

# Delivering Energy Projects: Regulation, Efficiency and the Value of the PMO

Because when projects  
succeed, society benefits

# Introduction

The energy sector faces a unique combination of challenges that come from strict regulation, increasing complexity, a widening skills shortage, political disruption and technological upheaval.

Typically, energy projects have long life cycles but pressures from successive governments place incredible strain on a sector already limited by stringent governance. This leads to a delivery problem where projects are perceived as over-promised and under-delivered. The perception of projects in the sector suffers greatly as a result; successful projects and programmes rarely receive recognition, while there's increased scrutiny and criticism on projects and programmes perceived as progressing slowly. This is more than just a reputational risk. It restricts ability to achieve strategic goals, and renders businesses less able to adapt in an unpredictable world.

This white paper explores how project leadership can address the challenges facing the energy industry. It argues that project management can be a powerful lever for improving delivery, transparency and resilience.

This paper is based on a roundtable discussion that took place in London with senior professionals from the energy sector. It is intended for business leaders, decision-makers, and senior project and programme professionals.



# Regulatory compliance and the role of PMOs

Regulation is at the heart of the energy sector; particularly nuclear where safety and security are fundamental requirements. However, the stringency of this regulation often impacts the operational efficiency.

## Current bottlenecks:

- Security clearances – Recruitment is subject to intense vetting processes, which limits the potential workforce and exacerbates skills gaps.
- Culture of silence – Transparency is important. People across the industry should feel free to speak openly.
- Safety and quality – Prioritising safety and quality standards can increase process and assurance activity, sometimes resulting in multiple parallel processes designed to achieve the same outcome.

Joint ventures (JV) provide more hurdles. These massive partnerships can often create friction as each organisation seeks competitive and financial advantage over the other. As a result, JV partners struggle to agree on a single delivery approach, leading to conflicting and duplicated processes, slower decision-making and, as costs inevitably increase, potential quality compromises. Risk needs to be managed differently between JV partners.

The roundtable compared the energy sector's regulatory environment to that of the aviation industry. Regulation and safety are paramount in aviation, but unlike the energy sector, there is a culture of openness. The energy sector can bring down costs and improve outcomes by following a similar model. By sharing risks and using transparent information bridges, JV partners can be transparent about information without feeling like they're losing competitive and financial advantage.

An expert in the roundtable described this as the “fear of being ripped off or penalised.” This is where the project/programme/portfolio management office (PMO) comes in.



# The role of the PMO

The PMO can encourage a culture shift where transparency is rewarded rather than punished. The PMO can advocate for an open platform where compliance and hazard near misses are shared openly, creating a single source of truth and acting as a central authority that acknowledges different working practices and applies processes as needed.

Whether projects, programmes or portfolios are being supported, a PMO brings three main benefits to any project-based organisation: deployment support, process improvement and resource flexibility. PMOs can provide access to services that might never be justified for a single project, such as:

- **Controls and reporting:** Collecting, analysing and presenting progress information and managing interdependencies.
- **Assurance:** Audits, health checks and reviews to support decision gates and change control.
- **Centre of excellence:** Improving processes, tools and techniques; embedding through training and support; and measuring capabilities to review progress and target higher levels of maturity.
- **Specialist support:** Provision of specialist skills such as risk; quality, planning or finance resources as role models to other project professionals.
- **Information management:** Document management and access to information, tools and services.

Compliance isn't just a one-time event; decommissioning a nuclear project can take over 100 years. A strong PMO can act as a central framework to ensure that regulatory compliance survives the long-life cycle of a project. For this, the PMO needs quality documentation and engineering knowledge that ensures the logic behind safety cases remains clear when the head engineer leaves.



# Operational efficiency

The following factors impact the operational efficiency of the sector:

**Hybrid working and knowledge transfer** – Remote and hybrid working are now established norms. But the in-person planning and face-to-face collaboration of on-site or office-based working allows for deep thinking and earlier opportunities to challenge unrealistic plans. Online-only communication can sometimes lack the extra context required for sophisticated engineering projects. Without the necessary technical context, project data is isolated in spreadsheets, reduced to numbers without meaning. This leads to the cycle of overcommitting and underdelivering because unrealistic plans cannot be challenged early enough.

**De-skilling of project manager role** – Historically, ex-engineers filled project planning roles by default. Today, however, many project managers are not used effectively and need to address perceptions of being 'admin' or 'data processors' rather than the people bringing everyone together.

**Skills gap** – There is little willingness to train, which creates a stagnant talent pool where the same people are just recycled between different projects. This lack of training is attributed to security issues. Organisations are so afraid of losing their people that they focus on retention. With high levels of vetting creating barriers for many potential candidates, there is fierce competition for talent. With one in three engineers approaching retirement, the loss of engineering knowledge is going to be colossal for the sector.

## **PMO as a centre of excellence**

This is where the PMO becomes critical. The opportunity for senior leaders is to reposition the PMO as a centre of excellence by giving it a clear mandate to improve delivery outcomes, embed expertise and influence decisions early, rather than just report progress. Taking the PMO beyond oversight and administration can actively enable delivery success by improving capabilities and delivery outcomes.



# Operational efficiency (continued)

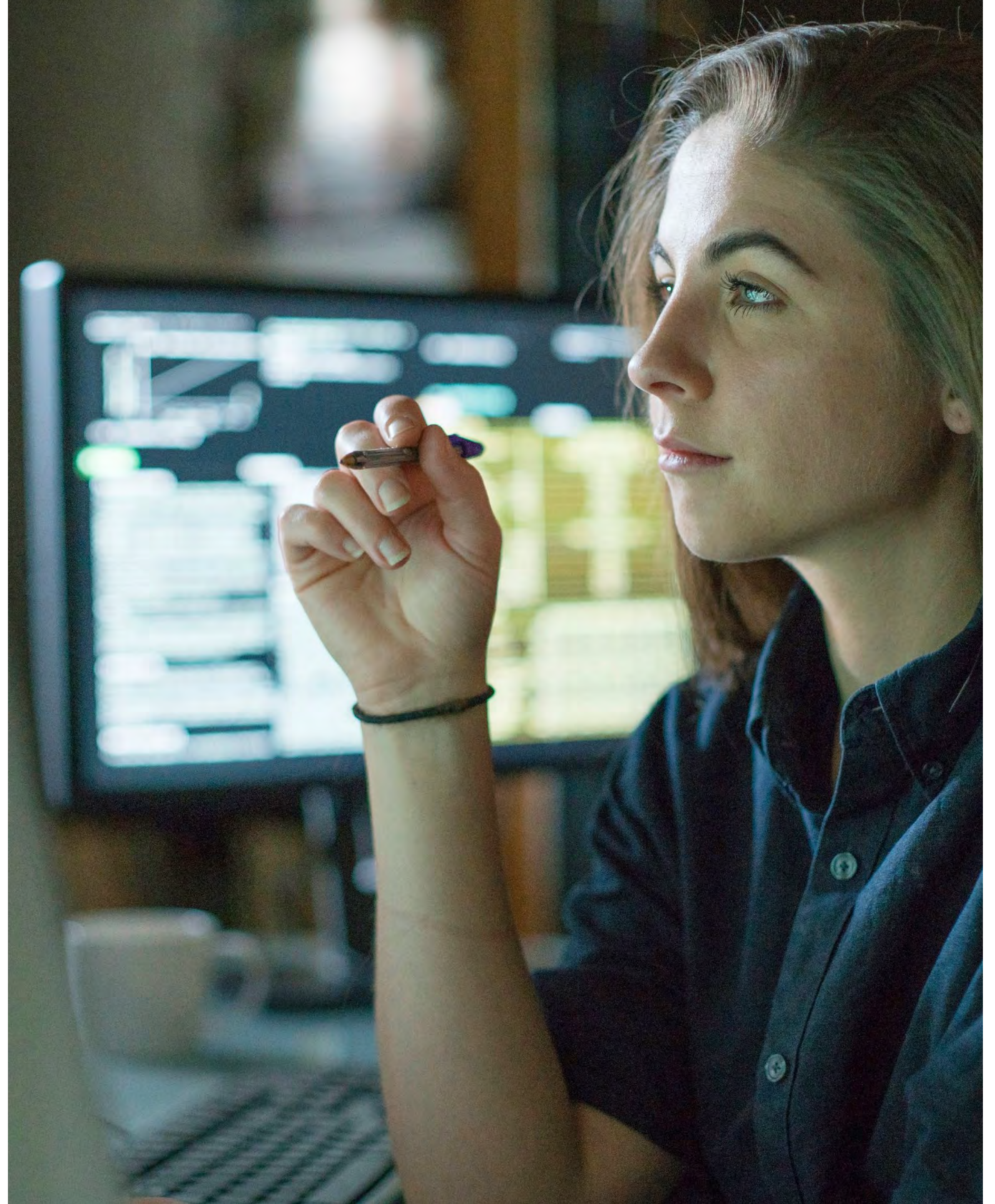
## A centre-of-excellence PMO can bring the following benefits:

**Documenting and understanding project knowledge** – Hybrid working reduces technical context, making it harder to challenge unrealistic plans early. By contextualising data, assumptions, constraints and biases, the PMO can give project teams better perspective and help them to be aware of and challenge unrealistic plans. This reduces reliance on isolated spreadsheets, facilitates better decision-making in hybrid working environments and, over time, ensures that lessons learned from one project are systematically applied to the next rather than lost as teams change.

**Stronger project sponsors** – Sponsors are a critical part of the governance board of any project or programme. They're accountable for ensuring that work is governed effectively and delivers the intended objectives.. These high-level advocates can push back against political pressure and 'higher up' influence. The PMO can support sponsors in the energy sector by providing honest, evidence-based reporting and maintaining regular sponsor-PMO touchpoints. This helps to surface issues early and enables sponsors to intervene before pressures lead to poor decisions. When supported in this way, sponsors are better equipped to protect long term safety, compliance and value, rather than react to short term influences.

**Embedding skills** – A centre for excellence PMO can counter the sector's structural skills gap by acting as a skills council for an organisation. In this role, the PMO can coordinate workforce planning, capability development and knowledge transfer across projects. By embedding this responsibility within the PMO, organisations can invest in their future capabilities while ensuring development initiatives are still grounded and aligned with live project demands, rather than HR programmes or small talent pools.

**Consistent governance** – Moving away from multiple different processes towards a single, scalable framework with project fundamentals embedded within it from the start. This reduces ambiguity and duplication, which speeds up decision making and project outcomes. It improves consistency of reporting, risk management and regulatory compliance across projects.



# Conclusion



The energy sector is at a critical point, with a perfect storm of tightening regulation, a shrinking talent pool and an increasingly volatile delivery environment. Addressing these challenges requires robust change in how projects are governed and executed. The PMO can be the centre of this change.

By transitioning the PMO to a strategic centre of excellence for the sector, it can provide the necessary structure and support to bridge the skills gap, limit regulatory pressures and maximise project capabilities by embedding project management practices early and across the whole life cycle of a project. By integrating these practices and insights, organisations can create the structure needed to navigate the environment with confidence, gaining a competitive advantage through minimised regulatory bottlenecks and increased operational efficiency.

# About APM

The Association for Project Management (APM) is a professional membership organisation that sets the standards for the project profession and raises its profile. APM is the only chartered organisation representing the project profession in the world. As a registered charity, APM delivers learning and networking opportunities, qualifications, research, resources, events, and best practice guidance for the project community, helping the profession deliver better.

APM currently has over 42,000 members and more than 470 corporate partners based across 140 countries.

## Further resources

- [What is project planning?](#)
- [Webinar – Navigating difficult conversations on projects](#)
- [Research – Detect, reflect and adapt: Factors influencing critical project decisions](#)
- [Cyber security projects: Adapting to a changing threat landscape](#)
- [White paper – The Chief Project Officer: An essential part of the future C-Suite](#)





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