

## UK Project Management Round Up



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

### This Month

This month comes news of project management awards, yet more about the rail industry in UK and even more about the power industry.

### Award Season



APM President Tom Taylor (right) with ASAPM President Stacy Goff (left) and IPMA's Roberto Mori.

Autumn seems to be the main time of the year for Awards, certainly in the PM world where the International Project Management Association (IPMA) have just handed out their Project Excellence Award at their World Congress in Panama. IPMA also recognized the contribution of APM President Tom Taylor which has included dynamic performances as Master of Ceremonies at many World Congresses as well as technical and organizational input to help IPMA to its current position in the world of PM.

Meanwhile, in the Southern Hemisphere, the Australian Institute of Project Management held their annual Achievement Awards last month and now, APM has celebrated their Awards night at the Hilton in London's Park Lane. Full details of the spectacular night are available at <https://www.apm.org.uk/Winners> .

Also announced were five new Honorary Fellows, **Mary McKinlay**, lately APM Board Member and IPMA Vice President; **Peter Horsted**, head of controls at Royal Mail; **Mark Thurston** of CH2M; **Air Vice Marshal Julian Young**, Royal Air Force and head of the Ministry of Defence, Defence Equipment and Supply organisation; and **Simon Henley**, late Royal Navy and International Centre for Complex Project Management. All are outstanding ambassadors for project management and have

made significant contributions to the profession. See <https://www.apm.org.uk/> for full details of these inspiring new APM Fellows.

Visitors to Britain will know we have variable weather and that at this time of the year, Europe is often cut off and so it proved this week when IPMA President Reinhard Wagner was marooned in Germany when he should have been in London to collect the Sir Monty Finniston Award on behalf of IPMA. **Mary McKinlay** did the honours in his absence.

## Rail Industry News

The Rail industry seems to be constantly in the news these days. Stories in the Press are mainly concerned with project costs and delays in upgrade projects with further reports of opposition to the second High Speed (HS2) line from London to the North of England and beyond (eventually!).

The latest development in the HS2 saga comes from the Bow Group, a Conservative Party think tank who claim that many of the railway lines closed under the Beeching Report could be reinstated at a fraction of the cost of HS2. This would have the advantage, according to the report, of easing pressure on crowded commuter routes. The Bow report suggests re-opening lines between London and Brighton, Manchester and Sheffield, Manchester and Sheffield, Bolton and Bury, and Stratford-on-Avon and Bedford were examples. The report cited the 126,000 passengers who used the newly re-opened Edinburgh to Tweedbank line in September alone. The report is authored by **Elizabeth Anderson** and entitled *Reviving Britain's Railways*.

Elsewhere, Network Rail chief **Mark Carne** has come under fire for what the press is calling the Great Western fiasco. Costs have 'soared to £2.8 billion, a 75% increase in just a year. Admittedly this is a major project in which the line from London to Wales is electrified but the original estimate (2013) was £874 million and this had grown to £1.6 billion in 2014. The schedule has also 'slipped', although this hardly does the delay justice as Mr Carne could not give any projected end dates to the Commons Public Accounts Committee. He was batting on a pretty poor wicket as earlier reports had shown that Network Rail major projects had overrun by an average of 6 months. Criticism was not restricted to Mr Carne as calls came to restructure the Office of the Rail Regulator (ORR). Reports in *The Times* have claimed that both ORR and Network Rail are to be overhauled as a result of the latest set of problems. A Whitehall source was quoted in *The Times* saying "Ministers came up with ambitious projects, Network Rail came up with a plan to do it but the regulator said it could be done and at what price. Their estimates have been widely off."

Meanwhile, back at Network Rail, Mr Carne came up with a suggestion to sort out some of the finance issues. Get the customers to pay for the new railways. Some of us thought we already did that with the very high ticket prices but what the Network Rail boss had in mind was that Local Councils, businesses and train operators should be co-investors in major rail upgrade projects. He was speaking at the launch of the first 'new' line between a major city and London in 100 years, the

Oxford, Bicester, London line operated by Chiltern Railways. This has cost some £320 million of which £130 million was put up by Chiltern who expect a significant return on their investment from the large numbers of London commuters and visitors to the Bicester Village retail park. This new line took more than 6500 people to construct the 4 new road bridges and 8 foot bridges. Some 36 level crossings have been removed or replaced with more than 348,000 tonnes of building materials used. More than 7,000 Great Crested Newts were relocated. In addition to the new stations, 10 artificial badger setts were built and 2 temporary shelters provided for Swallows!

The Oxford – Bicester part of the line is part of the planned Oxford to Cambridge line that will link the two cities via Bicester, Milton Keynes (home of the Open University and Cranfield) and Bedford (with its own university) in what has been dubbed the Varsity Line. This complex project involves reinstating several missing sections of track and will take many years to complete. Although the portfolio of reinstated lines, new stations and improved tunneling is partly Government approved and partly funded, substantial investment from other sources will be essential to drive the line all the way to Cambridge and on to Ipswich and Norwich.

### **New Nuclear Programme**

Most readers will be aware that UK hosted a formal visit by the President of China. It was more formally announced by Buckingham Palace: “The President of The People’s Republic of China, Mr Xi Jinping, accompanied by Madame Peng Liyuan, has accepted an invitation from Her Majesty The Queen to pay a State Visit to the United Kingdom from 20th to 23rd October 2015. This visit was to encourage, amongst other things, exploration of trade possibilities and that inevitably includes some projects.

The most notable project must be the involvement of China in the UK new nuclear programme. This idea is not new, and has been reported in these pages over the past few months but now the wider public are sitting up and taking notice that UK cannot fund its own power supply. UK has turned to France to build new reactors, despite the appalling delivery record of the French state-controlled companies and now a major investment in nuclear power has been presented to China. Initially the investment will help EDF finance the new plant at Hinkley Point but it is expected that the Chinese will finance and build another new plant at Sizewell, again in conjunction with EDF. There are reports that the deal will allow EDF to sell its development rights to Bradwell in Suffolk to China, becoming a minority partner but assisting the Chinese to obtain design approval and other safety clearances in UK which are seen as the most onerous in the world. China will then be able to use this as a selling point for other developments, thus ensuring that they become major players in nuclear energy technology.

These developments come against a background of criticism of the Hinkley Point deal which sees RWE Npower CEO Paul Massara claiming it to be an expensive mistake. Critics have belatedly noticed that successive governments failed to pick a nuclear strategy and the result is a mixture of aging reactors of various designs that

will be extremely costly to replace and we will have to turn to competitors to dismantle old reactors and to build new ones – a sad development when it is remembered that we lead the way in the peaceful use of nuclear energy back in 1959 when HM The Queen opened Calder Hall, the world's first domestic power plant.

## Short Reports

The **Heathrow Third Runway** debate rumbles on – the economic benefits case is now claimed to be exaggerated to the tune of £6.5 billion according to Deloitte who came up with the idea that international transfer passengers should not be taken into account in the calculations. They claim that these people do not officially come into UK and so do not generate value. In my experience, most transfer passengers spend something in the Terminals, if only at the food and drink outlets; and one of the benefits of an expanded airport is not just to ease current throughput of passengers and aircraft but to hold a key position as a hub. Just shows how hard it is to build a sensible business case for a major project and how hard it is to identify all the stakeholder groups.

**Thames Garden Bridge** seems to be losing support with political support lacking and a poor response from local authorities. Now the National Audit Office is involved – investigating why the Chancellor of the Exchequer offered £30 million to fund the project. Apparently, the Public Accounts Committee is waiting to get involved too, so it looks like this project will be kicked into the long grass. Other problems loom: the labour Party candidate for Mayor of London opposes the plan and Lambeth Council, where the south end of the bridge would 'land' has pulled out of land leasing negotiations while opposition groups are mobilizing for a long fight.

**Big Ben** – as the world famous clock in the tower, the clock and the bell but the name was first given to the Great Bell. The Elizabeth Tower, which stands at the north end of the Houses of Parliament, was completed in 1859 and the Great Clock started on 31 May, with the Great Bell's strikes heard for the first time on 11 July and the quarter bells first chimed on 7 September. Well, time marches on and takes its toll. An urgent repair project has just been launched that will cost an estimated £29 million. Repairs are expected to take over a year and the clock stopped for 4 months. The good news is that the project is likely to include a visitor centre and a lift – so visitors will not have to climb the 334 steps to the top of the tower.

**Wylfa Nuclear Power Plant** – Bechtel have apparently won a deal to build a new power plant at Wylfa on the island of Anglesey. Press reports claim that Bechtel is in exclusive talks aimed at running the engineering, construction and procurement for Horizon. Bechtel already work on the London Crossrail project.

**Defence Equipment and Support**, the procurement arm of the Ministry of Defence has been forced to modify rules on how Bechtel and CH2M Hill operate the contract to manage Defence procurement, amid fears of loss of competitive edge as the US consultants accessed to plans. Neither company commented on the new confidentiality provisions.

## **Closing remarks**

And so another busy month closes on the project world in UK. We have looked mainly at big projects but there are very many smaller and technically interesting projects and next month, I will be looking at some of these. So if you have any favourite projects you want me to report, please let me know.

## About the Author



### **MILES SHEPHERD**

Salisbury, UK



**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](mailto:miles.shepherd@msp-ltd.co.uk).