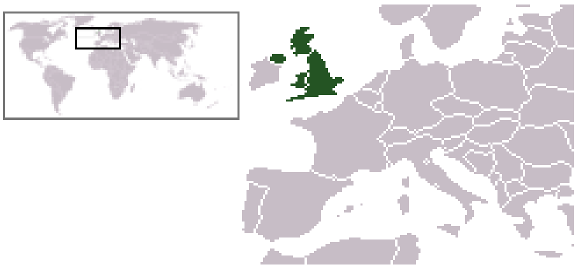
UK Project Management Round Up[1]



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

INTRODUCTION

What a month! Hot weather, Wimbledon, World Cup, Farnborough Air Show, Commonwealth Games – all on top of mega matters the month before. Perhaps the major event to affect the UK project world is the assumption of power by yet another Prime Minister, our 7th in 10 years. Naturally, a new Prime Minister brings new thinking, not just his/her own but political rivals, one of which called our New Leader (hereafter NL, not to be confused with the Netherlands) "a pair of eyelashes and a tee shirt"; the other obvious change is a new set of priorities. So far, we have had almost non-stop media release, usually at 6 a.m. but so far, not much on projects. No doubt NL's impact on projects will become clear once we see how he reacts to all the demands for handouts.

And so on with the UK PM News – where we start with some good news

GOOD NEWS

New Projects

➢ **New Stadium**. One to please NL, Manchester United have acquired most of the land needed to construct the UK's biggest sporting arena. The 25-acre site, located approximately 350m north-west of the current stadium is intended to work cohesively with the wider Old Trafford regeneration strategy, ensuring optimum connectivity and the best possible experience for fans. The 370 acre regeneration project is expected to deliver around 15,000 new homes, including affordable housing, create 48,000 new jobs locally and over 90,000 nationally, and add more than £7 billion a year to the UK economy.

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- **Pennine Tunnels**. Ten years ago, a plan was put forward to build a tunnel through the Pennines. It would link Sheffield in the East with Manchester in the West, cost around £10 BN. Five routes for the project, involving boring two 15m-wide holes through the Peak District, were shortlisted by the government. At the time, concerns were raised about driver safety in the 20 mile long tunnel but fears were contrasted with the 15-mile Lærdal tunnel, northeast of Bergen in Norway and the 11-mile long Zhongnanshan tunnel in China. The plan was eventually abandoned but a new firm claims the tunnel can be achieved that for a fraction of the expected cost by copying the Scandinavians and using explosives rather than tunnel-boring machines. In a press release **Michael Dnes**, former head of future roads technology at the Department for Transport (DfT) and co-founder of Future Works, stated "We've concluded that it's possible to dig the tunnel as much as 90 per cent cheaper than the government thought". Laerdal, the world's longest tunnel, was built in Norway for considerably less than the amount spent on planning permission for the still incomplete Lower Thames Crossing.

- **Tower of London Education Centre**. Historic Royal Palaces (HRP) have launched a project to raise £70 million for a multimillion-pound plan will seek to modernise its educational and community facilities, turning the historic site into one of the world's most unique learning spaces. The aim is to increase the number of annual school visits by 75,000 a year. HRP have already raised £20 million, the project is one of the largest single investments in the Tower since the 13th century when Henry III and Edward I expanded the palace which was constructed as part of the Norman Conquest toward the end of 1066.

- **Defence Investment Plan**. OK, not a project as such but it can be viewed as starting point for a major program. The four-year financing package plan (2026/27 to 2029/30) totals some £298 billion including a £15 billion new funding boost to accelerate warfighting readiness, autonomous systems, munitions, and service housing upgrades.

NOT SO GOOD NEWS

New Drug Project. There is always bad news about projects but some is unwarranted. Take, for example, the world of pharma where large numbers of projects are abandoned. Mostly this is because large families of new drugs are treated as individual projects and only the most likely to achieve licensing are pursued. This is a deliberate filtering based on careful judgement so those abandoned are not "failed projects" in the traditional sense. However, even the best evaluations do not come up to expectation as has been highlighted by AstraZeneca which has taken a £14 billion stock market hit when Wainua, a medicine developed with US outfit Ionis aimed at treating patients with a potentially fatal cardiovascular disease, did not prove notably more effective than a placebo. Analysts said: "This was meant to be a slam dunk making the outright failure surprising". AstraZeneca admitted that the drug "did not provide a statistically significant benefit" in reducing cardiovascular-related deaths.

Cost Creep. This seems like more shooting fish in a barrel but my Westminster based Imp reports the National Audit Office (NAO) has released its third report on the project officially known as Restoration and Renewal of the Palace of Westminster (The Palace). The Great British Public, in the traditional form of the "Man on the Clapham Omnibus", knows this as updating the Houses of Parliament. This project was first mooted back in 2013 and was the subject of Parliamentary Buildings (Restoration and Renewal) Act 2019. It is widely recognised that the Palace requires extensive restoration to address serious risks and priority improvements, including deteriorating mechanical and electrical systems, fire safety issues, the presence of asbestos and the condition of the historic fabric.

The Palace of Westminster, a UNESCO World Heritage site (Picture HM Government)

The NAO reported in 2022 and 2024 and in its most recent report noted that the programme addresses a clear and urgent need to reduce risks to the Palace of Westminster. Furthermore, there is no way forward that does not incur cost and risk, and the do-nothing option is " a choice with serious consequences" . The Programme is now at a critical stage, with parliamentary approval being sought to reduce the number of options from four to two.

The two recommended options are:

- **Full decant**: £11.1 billion to £15.6 billion, 19 to 24 years

- **Enhanced Maintenance and Improvement plus (EMI+)**: £19.5 billion to £39.2 billion, 38 to 61 years

In good civil service speak, the NAO notes that the options and their underlying estimates have been through a standard process of development and have been subject to internal and external checks to examine and assure them, all are at an early stage and are likely to face cost and schedule pressures as designs develop. In PM speak, the estimates are likely to be inaccurate!

Spaced Out. Not good news for the good folk at SaxaVord Spaceport in the Shetland Isles. The first space rocket launch from British soil has been abandoned as Lockheed Martin has failed to find a partner for the project. Original plans were for AB Space Systems to provide the rocket for the launch, while Lockheed Martin supported the project, with funding from the UK Space Agency. A failed test flight in USA in 2024 encouraged ABL to change its business model to developing missiles. At the same time, it rebranded as Long Wall.

A Lockheed Martin spokesperson explained that "… Lockheed and the UK Space Agency conducted an extensive assessment of alternative launch providers. However, none of the available options met the existing grant requirements in terms of programme objectives, anticipated benefits, and value for money, As a result, Lockheed Martin and the UK Space Agency mutually agreed to close the grant programme."

This is the second major blow to the UK's embryonic space flight industry; in 2023, the Virgin Orbit launch in Cornwall failed due to an engine fault. In February the start-up Orbex collapsed into administration before it could complete a launch from Sutherland Spaceport in northern Scotland. Orbex had soaked up £26 million in grants from the UK government and £29 million from the Scottish National Investment Bank before its collapse. Currently, Skyrora, based in Edinburgh, is planning a UK launch which based its rockets on the UK's scrapped Black Arrow programme(see image above, courtesy The Science Museum) of the 1970s. Skyrora hopes to launch its Skylark L vehicle in 2027.

Bridge Project Funding. As the owner of two toll bridges, I have some sympathy with Hammersmith & Fulham Council which has spent £54 million on stabilisation works at Hammersmith Bridge since 2019. The council had been hoping to re-open the bridge to motor vehicles but have now withdrawn that plan. The 19th-century grade-II listed bridge has been closed for the past 7 years as cracks were found in its structure. It was opened to cyclists and pedestrians last year when a garden bridge option was abandoned.

An engineering report estimated that a full repair to allow cars and buses back on the bridge would cost £300 million which the council admits it "cannot absorb costs of the scale set out in this report". The report recommended an alternative plan to ask the government for another cash injection. This would fund "a phased repair focused on the most critical life-expired elements of the structure, with the immediate aim of keeping the bridge open and safeguarding access for pedestrians, cyclists and river traffic".

New School Demolition. More bad news but this time the project was completed to specification. The bad news is that the £31 million school had severe structural defects, including unstable foundations and missing bolts, so the main building was deemed unsafe. Matford Brook Academy was built in 2021 at the centre of a 2,500-home development south of Exeter, Devon, and faced "issues" from its completion. Now, the Department for Education (DfE) concluded that the building was too deeply flawed to meet compliance standards and that demolition was the only viable option.

OTHER PROJECT NEWS

Several long running projects have hit major milestones in the past month, notably.

- **Commonwealth Games**. This is a major sporting event covering 10 sports, including 6 para sports. Originally planned to be held in Australia, the planning and execution fell to Glasgow in 2024. Commonwealth Games Scotland proposed a scaled-back version of the event, featuring 10 to 13 sports and using existing infrastructure, with £100 million in funding from the CGF and an additional £30 to 50 million from commercial sources, ensuring no significant public funds would be required. This represents classic project recovery as the current games

are smaller in terms of sports and participants. So, scope reduction has been a solution, accompanied by alternative financing and detailed replanning

- **Olympia reopening.** I have to admit a personal interest in this project. I began my working life at Bertram Mills Circus, in one of the main halls at Olympia, working with the elephants and selling ice creams (the two are related but that is another tale).

The historic Olympia exhibition centre has reopened following a £1.3bn transformation project aimed at turning the west London landmark into a major cultural, entertainment and business destination. Co-designed by Heatherwick Studio and SPPARC, the 14-acre west London landmark has been transformed into a vibrant cultural and entertainment district featuring new rooftop restaurants, public spaces, and the 3,800-capacity British Airways ARC music venue. Main construction contractor, Laing O'Rourke deployed its sector-leading knowledge and experience of off-site manufacturing and modern methods of construction (MMC). The Future Olympia Project includes the redevelopment of the existing listed exhibition halls – the Grand Hall and the National Hall – and the creation of new offices, a four-screen cinema, a 4,000-seat music venue, a 1,500-seat theatre, two new hotels, new retail outlets and public realm space.

Once fully operational, Olympia is set to inject more than £600 million into the UK economy each year, directly generating 7,000 jobs and attracting 3.5 million visitors to its new hotels, events and performance venues, with a projected total annual footfall of 10 million.

- **MOLA Dig** Museum of London Archaeology Service(MOLA) and Queen Mary, University of London have been awarded a grant by the Arts and Humanities Research

Council (AHRC) for a pilot project to study of the archaeologies of Victorian households. This innovative pilot study will evaluate and develop new ways of researching the details of Victorian Londoners' lives through archaeological finds. The methods will build on those formulated by historians and historical archaeologists working on nineteenth-century urban locations in Australia and United States. The project will combine archaeological and documentary evidence from 3 socially and geographically contrasting localities in nineteenth-century London. Outcomes are expected to reveal important insights into the relationships between domestic space, economic activity and the wider urban world – themes of great relevance in understanding modern and future urbanism.

➢ **Northfleet Harbourside Mega Project**. Gravesham Borough Council resolved to grant planning permission for Northfleet Harbourside waterfront development in order to transform a currently underutilised area in Gravesend, Kent. The site is about 50-acres and plans include new parks and green spaces alongside a new retail and leisure destination, community facilities and 3,500 much needed new homes. The highly anticipated development will also secure the long-term future of Ebbsfleet United Football Club by providing a new 8,000 capacity stadium with improved facilities and function space.

- **Northfleet Harbourside & Ebbsfleet United Stadium**, currently called in by Secretary of State, progress is temporarily stalled by fierce local and commercial opposition. The core dispute involves the proposed loss of Robin's Wharf, which handles 250,000 tonnes of aggregate freight annually and is critical to London's construction supply chain.
- **Harbour Village (Northfleet Cement Works Site).** The Ebbsfleet Development Corporation officially approved the final phases of Bellway's 634-home riverside development. This includes full planning clearance for Phase 3B and Abacus Corner. Construction on Phase 3A (consisting of 273 riverside apartments) is well underway. Industrial sheds are currently being cleared to make way for the newly approved segments. The first wave of riverside residents in this phase move into their homes this month.
- **Cable Wharf (Former AEI Cable Works Factory**). This £91 million brownfield transformation by Keepmoat has officially passed its halfway milestone. Phase 3 apartments are actively selling. The initial phases are completely occupied, and the final iterations of the 598-home neighbourhood are on track to build out through the broader masterplan

THE BEGGING BOWL

The change leadership brings with it many project challenges. The new regime, in common with all new political formulations, is making all sorts of promises. It is to be hoped that the new policies will actually work but it is early days. What is certain is that all the major economic players have their begging bowl out.

Rolls Royce have asked for an early decision on financial support to develop its re-entry into the short-haul aircraft engine market, threatening to go “elsewhere” to manufacture them. CEO Tufan Erginbilgic restated his demand at the Farnborough Air Show stressing that industrialisation of narrowbody engines will only happen in the UK if the government lends financial support of up to £200 million from the taxpayer in an initial £3 billion company investment programme. According to *The Times*, Rolls-Royce made an underlying pre-tax profit of £3.35 billion last year.

There is a serious concern as without taxpayer support Rolls could move the business to Germany or the US, and Britain could lose tens of thousands of future job. Some might argue that Rolls have misread the market as they concentrated on the long-haul market, supplying engines for the Airbus A350 and the Boeing 787. Analysts claim the number of engines produced annually for short-haul aircraft is between five and eight times as many needed for long-haul planes.

Defence firms are also looking for assurances that the Defence Investment Plan will result in new orders with BAE Systems offering a variety of drones, Babcock building a new range of ships for the Royal Navy despite the significantly scaled-back defence investment plan (DIP) was released last month, the idea was to build a series of large Destroyer-class ships to replace the navy’s ageing Type 45s. More on Defence project next month.

CLOSING REMARKS

Tunnels for Telescopes. Long time readers may recall some of the problems faced by new construction projects in UK. First we had the response to Natural England’s concerns about fish being sucked into the cooling system at Hinkley Point – the answer was the infamously expensive fish disco which an ungrateful QUANGO rejected, demanding the development of more salt marsh; then we had the Bat Tunnel for HS2. Now, news comes of the latest objection to a rail project.

The £6 billion East West Rail (EWR) project will create a direct route between the university cities. The planned route passes within 150m of the Mullard Radio Astronomy Observatory boundary and within 800m of its facilities, which include sensitive astronomical equipment.

Although Cambridge University supports the new rail link, “The radio and optical telescopes that are located at the Mullard Radio Astronomy Observatory measure signals that are very weak, and hence highly susceptible to many forms of interference, specifically light pollution, electromagnetic interference and mechanical vibration from domestic and industrial plant, and other sources such as vehicles and trains,” The solution may be a tunnel!

Animal Risks. A project on the River Tone in Somerset aims to improve our understanding of the risks that animals face — by getting volunteers to act like them. An intrepid reporter from The Times visited the project and gave a very entertaining account of his time. The project is "challenging hard boundaries between species", and "We aren't asking non-human animals, 'What are the impacts of this bridge or road?" What matters, to them, he asks? "You can't answer that until you've spoken to the grass snake." Sometimes I wonder about project planning and whether we take risk planning too far.

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.