

Regional Report – United Kingdom



UK Project Management Round Up

By Miles Shepherd

Blow to Zero Carbon Housing Project

According to figures released by the Treasury last week, a £15 million project to build hundreds of new zero-carbon houses has failed after only 15 houses qualified under the Government scheme. The project was announced by Mr Brown, UK Prime Minister in his last Budget as Chancellor of the Exchequer. Under the scheme, Stamp Duty, a Government tax on house sales applied on a sliding scale to properties costing more than £175,000, would be waived for houses meeting Government criteria. Property buyers could save up to £7500 on £250,000 home. The building industry claims the Government specification is simply not practical.

Critics of the scheme claim that the failure raises wider issues about low carbon housing policy, claiming that the houses are extremely expensive to build. Industry spokesmen claim that the failure to produce a workable specification calls into question the overall intention of the Government that all new homes would be constructed to the zero-carbon standard by 2016. The Callcutt Review on housing, commissioned by the Government, claimed that the target was achievable but only if a clear specification was agreed.

According to the UK Green Building Council, zero-carbon housing requires some form of power generation to offset use of utilities. However, such generation is usually not practical as it would require solar panels or wind turbines. UK Green Building Council Chief Executive Paul King claimed that 'As the Government was warned in late 2007, the definition of zero-carbon is at present too restrictive.'

Olympic Progress

The past month has seen several announcements from the Olympic Delivery Authority (ODA) and the London Olympic Games Organising Committee

(LOGOC), chief of which was the KPMG report on whether equestrian, shooting and basketball 2012 Olympic venues represented value for money. LOGOC have decided to go ahead with a 12,000-seater, £60m temporary arena for basketball in the main Olympic Park, which will only be used for the qualifying rounds. Equestrianism will stay at Greenwich Park after a review by accountants KPMG said no saving would be made by moving. But changing the other venues could result in savings worth £40m. LOGOC Chief Executive Paul Deighton said in a statement: "The KPMG review showed that there are no significant savings to be made from moving the [basketball] venue off the park to an existing permanent facility." He explained to the London Assembly it "did not make economic sense" to move the basketball venue, which will also host the handball final and semi-finals, wheelchair rugby and wheelchair basketball, and will act as a holding area for athletes before the opening and closing ceremonies. But he said they would look at a new venue for badminton, handball and rhythmic gymnastics away from north Greenwich. "The draft conclusion of the KPMG report is that there ought to be an economic opportunity to shift that to save money," said Deighton.



None of the alternative venues for the equestrian events were close enough to accommodate the modern pentathlon show jumping event which needs to be located close to the Olympic Park to allow the completion of all five events within one day.

Meanwhile, LOGOC announced that the National Lottery has raised £375 million of its £750 million target for the London 2012 Games, through sales of specially-designated Lottery games. The money raised will go towards funding the provision of facilities and supporting infrastructure for the 2012 Games. Elsewhere, on the Olympic Park Site, the first of 30 new bridges has been installed (see photo above left).

There has been much other activity at the Olympic Park as can be seen from the latest pictures to be released by ODA. Pylons have been cleared and progress on the main stadium (see picture right), Athlete's village and velopark is on track for their scheduled delivery.



Progress at Olympic Park (Photo courtesy ODA)

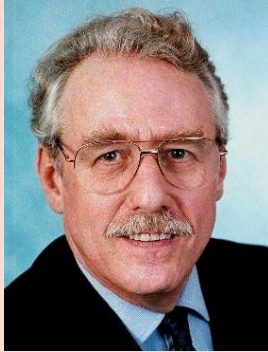
There has been some scaling back on the IT side where in order to meet sustainability targets, some duplication has been eliminated.

UK Energy Programme

Having sold off British Energy's assets to EDF in September for an eye watering €15 Billion plus an estimated €10 Billion over the coming 15 years on the construction of four new nuclear generators (the first of which is scheduled to open at Christmas 2017 - and the other three in a rolling programme over the following five years or so), the Government has been told that UK will have to rely on imported natural gas to meet an emerging shortfall in power generation over the next decade.

According to reports in The Times, Bernard Dupraz, senior executive vice-president for power generation at EDF, said Europe did not have the engineering and construction capacity to build enough nuclear plant at sufficient speed to fill the gap left in Britain by the planned closure of elderly and obsolete power stations. "I think to fill this gap it will have to be gas-fired power stations," he said. The Government's Energy White Paper states that the UK will lose 22.5 gigawatts of power by 2020 because of closures of old nuclear stations and coal-fired plant that fails to meet EU emission regulations.

The likely solution will be the rapid construction of gas-fired power stations which could be built in a shorter time frame. Mr Dupraz said: "The problem will be solved with gas." However, more gas will leave Britain further exposed to energy price volatility and increase the country's dependence on imports of fuel from Russia. It would also hamper efforts to reduce Britain's carbon emissions. Fortunately, EDF will invest €400m a year maintaining British Energy's existing generators. That represents an aggregate investment of around €30bn - or £24bn - from now to around 2020, in today's money.

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