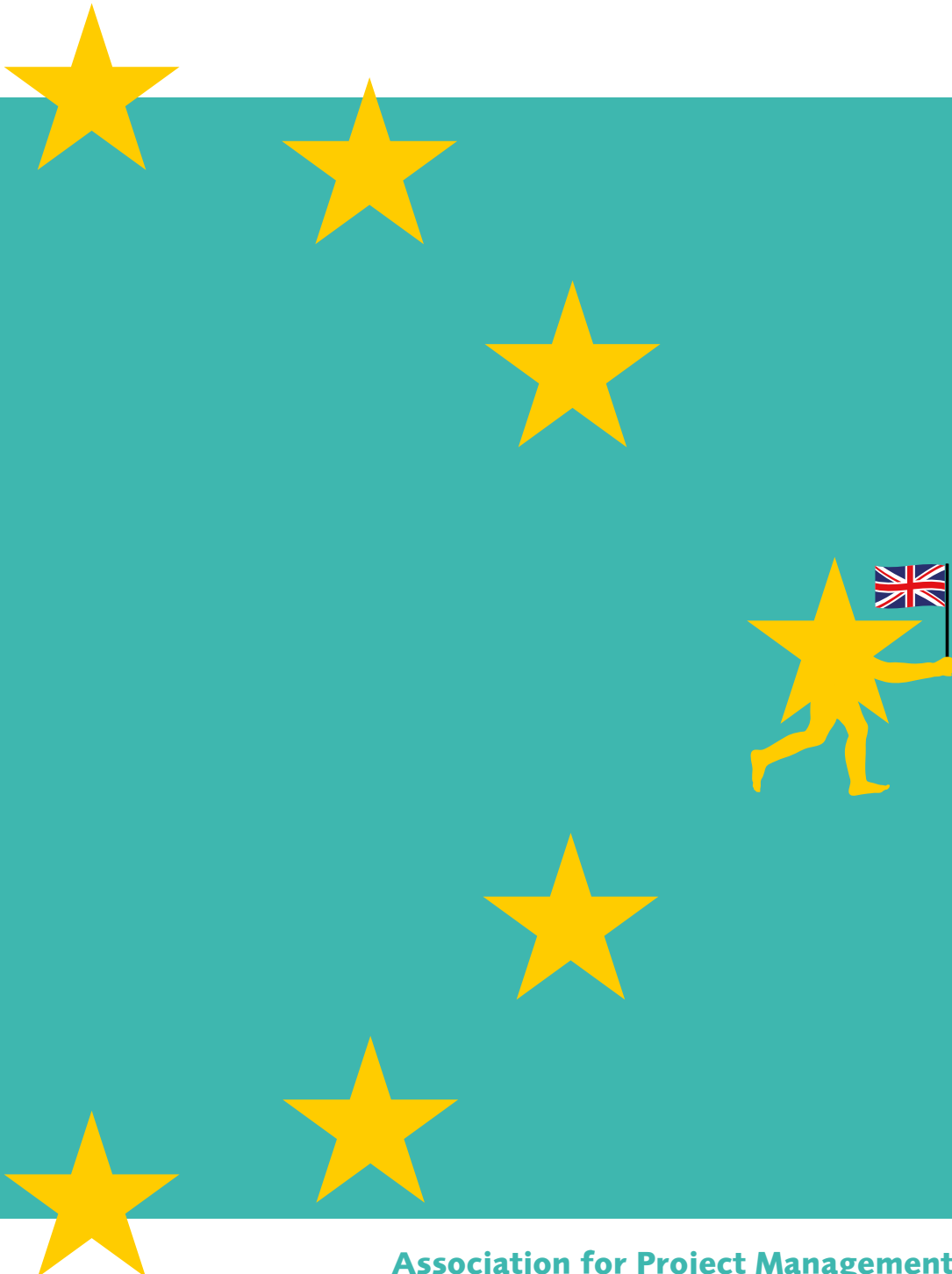


Brexit – The Great British Project?





**Brexit is the biggest
short-term change
management programme
in the UK**

Introduction

Arguably the largest project that the UK has ever undertaken has now begun. On 29 March, Prime Minister Theresa May triggered 'Article 50' of the Lisbon Treaty. This now begins the two-year period in which the UK will negotiate its exit from the European Union.

The entire process of disentangling our laws, regulations and trade deals with the rest of the EU will likely take more than the two-year negotiating period, but at the outset of the process there is still a range of possible outcomes, including no agreement, which have to be planned for.

However, beyond that brief outline, no one is really sure what will happen now that the countdown has begun, or how Brexit will be managed or negotiated by either side.

Although the prime minister had insisted that "Brexit meant Brexit", it is clear that there is a wide range of potential scenarios that could play out between now and 2019. The language of 'hard Brexit' was conspicuous by its absence in the letter sent by Theresa May to Donald Tusk – President of the European Council. The government published a white paper earlier this year, which set out at a very high level what this might look like, but it is reluctant to debate publicly its negotiating position, hence the number of imponderables that remain (at least in public). Also, the remaining Member States will need to clarify how they intend to approach the negotiations.

Given the various possible outcomes following the negotiations, it is not possible to comment more concretely as to how Brexit might affect the world of project management at this early stage, other than to point out that government has a huge pipeline of major projects planned or already under way before Brexit – this will now increase, or other business-as-usual activity may contract. It is indisputable, however, that Brexit is the biggest short-term change management programme in the UK, certainly since the Second World War.

Delivery of Brexit by the civil service

Disentangling the UK from more than 40 years of EU treaties and agreements covering thousands of different subjects is never going to be a straightforward task. It is further complicated by the fact that only one 'territory' has left the EU. Greenland voted to leave the EU's predecessor in 1979 and finally left six years later. Given that Greenland has only one major industry (fishing), a population of 56,000 and was not a State itself, it is easy to see the scale of the task ahead of the UK.

The post-Brexit trade deal is likely to be the most complex part of the negotiation because it needs the unanimous approval of 27 national, and various regional, parliaments across Europe, some of whom may want to hold referendums themselves. A recent National Audit Office report on the capability of the civil service (24 March 2017 – HC 919) stated: "Leaving the EU will further increase capability challenges facing government. The Cabinet Secretary has referred to the UK's decision to withdraw from the EU as 'the biggest, most complex challenge facing the civil service in our history'." The report concludes that "the decision to leave the EU also means government will take on tasks previously performed by others, requiring the development of skills not previously planned for".



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What does Brexit mean for project managers?

Project management is about delivering transformation and change. To make a success of Brexit, a huge number of experienced project professionals with the right skills and flexibility will be needed as the process ebbs and flows. Equally, it will require risk management and planning skills that reflect the need to constantly adjust plans and processes to non-Brexit activity as these are impacted by changes along the way.

Members of APM will be aware that three of the crucial conditions necessary for project success are:

- competent project teams;
- effective governance;
- clear goals and objectives.

Unfortunately, so far, these conditions are all major challenges for Project Brexit. Arguably the last is the most important – and while the key players may have clear goals in mind, they are necessarily restricted in communication as long as they are part of the negotiation process. The government has been reticent to reveal its objectives (not wishing to show its hand) and had to reactively publish a white paper in February (www.gov.uk/government/publications/the-united-kingdoms-exit-from-and-new-partnership-with-the-european-union-white-paper).

When Sir Ivan Rogers, the UK's former ambassador to the EU, resigned in January, he sent an email to his staff commenting on the UK's (lack of) negotiating position:

"We do not yet know what the government will set as negotiating objectives for the UK's relationship with the EU after exit."

The subsequent white paper added a little clarity, but it is clear that the conditions for project success still need further development by the government, to increase the chances that we achieve our objectives in leaving the European Union. Set against this is the obvious point that the negotiations will be highly political, so they could lead to a considerable range of outcomes, dependent on some high-level political trade-offs along the way.

How will Brexit affect UK businesses and project management?

As well as the delivery of Brexit as a project, the project management community must also pay attention to how Brexit will impact upon their individual jobs, businesses and future career prospects (current member sentiment is negative on this point; see the APM blog on this: 29.3). RICS research suggests that the UK construction industry could lose up to 200,000 workers on one projection, based on loss of access to the single market, and could endanger the UK's £500m infrastructure pipeline (RICS 15.3.17). Many commentators believe that it is inevitable that project and programme management skills will be in high demand whatever happens.

Brexit will represent a massive change in how (some, perhaps most) UK businesses will operate, how they are structured, how they trade with Europe and what legislation they must comply with. Such a drastic change will require a very robust project plan and every organisation will need to be ready and capable of managing difficult and possibly complex change processes.

Highly qualified project professionals will be an essential resource across the civil service and private sector over the next decade, as the UK attempts to make Brexit succeed. Given the likely increase in demand, APM's new Chartered status could not be more timely for project managers looking to show their expertise and raise their profile in this new job market. It remains to be seen what the 'opportunity cost' might be for existing projects that suffer withdrawal of personnel to work on Brexit-related projects, if indeed this happens.

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Next steps

There remains a lack of certainty about how Brexit will proceed once the political posturing is finished and the real negotiating begins

In political terms, the triggering of Article 50 leads to two further actions. First, it starts the formal negotiations with the European Commission and Member States. But, also, it will start a process that paves the way for 'repatriating' UK control over a number of policy areas – some of which fall into the so-called Great Repeal Bill to be introduced in the next parliamentary session. The Institute for Government has even suggested there might be up to 15 other bills needed.

As the details become clear, there will be many more questions about how Brexit will work as a project, and also an increasing demand for the skills that project managers can bring to changing organisations. APM will monitor the situation and provide regular updates on the progress of Brexit as it develops.

Jean-Claude Juncker, President of the European Commission, has confirmed that upon its departure from the European Union, the UK will be presented with a bill to cover the liability for projects that have already been agreed. This bill, he estimated, is likely to be in excess of €60bn (£52bn).

Further reading

The white paper (February 2017). www.gov.uk/government/publications/the-united-kingdoms-exit-from-and-new-partnership-with-the-european-union-white-paper

Institute of Government paper – *Legislating Brexit* (March 2017). www.instituteforgovernment.org.uk/publications/legislating-brexit

National Audit Office (March 2017) *Capability in the Civil Service* (HC: 919)

Appendix – The three phases of Brexit

Source: The Institute for Government and UK in a Changing Europe report on the civil service after the triggering of Article 50:

1. Preparing for negotiations
 - coordinating analysis across Whitehall
 - capturing the views of businesses, the devolved administrations and other interests
2. Managing the negotiations
 - with the EU institutions and 27 Member States
 - on the terms of the UK's departure from the EU
 - on the new framework for relationships
3. Implementing Brexit
 - transferring the existing *acquis* into UK law
 - designing and implementing new domestic policies or regulatory regimes to replace EU functions
 - preparing and pursuing a new international trade policy

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