

UK Project Management Round Up



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

INTRODUCTION

It's been a fairly quiet month as much the Country has been immersed in sporting events of one type or another. Tennis, golf, football and cricket have all occupied the headlines. Although major sporting events can be regarded as projects, or the ones I have been involved with certainly were, most observers are just interested in the scores, not realising that the results come from project organising.

We have a crop of new projects to report, some less good news as UK mega project progress is sharply criticised and we have the HS2 report to digest. New nuclear on old nuclear sites also featured since our last report.

GOOD NEWS

Pickled Project. AXA IM Alts, a major player in alternative investments has secured a resolution to grant planning permission for its proposed office development at 63 St Mary Axe. The site is just next door to the famous Gherkin at No 30. The new build is a 46-storey building designed by Fletcher Priest Architects. The 36 floors of workspace are intended to be a sustainable development targeting user well-being with access to fresh air and gardens. The design includes the creation of 'Camomile Park' which will provide new public green space in the City and feature a currently buried section of London's ancient Roman wall.

Design Sketch
Image Fletcher Priest

The engagement programme included more than 350 local community groups,



businesses and stakeholders. Consultations resulted in the inclusion of a large ground floor multi-function space with rehearsal areas above, available to host a wide range of cultural and community programmes. Food and beverage outlets will add further amenity throughout the lower levels of the building and provide space for enterprise partnerships with social and charitable organisations. Sounds tempting – if I was still working the City firms, I could use an office there! Project costs are estimated to be in the region of £750 million.

Palm House Restoration. Kew Gardens was founded in 1759 but can trace its history back to 1299. The Gardens are a major tourist attraction in western London, but its main purpose is scientific research carried out by the Royal Botanical Society. The gardens house the world's largest collection of plants and fungi, with almost 30,000 living plant specimens alone.



The Palm House, Kew Gardens (Image: RBS Kew)

The Palm House was built by the architect Decimus Burton and Richard Turner, an iron-maker, between 1844 and 1848. It was the world's first large-scale structural use of wrought iron.

The atmosphere in the glasshouse is high humidity and the ventilation poor, and this has required regular restorations due to the impact on the structure. The £50m project will transform the Grade I listed Palm House and Grade II listed Waterlily House into the first net zero buildings of their kind.

The project will require the move of around 1,300 plants to allow 16,000 panes of glass to be replaced. The heating, electrical and watering systems will also be updated with innovative, sustainable solutions to support Kew's goal of becoming climate positive by 2030. The glass house is expected to be closed for 5 years from 2027.

Detailed project planning continues but is dependent on obtaining full funding. So far about 50% of the necessary cash has been secured. This has allowed designs to be

finalised, and planning application submitted to Richmond Council. It is expected that construction works will begin in 2027. The building phase is expected to last around four years, subject to funding.

Anyone for Tennis? No sooner than the Championship, Wimbledon, completed and media circus decamped that a major step in the battle to expand the All England Lawn Tennis Club (AELTC) site. The AELTC Wimbledon Park Project involves the transformation of the abandoned Wimbledon Park Golf Course. Some 30 acres of the golf club site will be turned into a public park, including substantial improvements to a lake originally developed in the 17th century by Capability Brown. The project includes a new 8,000-seat show court and 38 more lawn tennis courts. The project aims are to:

- maintain The Championships at the pinnacle of sport, by bringing Qualifying to SW19.
- provide year-round substantial public benefit to those who live locally to the Grounds.



The current state of play is that the legal challenge mounted by Save Wimbledon Park (SWP) campaign group to the planning decision by the Mayor of London has been rejected by the High Court.

Wimbledon Park Project

(Image: AELTC)

As usual in British planning, this is not the end of the matter as the SWP claim that a “statutory trust” exists over the former golf course which requires it to be available for “public recreational purposes”. We await the outcome of the next appeal in January.

NOT SO GOOD NEWS

UK Mega Projects According to a report, UK takes about 12.5 years to complete a major construction project. This compares poorly with the US where similar projects take about 8.8 years and Australia which takes 9.9 years. The report goes on to claim that 10% of mega-projects come in over budget delayed – usually by very large margins. Tell me something new, I hear you ask.

Research by construction group Mace entitled *The Future of Mega Programme Delivery* analysed 5,000 mega-projects and concluded that the rest of the developed world delivers major construction project about 2.5 years faster than UK. The main issue, according to the report, is a “a lack of clear strategic direction at the government

level”. Press reports claim that there are around 500 mega-projects currently under way in UK and 52 are at a high risk of a prolonged pause with no clear plan for recovery. Examples cited included the dualling of the A9, regeneration of the Edinburgh waterfront in Scotland, the underground metro system in Bristol, the Bakerloo line extension in London.

There are number of interesting statistics in the report, including thresholds of \$1 Billion and giga-projects at \$10 Billion. Apparently, there are 18 giga-projects including HS2 and the Lower Thames Crossing. Needless to say, the current a=Administration claims it inherited a “broken system” and has taken significant steps to overcome deficiencies in the planning system. Cynical readers might recall similar claims from the previous regime, which at least knew where one giga-project was sited (see last month’s report)

Green Project delays. Dire warnings have been uncovered by my Green Imp! Electricity bills are set to go up by at least £50 a year because of delay to two key infrastructure projects aimed at connecting offshore wind farms and improve the electricity network around London.

NESO (National Energy System Operator) has reported that two vital power cable connections “critical to delivering a network which supports the clean power pathways” are not expected to be working until 2031 and said they “will need to be accelerated to 2030 delivery”. The projects, previously reported in these pages, are managed by the National Grid and consist of a 112-mile onshore cable from Norwich to Tilbury, and the 76-mile Sea-Link offshore cable from the Suffolk coast near Aldeburgh to the Kent at Pegwell Bay.



NESO calculate an additional £4.2 billion will be added to consumer bills in 2030 as a result of the delays. Opposition parties are pointing the finger at Ed Miliband, the energy and net zero secretary who promised a £300 a year reduction in household energy bills.

Image: Crown Estates

The additional costs are due to the pricing structure for offshore energy where generators are paid not to produce energy that cannot be used. So, if the energy can’t get to the Grid, firms are paid to stop production. My Green Imp wonders whether this was factored into the Stakeholder Management plan.

Transport Problems. The past month has not been kind to the transport sector as news comes in about the Stellantis project to develop a car propelled by hydrogen. The development programme to develop hydrogen fuel cells for use in cars has been dumped and the launch of Vauxhall's range of hydrogen-powered vehicles this year

Stellantis owns 14 well-known including Fiat, Jeep, Peugeot, Citroën and Alfa Romeo but has been hit by an estimated €2.3 billion loss over the first six months of 2025 due to significant restructuring costs and the impact of President Trump's global tariffs.

The underlying reasons for the turnaround seems to be the availability of hydrogen refuelling infrastructure, high capital requirements, and uncertainty of consumer take up. Press reports also cite lack of strong consumer purchasing incentives. Clearly not all these are UK centric

European region CEO **Jean-Philippe Imparato** was quoted in *The Times*: "The hydrogen market remains a niche segment, with no prospects of midterm economic sustainability. In 2022 Stellantis launched its programme claiming it would be a world hydrogen-powered electric vehicles process with an expected annual production capacity of 5,000 by 2024.

More Transport Woes. Electric air taxis are enjoying a disappointing press. Not only has Rolls Royce abandoned their vertical take off and landing (VTOL) programme, as reported here some months ago, now OVO, one of the main backers in UK has dropped out of bankrolling one of the main players in the race to roll out a comprehensive service. There are numerous prototypes flying in UK and Europe with Vertical Aerospace one of the main players in UK and 3 Californian challengers (Joby Air, Archer Aviation and Wisk Aero) another in Vermont (Beta Technologies and new entrant EHang in China.

Despite all the positive spin about what some see as the next big thing, **Turfan Erginbiglic**, Group CEO at Rolls Royce, explained his decision to drop the programme after Rolls-Royce had invested about £100 million. In his view, the global energy market needs civil nuclear solutions. He foresaw only high development costs, uncertain progress with unproven technologies and no great demand.

OTHER PROJECT NEWS

Artificial Intelligence (AI). I clearly don't get out enough as I have yet to be convinced of the benefits of AI. OK, I can see potential in analytics, but it seems to me that setting up will still take real PMs and there seem to be issues with how some platforms handle numbers. If your client demands Earned Value management, this could be a problem.

However, my Technology Imp reports an interesting development. A firm I'd never heard of before has claimed that its Risk Division is a key to its success. As it happens, the firm, Relx, is one that I really do know as it is a major player in the academic and

technical publishing world and was known as Reed-Elsevier until recently. The Risk Division accounted for £3.2 billion in sales last year representing 34% of revenue.

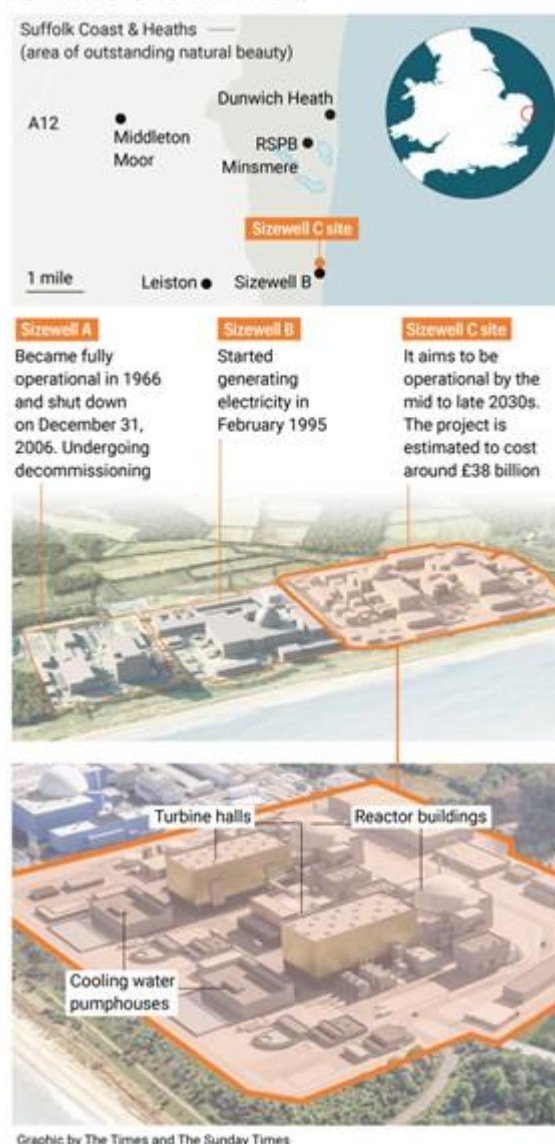
What, you might ask, is this to do with PM? Well, ecommerce and many other applications are totally dependent on identity verification and Relx analyses more than 345 million transactions a day, spotting “690 million human-initiated fraud attacks. According to CEO **Eric Engstrom**, data analytics had driven growth in both the Risk Division and in its scientific and medical arm. As The Times reported, “The analytic powers of AI, which is speeding up legal work and cutting through red tape. Although they were talking about legal work, the same is certain to apply in projects

Sizewell “C” The other giga-project in the pipeline is the new nuclear reactor at Sizewell. As the name implies, this will be the third reactor on the site. “A” is undergoing decommissioning and “B” is nearing the end of its design life so to keep up the power supply, a replacement is needed. The new reactor is a departure from normal UK nuclear construction practice in that it follows the same design as Hinkley C. This should enable lessons learned to be applied and significant cost savings to be made. It should also allow more accurate estimating of both costs and duration – we all trust our expectations are not misplaced.

There are major economic implications linked to the project. Some 8,000 jobs will be created during the construction phase, 900 long term jobs, 1,500 apprenticeships supported and 70% of the materials used will be sourced in the UK. The planned life of the reactor is 60 years, and it should provide electricity for 6 million homes.

The UK Government will own 44.6%, Centrica 15%, EDF 12.5%, Amber Infrastructure 7.6% and La Caisse 20%.

How Sizewell C in Suffolk will look



Graphic by The Times and The Sunday Times

Graphic: The Sunday Times

Funding of £38 Billion has been made available to the joint Managing Directors to bring the plant on line by the mid to late 2030s. Questions are already being raised on cost f=grounds as it has recently been reported that it will cost nearly 4 times as much as similar reactors in South Korea.

HS2 Report

High Speed 2, or as it is known throughout the engineering world and beyond, HS2, is an appalling mess. This is not my judgement but that of **Heidi Alexander**, the transport secretary. This pronouncement came after the release of an excoriating assessment by HS2 Chief Executive, **Mark Wild**. Appointed in December last year, Wild has effectively used the first phase of the well known Three Phase Project Recovery Methodology and has been well supported by the Transport Secretary. This phase is better known as “Blame your predecessor” and while apparently naming no names, management has been sharply criticised as has previous administrations and the Civil Service. The assessment comes in a 5 page letter to the Secretary of State for Transport, available for download here:

<https://assets.publishing.service.gov.uk/media/685177afcf42a58f50cac99b/hs2-ltd-letter-to-transport-secretary.pdf>

The Second Stage in the methodology is known as “Reorganise the project”. Previous senior management in the form of successive Prime Ministers have had a hand in this but as mere stakeholders, their impact was simply to alter the scope of the project, hence the cancellation of the Northern link and rerouting various bits. Now we learn that the new CEO has let it be known that “I am looking at all available levers (e.g. opening at slightly reduced running speeds, removing automatic train operation) while protecting the long-term agility to deliver the full benefits”. Note that agility has crept in, a new development for this programme. The CEO hopes “This staged approach will reduce risk, improve reliability, allow for more certainty around cost, reduce the delay to the railway’s opening and enable incremental build-up of the service.” The closing remarks in the letter are telling:

The route forward is clear, but it is not without challenge. One of the issues of the past has been collective decision making. Over the coming weeks and months, we must take rapid strategic decisions across all stakeholders (government, HS2 Ltd, and the supply chain) if we are to deliver reliably. I look forward to working collaboratively and transparently with you and departmental colleagues to make this a success.

According to press reports, that Sir Keir Starmer has tasked the Cabinet Secretary with examining whether civil servants and other public bodies should face an investigation into their role in the chaos. This seems to be a reaction to the notorious Bat Tunnel and other interjections by Natural England.

While all this has been going down, the other report has received less attention but is likely to be more significant professionally. **James Stewart**, KPMG former chairman, lead a review of governance and accountability on major transport infrastructure projects. While this report covers more than “just” HS2, it focused on the “HS2 experience”. The report was tasked to “make recommendations for improving the governance and assurance of major transport infrastructure projects, drawing on the experience of HS2”. It is available here:

<https://www.gov.uk/government/publications/major-transport-projects-governance-and-assurance-review>

Stewart makes a number of recommendations for HS2:

- The Programme requires a fundamental reset.
- The Programme requires a new governance structure.
- The wider system of government in which HS2 operates needs to be adapted
- The approach to Assurance and Reviews should be overhauled.
- Agreement on the Estimate at Completion and a new Baseline are required as well as changes to the way that cost estimates are produced.
- HS2 Ltd and DfT need a plan to restore trust.
- Capability of both HS2 Ltd and DfT should be reviewed.
- Euston governance should be based on the proposed Phase 1 governance structure.

He also made a number of other recommendations for NISTA (National Infrastructure and Service Transformation Authority).

Mark Wild’s letter and Stewart’s report are clear, cogent and generally helpful. Let us hope the project professionals are allowed react appropriately or we might find that the Third Stage (Prepare 3 envelopes) is required.

Oh, and before we leave this tangled project, His Majesty’s Customs and Revenue (HMRC) have launched an inquiry into potential fraud after a whistleblower claim that a sub-contractor had committed tax fraud.

CLOSING REMARKS

I usually finish these reports with news on wildlife projects but there have been few news items to pass on. This is not surprising, really, as the major activities on many of the projects relate to new hatchings. There are many reports of peregrine chicks at cathedrals in England, Wales and Scotland as well as at traditional cliff sites. There has been similar success with Ospreys and also with White Storks and White-Tailed Eagles. Harriers have not fared as well, and persecution is still a major issue. Still, project teams are making a difference, long may that continue.

About the Author



Dr 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 35 years' experience on a variety of projects in UK, Eastern Europe, Russia and the Far East. 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 Hon 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 past Chair of the ISO committee developing new international standards for Project Management and for Program/Portfolio Management. He has also served more than 20 years on the British Standards Institute project management committee including 7 years as Chairman. 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.