

Example of experiences from hs1 impact hs2 report

[Business](#), [Management](#)



Executive Summary

Project Management is highly important aspect of making any deal between two or more organizations, especially those that involve works and infrastructures that are intended to be used by the public citizens. A joint project between a for profit and a government-related department or organization, for example, such as the construction of public works, highways, transportation systems, among other forms of infrastructures, should be carefully managed by a carefully selected and credible team of project managers. The outcome of the project be it good or bad, will basically depend on the effectiveness and the efficiency of these people in doing their job. Naturally, a more effective project manager would most likely be able to make the entire project successful while the opposite of that is surely what is going to happen if the project manager, for example, fails to coordinate the different smaller projects to each other. The objective of this paper is to present a discussion on whether the lessons learned by the organizations and project management personnel who played significant roles, regardless of the size, on the construction of the High Speed 1 Project and its early operations, should be carried over to the proposed construction of a similar project, although a significantly more modern one, which is the High Speed 2 Project. It is important to note early at this point that both the High Speed 1 and High Speed 2 Project are high speed railway projects prepared by the United Kingdom's government under the acts that have been implemented in its constitution. Basically, the acts that made the High Speed 1 and the current planning and brainstorming for the pushing through of the High Speed 2 Projects are those that are directly related to the construction of

railways and transportation, which will be discussed later. In general, the author of this paper believes and strongly suggests that the lessons learned by contractors, the government departments and agencies who participated in the construction of the High Speed 1 Project, and the project management personnel tasked to take significant project management roles, in the entire length of the High Speed 1 Project, including the first few months or even years of its operations, be used in the planned construction of another high speed rail project that is the High Speed 2.

Discussion and Analysis of the Program management of the High Speed 1 Program

During the latter half of the 20th century, the demand for forms of transportation that offers the ability to transport goods and passengers from one place to another ballooned, thanks in part to the already continuous albeit slower pace of globalization during that time, and also in part to the ballooning of the United Kingdom's population and also that of its neighboring countries in continental Europe. These two factors made the demand for railways and other means of transportation that enables companies to transport their goods from one point within the country to another and from one point within the country to another point outside of it. This incredible increase in demand did not only apply to consumer goods but also to passengers, both domestic and international. As the number of people in continental Europe, including the United Kingdom considerably increased, the number of tourists migrating to and from the country increased as well and as a result, more conventional forms of transportation eventually failed to meet the level of utility that the more modern,

developed, and globalized group of countries in the continent demanded. The policymakers assigned in the transportation, commerce, industrial, and the economic departments saw the huge volume of backlogs when it comes to the ability of the country's transportation system to transport goods and passengers from point A to point B and as a result, they began to think about things they could do and create to solve that problem. The policy makers at that time knew that the problem would only get bigger and become even harder to solve if they would not do something about it. One of the major problems encountered during the proposed construction of the High Speed 1 project was the financial unviability of its construction, mainly because of existing acts such as the Channel Tunnel Act of 1987. Basically, this act was a product of a treaty between the United Kingdom and France which authorized the construction of a railway project establishing a massive railway connection between the two countries. Apparently, there are some aspects of that act that would be violated should the construction of the High Speed 1 project push through and so its construction was delayed until the Channel Tunnel Rail Link Act of 1996 was passed . This jumpstarted the plan to create a more modern railway project that would accommodate the increased passenger railway demand and accumulated backlogs in the UK's transportation system. That particular legal issue was just one of the many problems encountered by the government and organizations involved in the High Speed 1 railway construction project.

Another problem that the project planning and management team apparently failed to anticipate was the integration of the individual railway projects. Originally, the entire length and route of the railway was intended

to be built as a single railway project only. However, at some point during the railway project's construction, a set of serious financial and technical problems arose. The management team assigned to work things out tried to make small adjustments but soon they realized that extensive changes really had to be made so that the railway project's construction could push through. It is important to note that in that case, the main problem was the source of the fund for the continuation of the project's construction. In the end, the solution that the railway's intended operator chose to apply was to accept the British government's financial rescue plan. A part of the British government's proposal was to divide the railway project into two sections. The first section was then set to be managed by Union Railways South and Union Railways North. The funding for the construction of the first section or phase of the railway was obtained via the purchase of government-backed securities (in the form of bonds) worth 1.6 billion Euros, which based on computations was the value of the phase 1 of the project's construction budget deficit. The only problem left was the source of funding for the second and last section of the railway project. It is worth noting that before the final source of funding was established for the construction of the second phase of the project, numerous financial restructuring occurred. In the end, the London Continental Railways (LCR) bought the interest and the remaining principal so that the construction of the second section could be completed. However, in the end, the LCR, the company which they thought would rescue the entire project, became insolvent in 2009 due to their own financial problems and difficulties. The company was forced to sell their assets to another body. The British government, fearing that the resources

and funds spent to project would be put to waste, rescued the project, using state aid to purchase the entire line with the intent to resell it to another third-party entity that will manage a section or two from the line to establish competition to the much stable Eurostar. Mostly, the problems that the program management team assigned in the HS1 project were technical and financial problems. The sad thing about those problems is that the program management team could have easily avoided such problems had they used their insight in anticipating the different problems that they may potentially face prior to the launching of the HS1 project. Clearly, they were not able to do this. It may be safe to say that the government and all the organizations and consortiums who participated in the project trusted in the inherent flexibility of railway construction project plans too much and so they did not bother to put in enough effort in the risk management planning aspect of the project. As a result, the construction of the high speed railway project was not only considerably delayed; it also suffered from the consequences of having too many owners at the same time, being managed by different groups, having different owners. If we are going to compare the original construction and operation plan for the HS1 project, it would really turn out that the construction and the way the project has actually been executed and the way how it is being owned and operated is considerably different from the original construction and operations plan for the project. This can mean two things and unfortunately, neither of these two possible interpretations is positive. Firstly, this could mean that the project management team was forced to make some extensive and necessary changes to the original plan so that the initial costs and investments that

have already been put to the project would not be wasted. What made this first interpretation negative is the fact that good program or project managers would often not have to resort to making extensive adjustments to the project's original plan if the project was perfectly planned in the first place. In the case of the HS1's planning, however, it appears that the planners relied too much on the project's inherent flexibility. True enough, that particular railway project became a very flexible one as evidenced by its frequent change in ownership and operator status. Secondly, the fact that the actual execution of the HS1 project had considerable deviations from the original plan may serve as an evidence that the program management team's failed to create a solid plan that would cover the entire length of the HS1 project starting from the planning, down to the construction and the first few months or even years of operation because if they did, they would not have faced financial difficulties because they would have already ensured that the consortiums that they chose to participate in the project were capable, established, and well-funded to partake in a project the size of the HS1 project. Apparently they were not able to do this. These, so far, are the major lessons that the consortiums and organizations who participated in the construction and operation of the HS1 should have learned by now. It is also worth noting that because of the fact that the HS1 project was poorly planned and executed, the government had to access its treasury and take charge of the situation and purchase ownership of the HS1 project just so Eurostar would not be able to monopolize the entire railway system. The government could have just spent the cash they used to aid the project and purchase ownership of it eventually on more socially and economically

relevant projects which would have surely benefited a lot more people.

These are mainly the reasons and evidences why the government and the consortiums currently involved in the planning of the proposed High Speed Railway 2 Project should make use of the lessons they learned during the execution of the HS1 project.

Discussion and Analysis of the Program Management of the High Speed 2 Programs

The High Speed 2 Project (HS2) is another high speed railway project being planned by the United Kingdom's government in partnership with several other consortiums and organizations. The rationale for putting up another high speed railway project is basically the same with that of the High Speed 1 Project when it was still in its early and late planning stages and that is to accommodate the ever increasing demand for passenger and cargo line transportation brought about by increasing levels of globalization. Unlike the HS1 project, the HS2 project is intended to be built in two sections or phases. The first section will be from London to Birmingham; the second section on the other hand would be from Manchester Piccadilly to Leeds. Based on the project proposal and the diagrams submitted before the UK government, there are four major city centers that these two lines would accommodate: London, Leeds, Birmingham, and Manchester. There are still a lot of ongoing debates as to whether another high speed rail project such as the HS2 project is really needed. However, it may be safe to say that most of the debates are fueled by political issues and internal conflicts between the political parties in the United Kingdom. So far, despite such issues, the construction of the first phase of the project, which will be the one that will

connect London and Birmingham, has already been approved . Based on the press releases being circulated, the construction of the first phase of the HS2 project is set to begin on 2017.

Discussion and Justification about why the Key Lessons learnt from the High Speed 1 Program are or should be used within the High Speed 2 Program

Even though the High Speed 2 Project can still be considered to be in its planning stages, we can already see multiple similarities between it and the previous HS1 project. For instance, the government is raising funds and working with consortiums to develop a new high speed rail system. The only difference between the two projects is that the mistakes that marred the execution of the otherwise perfect plan for HS1 program have already been committed and the consequences of such mistakes and unanticipated and unmitigated problems have already been paid. In HS1's case, however, the program management team assigned to work on it can still make a lot of adjustments and prepare for different possible scenarios so that the events and problems that resulted to great deviations from the original plan in the HS1 project can be avoided. Legal issues can still continue to affect the outcome for this project just like the HS1 project . It can be recalled that the biggest problems that significantly affected the outcome of the HS1 project were the budget and financing problems. Without sufficient budget to spend for the construction and operation of the railways, all the preceding parts of the plan would be worthless because there would be no business that would generate the revenue required to maintain the railways and the accessory infrastructures. This is where the program management team for the HS2 project should focus on. They should apply the lessons learned in the HS1.

By now, the government should already know that budget constraints can lead to unnecessary loss of time and resources and can also cost the taxpayers a significant amount of money as in the case of HS1 when the government was forced to buy it from its bankrupted owners.

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