process of transferring assets to Rail for London Infrastructure and London Underground, who will maintain and operate different parts of the Elizabeth line. Crossrail Ltd achieved a key milestone earlier in the year and it is trial running, operational testing of the railway.

Gareth Davies, head of the NAO, reported “There are now encouraging signs that Crossrail is in a more stable position. However, it will require further funding to complete, and there are still significant risks that must be managed as the Elizabeth line undergoes operational testing. As the Elizabeth line nears the start of services in 2022, TfL and government must think through how to realise the benefits of the railway in order to maximise the return on almost £19 billion of investment.”

The full press release is at <https://www.nao.org.uk/press-release/crossrail-a-progress-update/>.

**High Speed 2 (HS2).** Also in the news HS2 where the cash is also said to be running out according to press reports. Of more significance is the risk rating given to Phase 2b – the “Y-shape” network to Manchester, the East Midlands, Sheffield and Leeds. This part of the overall plan has been rated “Red” which means that on current plans, successful delivery is unachievable.

The Northern Link was hived off from HS2 Ltd and put in the hands of a new as yet unnamed “delivery body”. It will be built alongside Northern Powerhouse Rail, the new east-west line across the Pennines, and integrated into rail upgrades in the north.



## CONSTRUCTION INDUSTRY NEWS

The good news is that the construction industry is expanding at record rates, providing more jobs for project people, from planners and schedulers to project managers as efforts are made to meet vastly increased demand for homes. Press reports include demand for commercial property as also driving the expansion but this seems counter-intuitive as the impact of COVID-19 has devastated occupancy rates for stores and many employment models have changed as the possibility of working from home has spread. There are further issues around supply chain management as several types of material are increasingly hard to source, with various factors such as post BREXIT bureaucracy, COVID and Suez blockage all contributing. Time will certainly tell but let's be positive for now.

Some in the construction industry may not be feeling too positive as news comes of a major change to construction regulations. The Government are proposing a new approach to managing building safety. The Building Safety Bill, published at the start of the month, is intended to create generational change and set out a clear pathway for how residential buildings should be constructed and maintained. Housing Secretary **Robert Jenrick** outlined a key step in an extensive overhaul to building safety legislation, giving residents more power to hold builders and developers to account and toughening sanctions against those who threaten their safety.

The Health and Safety Executive (HSE) will set up the Building Safety Regulator to oversee the new regime and will be responsible for ensuring that any building safety risks in new and existing high rise residential buildings of 18m and above are effectively managed and resolved, taking cost into account.

Press reports also note that the Bill extends new build homes warranty period. People living in homes with substandard or unsafe construction will have up to 15 years to claim compensation under new laws. The extension of the current six-year window for claims is one of the measures introduced in the Building Safety Bill. The longer claims period will also apply retrospectively. Residents of a building completed in 2010 will have until 2025 to make a claim, the government said by way of example.

This Bill comes several years after the Grenfell disaster where it has been claimed that defective cladding on the outside of the building led to the rapid spread of fire and the loss of 72 lives. The Grenfell Inquiry made its initial report in October 2019, setting out context and sequence of events. The Phase 2 report is expected to allocate responsibilities and is still taking evidence. Amongst the many agencies and groups blamed for the disaster, project managers (PMs) have come in for criticism for fitting the cladding which they should have known was unsuitable. Allocation of blame is something that may emerge from the Phase 2 report but the profession needs to start thinking about how to deal with issues such as this – they pose major ethical issues for PMs, just as the fitting of software intended to alter the emission profile of some German built cars.

Another Construction industry issue is the safety of Modular Construction which is currently enjoying a boom. Supporters claim it is cost-effective, cuts on-site construction time quick and has less of an impact on the environment. In UK government wants 25% of new affordable homes to be modular. That is the good news: the not-so-good-news is that safety issues have been raised with some experts worried that there is a fire risk and are pointing to the Shetland fires, at the Bird Observatory and the Moorfield Hotel, as a warning.



Image: British Birds



Image: The Shetlands Times

Modular construction has a long history and was used to provide quick build housing in the aftermath of WW2. However, although it has been around for decades, modules stacked on top of each other is causing a technical designer working for the Fire Protection Association in Scotland, some concern. **Ian Abley**, is reported by the BBC to have said:

"For the Moorfield Hotel, it's a problem of the fire getting into the cavity between the modules, if it can travel from one compartment to another through unseen spaces within the compartment walls and floors, there's very little the fire brigade can do."

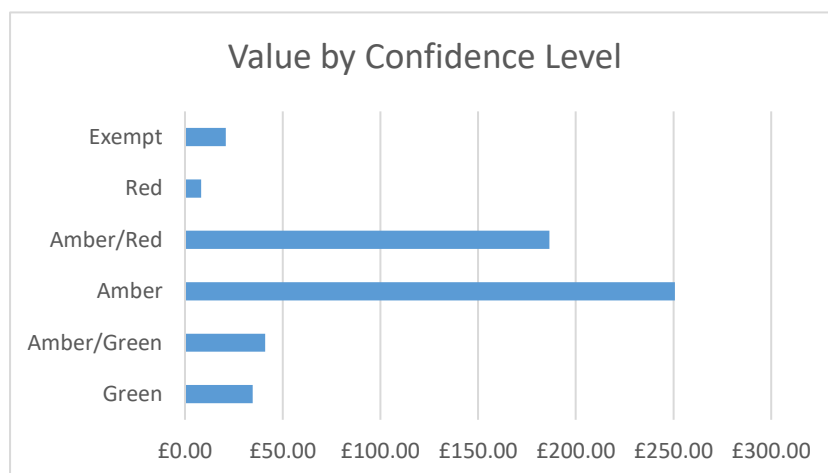
Both the hotel and the observatory had passed building standards approval.

## GOVERNMENT PROJECTS

It may be the Silly Season but that does not stop the Government from reporting on its portfolio of major projects. Long term readers will recall that under the Open Government initiative, HM Government (HMG) makes most financial data available so you can read more detail on performance of the portfolio, including broad financials, variances and the like. The Independent Projects Authority (IPA) publishes the numbers annually in the form of a formal report. What is surprising is that the report, which you can read here, <https://www.gov.uk/government/publications/infrastructure-and-projects-authority-annual-report-2021> has not raised much comment. I have already reported on the cash situation for HS2 but it is surprising that more is not made of the full data set. In outline, the portfolio is worth some £542 billion. The Departmental confidence levels are shown in the table:

Confidence Level	Quantity	Value £Bn
Green	12	£34.60
Amber/Green	29	£41.00
Amber	84	£250.70
Amber/Red	44	£186.50
Red	7	£8.30
Exempt	8	£20.90
Totals	184	£542.00

In early 2021 the Government published a new mandate for the IPA which set out, for the first time, a single clear statement of roles and responsibilities in relation to project delivery. It includes the requirement for projects to have the support of the IPA before they progress at each stage. IPA has refocused their assurance processes and are moving to an improved RAG rating system next year from April 2021. The situation, using the old system is summarised in the chart below.



Confidence levels are the Departmental estimate. The data set includes the IPA assessment which allows some comparison and will eventually lead to better assessments as reality can be compared to estimates. The report includes a comparison of these assessments over time so progress can be seen. Although there are still too many Amber projects, scrutiny seems to be working.

As **Nick Smallwood**, CEO of the IPA, says in his Introduction to the report, key staff development is vital *“We must also accelerate investment in major project expertise and leadership skills to enable us to deliver better, faster and greener. We have*

*recently set out plans for a Government Projects Academy to transform the way the government trains and accredits project delivery professionals.”*

## **POLITICS AND PROJECTS**

I had no sooner completed my study of the IPA Annual Report than one of the major risks to Government project planning hit the headlines. The Office of Rail and Road reported that some major road schemes were running up to a year behind schedule because of “planning issues”. Three projects, including the Lower Thames Crossing – a new motorway tunnel connecting Kent and Essex – had been delayed so far, other delays are expected to follow over the next four years. This places HMG’s £27 billion road building programme at risk of escalating delays and rising costs as opposition from environmental groups intensifies. The report puts cost escalation at up to £756 million over the next four years. Almost half of this is associated with the Lower Thames Crossing, where changes are being made to plans to address environmental concerns.

The roads programme is intended to improve 4,000 miles of road, 100 major junctions and better connections to ports and airports, reducing pollution through improved traffic flow and reducing bottlenecks. A recent Judicial Review rejected claims that the Minister had not taken environmental concerns into account in approving the programme so it was a major blow when the controversial scheme to widen the A303 and place it in a tunnel near Stonehenge has just been declared unlawful.

The ruling found in favour of a group concerned about the archaeology of the tunnel path. Save Stonehenge World Heritage Site (SSWHS) argued that it breached the government’s own planning advice when the Transport Secretary, Grant Shapps approved the £1.7 billion project last November despite advice from planning inspectors that it should be rejected. SSWHS and the Inspector claim the tunnel would cause



Image: English Heritage

“permanent, irreversible harm” to the integrity of the site. HMG will now be forced to either draw up new plans, shelve the scheme altogether or appeal.

A further complication to the Stonehenge saga is the loss of Liverpool’s World Heritage status. So 20 years of dedicated work to improve the environment, ease congestion and pollution have been scuppered. Some of the conclusions in the judgement do not seem logical. For instance, increasing the length of the tunnel does not seem to reduce the possibility of permanent irreversible damage. More work for the lawyers, me thinks!

## **CLOSING REMARKS**

It seems we have a new category of project – an escalation of mega-projects brings us “Billionaire Projects”. There are currently three examples of such projects: Branson’s Virgin Galactic low orbit project, Musk’s Mars project and Bezos’ Blue Origin project. We have seen each of the captains of industry launch themselves into “space” in the past month prompting NASA to redefine the term astronaut. All these projects are currently based in USA so I do not need to do much on the reporting side except to note that Bezos was aboard New Shepard which does not refer to me or any of my relatives in USA. I might have to change my attitude if Branson brings his Virgin Galactica to a spaceport in Cornwall or Scotland.

Last month we reported the latest whizzo idea from Our Illustrious Leader (OIL) to build a “national flagship” and ask the Ministry of Defence (MOD) to pay for it. Well, MOD moved with the speed of a stunted slug and sought tenders. Word on the street is that there are some ship builders in UK (A surprise to some, no doubt) and the estimate for the new ship comes in at £250 million, give or take. That is an immediate escalation of £50 million in a month and the project has not even been reviewed by IPA.

Finally, you will recall the re-wilding project at Wild Ken Farm in Norfolk. Infrared cameras have captured little beavers – not to lock them up but to record the birth of beavers in England for the first time in 600 years. It is not clear how this estimate was devised but it looks like the two pairs of Eurasian beavers reintroduced at the site last year have struck a blow for conservation. The BBC reported that ecologist **Lloyd Park** said the discovery of the kit represents "an historic moment" for the return of the species. The "ecosystem engineers", known for creating habitats for other animals, can thus be considered animal project managers. They were hunted to extinction in Britain for their fur, glands and meat in the 16th Century, according to the BBC, but not because they were project managers. There is hope for us yet!

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## About the Author



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**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 35 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. His consulting work has taken him to Japan, Taiwan, USA and Russia. Past Chair and Honorary 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, for seven years, 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 is currently Chairman of the British Standards Institute project management committee. 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).