

UK Project Management Round Up



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INTRODUCTION

There are two main themes to the project world in UK this month. First, the Prime Minister has informed the European Union (EU) the United Kingdom (UK) will be leaving the Union. Second, and in project terms, more significant is the transition of the Association for Project Management (APM) to its new position as the professional body for projects. Other items of interest include contracting problems in some major projects and some unsettling news from the nuclear industry.

BREXIT

There can be few readers who have not heard the news that Prime Minister May notified the EU that UK will leave – and triggered the two-year negotiating period to determine future relations between UK and the EU. This process is defined in Article 50 of the Treaty of Rome. As might be expected in a complex negotiating situation, there have been extravagant demands on both sides, many unreasonable and even more unrealistic. The worst-case outcome is for UK to simply walk away from the EU with no agreement over matters such as trade, treatment of EU nationals resident in UK and UK citizens resident in EU states. There are also other concerns such as the ability of UK lawyers and accountants to participate in the non-financial services industry which account for up to a third of UK exports.

One of the hotter topics has been the threat to UK sovereignty over Gibraltar when it seems Mr Tusk, the EU chief negotiator has offered a veto to Spain on any matters affecting the Rock. The Prime Minister has already raised security and intelligence cooperation as a stumbling block so things look like getting nasty pretty quickly.

At the more practical level, there are some warning signs with press reports that EU migrants are leaving UK for better paid work in the EU, a serious matter as UK depends to some extent on skilled workers in many industries such as the Health Service and hospitality industry. The pay these workers receive has not actually fallen but the buying power has been affected by the drop in the value of Sterling. At the professional level, there are reports of French and German companies leaving UK and several international banks have warned staff to expect moves to EU cities.

The fall in the value of Sterling has not been entirely negative, despite the increase in the cost of imports, as UK exports have done very well, particularly car manufacturing. How long this lasts in the face of BREXIT negotiations is another matter.

From a project perspective, the impact of BREXIT uncertainty is far from clear. The construction industry has raised concerns over investment that drives major projects such as office development, power station builds and infrastructure such as roads and HS2. Clearly, there is much concern and few answers. The one thing that is certain is that negotiations will be difficult, protracted and hard to second guess. This is a time for clear thinking, boldness and being alert for unexpected consequences. Sounds like a normal day at the office for Project Managers!

THE PROFESSION



John McGlynn Chairman, David Wabooso, President and Sara Drake, CEP with the Royal Charter. Photo APM

The Association for Project Management (APM) became a Chartered body on 1 April – not an auspicious day normally but one that has been long awaited. The public unveiling of the Charter (above) took place at APM's Princes Risborough Offices at the end of March. Joining APM Board, Vice Presidents and staff was the **Right Honourable John Bercow**, Speaker of the House of Commons and local Member of Parliament. The story goes back a long way – to 2003 when background investigation began but real progress was made under the direction of **Tom Taylor** as APM Chairman and **Andrew Bragg**, APM CEO. Later, **Mike Nicholls** took the reins but sadly



missed the Notice of Grant which came in October 2016 and formally announced in January. The next major step will be the issue of the Chartered Project Professional Standard after a period of public consultation. There is a great deal of behind the scenes work to be done in drafting the Standard and then implementing it but the Register will open for application in spring 2018.

Needless to say, the path has been long and complicated but APM received endorsement from all the major Ministries of Government and support from many professional bodies. Details of the major milestones can be found on AMP's website.

APM's objective as a Chartered body is to advance the science, theory and practice of project and programme management for public benefit. A central pillar in raising the standard of project, programme and portfolio delivery will be the launch of a new Register of Chartered project professionals in spring 2018. The register will offer clients, employers and the public confidence in the quality of project professionals, across the rich diversity of skills involved in project management.

To give members and the profession a greater insight into what becoming Chartered means, **David Thomson**, APM interim head of external affairs, will produce a range of briefing papers to explore the new possibilities and challenges now available to the profession. The papers will address specific aspects related to being Chartered. In addition to the introductory paper, 21st century professionalism: the importance of being Chartered, the series will include: the role of volunteering, ethics and behaviours, nurturing talent, developing the next generation of project managers and the importance of continuing professional development.

This is a critical step for the profession and not just for practitioners in UK. This is the first formal recognition of Project Management as a profession and should encourage Project Management Associations everywhere to define their own success conditions for similar recognition.



OTHER PROJECT NEWS

While the rest of the news is not so far reaching as Brexit and the APM Charter, there is quite a lot of other activity. First, there are multiple reports of contract mishandling. The clean-up contracts let by the Nuclear Decommissioning Authority (NDA) will cost the tax payer an additional £100 million in compensation for a botched contract award. The NDA lost a long running High Court action and has agreed to settle with companies that lost the bid process. The judgement said that NDA had manipulated and fudged the tender process. Press reports claim this meant that the “wrong” company won the £6 billion contract. Since the original contract was awarded, further work has been identified at the sites (mainly asbestos removal and other engineering problems) but these cannot be added to the contract as that would increase the amount of compensation that could be claimed by unsuccessful bidders.

As if that was not enough, there have been constant rumblings about contract awards for High Speed 2 (HS2), the latest high speed rail links to the Midlands and North of England. First, CH2M, the US contractor that won the contract to manage HS2 handed back the contract after claims of impropriety. It is alleged that a key member of the HS2 consortium left and joined CH2M and took with him significant insider information. It is claimed that the ex HS2 Chief of Staff was the author of a key document that may have influenced the award of contract to CH2M. The document is alleged to have included specific expertise needed to manage the contract. Christopher Reynolds was employed as Chief of Staff at HS2 but joined Ch2M, having left HS2 5 months before. This raises concerns about governance and the competence of the HS2 Board at a time when two very large contracts are due to be let. To complicate matters further, HS2 was run by Roy Hill as interim CEO but he was on secondment from CH2M. And he was replaced by Mark Thurston who had been headhunted from CH2M.

Hot on the heels of the HS2 debacle comes the news that Members of Parliament (MPs) will be given a free vote on the project to refurbish the Houses of Parliament. There are two possibilities: first, completely vacate the buildings for 6 years while the work is done; second, move the House of Lords out and move the Commons to the House of Lords. One plan is quicker and cheaper than the other – so you can guess which one the MPs will support!

There is some good news and some bad news on the Nuclear front. The bad news is that the EDF and Arriva, state owned French companies knew years ago about the flaws in the reactor vessels of the plant at Flamanville. According to radio station France Inter, the companies had been warned of quality issues at the Le Creusot foundry in 2005. Workers are alleged to have falsified document used in the certification process.

Better news comes from the beleaguered Japanese owned US nuclear company, Westinghouse. It has been granted approval for its reactor design to be used in the UK. For UK, this is important as the AP1000 design is due to be used at Moorside, in Cumbria. There has been considerable concern over the Moorside development after Westinghouse filed for bankruptcy protection. However, there have been massive cost and schedule overruns in the US where four AP1000 reactors are under construction.

Closing Remarks

So, great strides have been made for the project management profession. UK's recognition of project portfolio and programme management as a profession is good news for everyone, not just APM and its members. Project people are going to be needed as UK moves toward BREXIT and to sort out the major infrastructure projects currently struggling with governance issues and a seeming inability to negotiate contracts. And Spring is in the air as news comes from the Highlands of Scotland that 10 of the original 23 cast members of a reality TV show called Eden have succeeded in fending for themselves in a remote part of Scotland for a year. The bad news is that the programme has not been broadcast for 7 months after viewers lost interest!

About the Author



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Miles Shepherd is an executive editorial advisor and international correspondent for PM World 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 of the International Project Management Association (IPMA). He is currently Director of PMI's Global Accreditation Centre and the 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.

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