

REGIONAL REPORT –UNITED KINGDOM



UK Project Management Round Up

By Miles Shepherd

Major change for Planning Approval

The UK Government has proposed a major shift in the process of approving major projects. The UK construction industry has suffered delays to many major projects as protestors drag out the approval process by spoiling tactics at Planning Inquiries. London Airport's Terminal 5 development took more than 7 years as separate permissions under seven different pieces were required. The Planning process has long been criticised for its confused state which has led to severe delays to many controversial construction projects in new highway construction, power plant development and out of town supermarket builds.

Under new proposals, announced in a White Paper last week (21 May), a new independent commission would take responsibility for the final decision on all major infrastructure projects. Environmental and rural protection groups immediately threatened action, protesting that yet another QUANGO would further erode parliamentary accountability and predicted that plans to restrict public consultation would lead to civil disobedience, returning the country to direct, and often illegal, action

The White Paper, itself much delayed, attempts to streamline the planning system by combining eight separate systems. Officials predict savings of up to £1 Billion in the next decade.

Environmental groups see the proposal as an attempt to clear the way for the construction of up to eight new Nuclear Power stations, new runways at Heathrow, Gatwick and Manchester as well as new road building. Local protesters also fear that the future of small, family run businesses will be threatened as supermarket giants such as Tesco and Asda – Walmart

attempt to build more out of town stores. The proposal looks set to become a party political issue and so no immediate decision looks likely.

Fire Delays Restoration Project

The £24 million restoration project refurbishing the famous Cutty Sark clipper ship was already £7 million short of its funding target when a devastating fire hit, damaging much of the upper decks and, it is feared, causing difficult to repair damage to the metal hull structure.

The fire, discovered in the early hours of 21 May 2007 has caused damage estimated by some at a further £5 million and could lead to a project delay of some five years. According to the Times newspaper in London, up to 80 per cent of the vessel, one of Britain's best-preserved maritime treasures, was damaged in the blaze, which police are treating as suspicious. Fears that the unique wrought iron frame had buckled were proved groundless despite the substantial damage to the skeleton of the 19th C tea clipper which is one of London's major tourist attractions. Fortunately, half of the timbers and most of the artefacts kept on board had been removed from the site as part of a three-year conservation project which began last November.



In a press interview, Chris Livett, the chairman of Cutty Sark Enterprises, the fundraising arm of the Cutty Sark Trust which is running the conservation work, confirmed that some of the most important parts of the ship, including the masts, the jolly boat, half the planking and artefacts including paintings of the ship, were all safely in storage because of the renovation work.

The ship was insured, but Mr Livett said that the existing £7m gap in funding for the £25m conservation project would have widened substantially as a result of the fire. He appealed for donations via the ship's website, www.cuttysark.org.uk.

Public vs Private Funding for Infrastructure Projects

One of the major shifts in financing arrangements for public infrastructure projects in the last decade has been the emergence of co-funding options involving private finance (PFI). Many of UK's new hospitals and schools have been built using private sector funding. Schemes extend beyond the more obvious major infrastructure projects to public housing and waste disposal plant.

Proponents say such projects are constructed more efficiently, coming in more often on budget and on schedule while the detractors challenge build

quality and the ethical base of build and lease back. The crux of the argument lies in assessing the cost effectiveness of the various schemes and the British Treasury is not letting on which side is right – even if they know!

Certainly the Public Sector has been responsible for some major flawed projects as the new Parliament building in Scotland and Wales show. England is not immune from public construction problems and many point to the enormous delays with the British Library and the cost of delays to the £1 billion super hospital at St Barts as classic examples. Research by the national Audit Office tends to agree with the supporters of PFI, indicating that delays and cost overruns are generally avoided. Examination of the major failings in the Public Sector, however, show that many are caused by shifting design demands and changes to specifications. So perhaps the issues faced by the Public Sector are the result of being unable to enforce the contract.



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