

Manchester Salford HMR Pathfinder Technical Advisor

Proposal

August 2005

Deloitte.

 **GVA Grimley**

 **mpulse**

Deloitte

One of the world's largest and most respected professional services organisations, with deep and broad financial and consulting expertise across the public sector, and within the housing and regeneration fields.

GVA Grimley

One of the UK's largest property consultancies, with expertise in planning, urban design, regeneration and surveying, with experience of working with all of the HMR Pathfinders.



A young vibrant and rapidly growing multi-disciplinary programme management consultancy that specialises in supporting public sector clients in all aspects of capital and facilities investment

1. Introduction

Deloitte, GVA Grimley and Mpulse are delighted to tender for this important and prestigious engagement supporting the Manchester Salford Pathfinder (MSP) in overcoming the challenges of failing housing markets and promoting the regeneration of key areas of the two cities. Deloitte/Mpulse and GVAG were individually shortlisted, and have now combined to offer MSP a powerful team with a synergy and complementarity of strengths that delivers access for our client to a breadth of expertise and a depth of resource that is unmatched among our competitors. Our current work with other Pathfinders, with those delivering on-the ground in Manchester/Salford, and with the social housing agenda, can offer real benefits.

Nationwide, the HMR Pathfinder programme is at a major juncture, with Scheme Updates in the process of submission, early lessons from implementation emerging, and the Northern Way and City-region agenda moving ahead. There is also an uncertain future in the medium term with speculation about the future direction of housing renewal following the 2007 Comprehensive Spending Review. Whatever the future holds for the HMR programme, we can be sure that Manchester Salford HMR will again be blazing the trail, having taken the lead in developing HMR solutions, but with much still to do and many challenges still to be tackled. We recognise in this context, that through this engagement we can share and learn from each other. We would equally share your aspirations and commitment to enhance the quality of life and economic prospects of the people of Manchester and Salford.

In the following pages we identify the structure of our team, and show how it will link directly to delivering the core responsibilities required for each aspect of the brief. The breadth and depth of our joint resource and experience allows us to respond flexibly to your requirements with high quality advice and support. In particular, we recognise that there are still some unknowns in resolving all aspects of the Pathfinder programme, and our response offers a value for money solution to securing proven, senior level experience in resolving such challenges.

Our approach to working with you would be **collaborative** and **flexible** and give you **value for money**. We would propose not to charge for the time during the initial two weeks of the engagement (up to 6 working days) that we spend familiarising ourselves with you as a client group and the issues we will need to address. Over and above the core responsibilities of the brief, we would also seek to identify, for mutual benefit, the opportunities for **value-added activities** (often free of charge), including high-level exploratory workshops with key officers to scope future challenges and issues, e-rooms for exchanging information, training sessions (in areas such as performance management and project appraisal), and policy seminars. We can also offer use of our meeting rooms at Deloitte and GVA's central Manchester offices to supplement those available at the two Councils.

2. The Team

Our team is led by nationally recognised experts in the field of housing and regeneration. They would be personally committed to the delivery of this engagement, and would establish a strong, ongoing advisory relationship with the key players in the MSP. The project leaders are supported by people with specialist skills and experience across management consultancy, development planning, housing, finance, and evaluation. We do not provide a detailed breakdown of our team, given the 7-page limit of this tender. Please review the background material in the PQQ or we can supply detailed CVs if required.

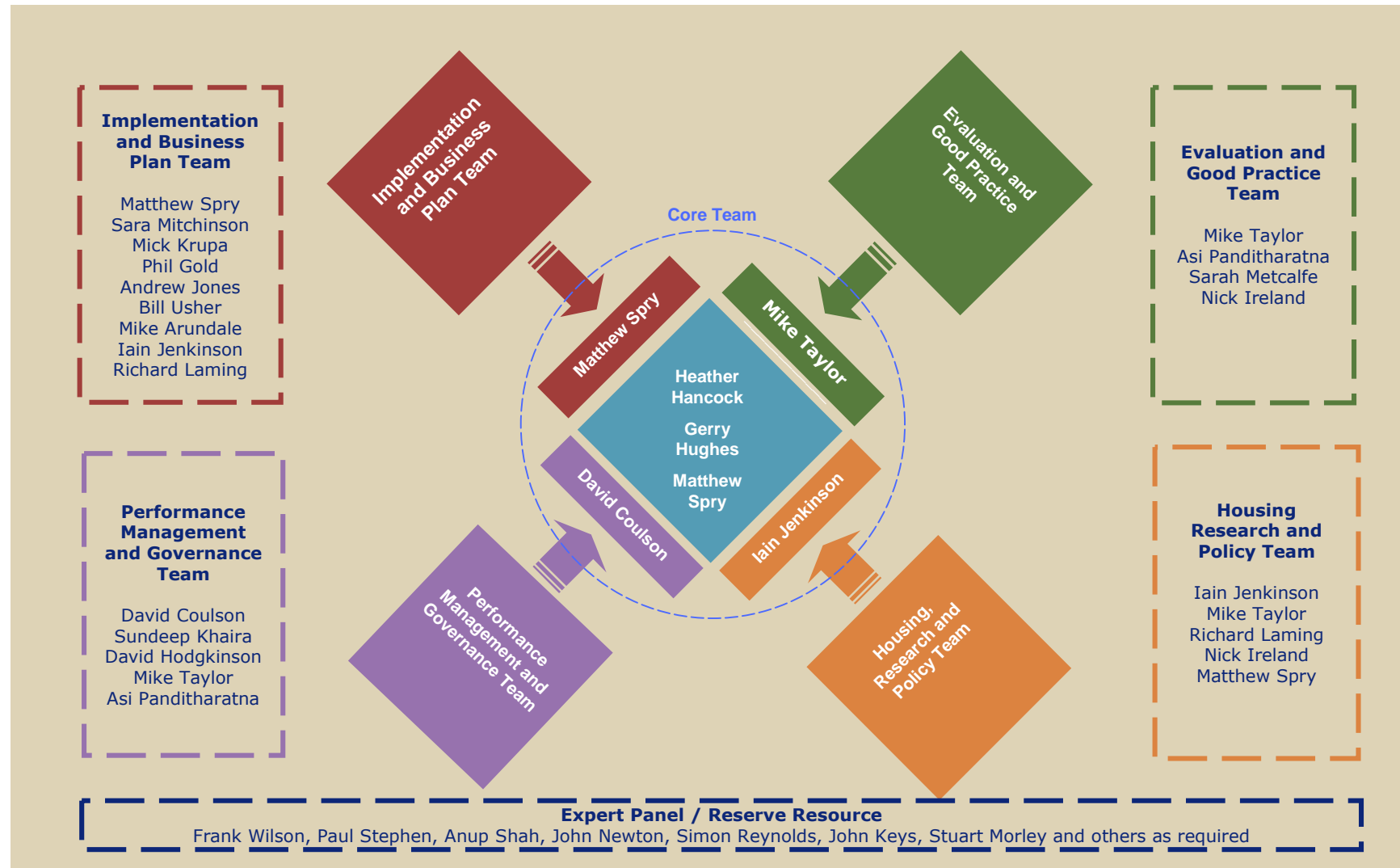
We propose to structure our resources into four specialist teams, who would service the client's key requirements, as set out in 2.3 of the brief. These are shown below and overleaf.

Team	Core Responsibilities (referenced to requirements in the brief)
Implementation and Business Planning Team	a) Advice on Implementation b) Implementation Plan j) Advice on key skill and knowledge gaps
Performance Management and Governance Team	d) Governance, partnership development, and decision making g) Monitoring and Performance Management Framework i) Review of Policies, systems and procedures h) Performance Monitoring of all delivery agencies
Evaluation and Good Practice Team	c) Criteria for Evaluation e) Local Evaluation of Phase One (2003-2006) f) Development of Good Practice Manual
Housing Policy and Research Team	k) Scrutiny of RFI Team l) Advice on national and regional policy and strategy developments Provision of ad-hoc advice

Each of the four teams has a named lead-consultant; these form part of the **core-Technical advisor team** led by two Project Partners (Heather Hancock and Gerry Hughes) with an overall project manager (Matthew Spry) being the first client point of contact. The core team will meet on a regular basis, both internally and with the client, and be available to brief senior officers. The four teams have named practitioners who provide the bulk of resource, selected to provide a mix of senior-level and junior resources, with a palette of fee rates providing flexibility and cost-efficiency as your requirements evolve. It is these people, named overleaf, who would be directly and regularly engaged, developing a high level of familiarity with the key issues and client. They have extensive experience of working with senior officers, including at board-level.

Our consortium, however, offers a broader range of capabilities and resource if required (e.g. to accommodate a peak in demand or for specific technical input). Our core team is therefore supplemented by a panel of experts/reserve resource. We have identified those whom who might be needed, but of course Deloitte and GVA are able to draw upon many more of our people. We would describe the operation of this resource in more detail if invited to interview. We confirm that if, from this expert panel, you subsequently wish to use a more extensive Corporate Finance input, we would supply that at agreed SCAT rates

3. Team Structure and Membership



4. Our Approach

Key Task	Method Statement	Case Study
a. Provide advice to the Partnership on the implementation of the Scheme Update (Second Prospectus) application that will be submitted to the Office of the Deputy Prime Minister by July 2005;	We would review the Scheme Update document and undertake a number of interviews with key officers before preparing an Implementation Issues Paper to provide the basis for a workshop on implementation issues. This workshop would then set the agenda for further advice and support, on issues likely to include procurement, structuring of delivery vehicles, planning strategies etc. We would set a clear timeline and critical path to support this process.	Deloitte advised Leeds City Council on procurement and delivery in its approach to regeneration of up to 240 hectares of land in the EASEL area. Both Deloitte and GVA have prepared business plans for 2nd Prospectus Scheme Updates in Pathfinders, including OldhamRochdale and Transform South Yorkshire respectively. Mpulse are working with New East Manchester URC providing programme management of the Beswick/Toxteth Street areas.
b. Currently MSP have an annualised investment plan and it will be necessary for the Technical Advisor to advise and if necessary develop the framework for both the MSP Market Renewal Implementation Plan 2006-08 , and an annual report outlining progress against the plan;	We will develop an investment plan model using (initially) the current available investment data. This will be a dynamic model – i.e. we will update in real time as approvals are granted and investment decisions made or reviewed. It will be capable of using modelling variables to assess potential outcomes as a decision tool and we will design a report that can be directly inserted into the narrative of annual and other regular reports.	LB Lambeth have a complex £200m 21 project regeneration programme, called ' Revitalise Lambeth '. Deloitte undertook 21 separate project reviews, tested the overarching programme's key assumptions and critical issues; created the master project programme. Deloitte's Business Modelling Team also built a gap funding financial model for Oldham Rochdale Pathfinder to inform its Scheme Update.
c. Develop in consultation with Manchester and Salford City Councils and the Partnership the agreed set of criteria within which to evaluate the Market Renewal Implementation Plan . These criteria will be agreed with ODPM and the Manchester Salford HMR Partnership;	Working in close collaboration with both Councils and the Partnership, we would identify critical success factors i.e. those outputs and outcomes which will demonstrate successful implementation of the plan. These criteria will be cognisant of the housing market drivers emerging from the RFI work. We will then identify the information which must be gathered in order to measure progress and impact against these criteria.	Deloitte led a review of the project lifecycle at the London Development Agency i.e. from idea generation to project closure, including monitoring and evaluation processes. We also seconded a team to the Performance Management Office advising project managers on the setting of SMART objectives and targets for LDA investments.
d. Provide the Partnership with independent recommendations and advice on governance, partnership development and decision making for the 2006-08 and 2008-10 Implementation Plans made by Manchester and Salford City Councils and if necessary, other organisations that draw down resources allocated to support housing market renewal;	Within the public sector practice in Deloitte , we have developed a number of 'health checks' which we use to assess the effectiveness of governance arrangements (including organisational decision making) and multi-sectoral partnership working. We map our clients' practices and then measure them against our 'model control environment' which is based on official guidance and best practice.	We advised the ODPM on the establishment of the London and Thames Gateway Urban Development Corporation , and the Thurrock UDC . This included defining the Board and Board members' role, planning the operation of the Board, developing staffing structures and defining the protocols and relationships.

5. Our Approach

Key Task	Method Statement	Case Study
e. Working alongside the RFI Consortium, the national evaluation team and the Partnership to develop and complete a local evaluation of phase one (2003 –06) of the HMR programme;	Drawing on the agreed criteria and monitoring data gathered, we will measure progress against the baseline set at the outset of the engagement within a framework which allows for a longitudinal evaluation to occur. The evaluation is likely to include a process review and consultation in addition to the quantitative assessment of outputs and outcomes. The effectiveness and VFM of the programme's delivery will be key analyses.	Working for the Northern Ireland Housing Executive (NIHE), GVA prepared an evaluation framework to analyse the delivery of the £110m East Belfast Urban Renewal housing programme. The team undertook the performance evaluation and the evaluation framework was subsequently refined to allow analysis of NIHE's investment programmes elsewhere
f. Assist in the development of a Good Practice Manual that could be used to disseminate information internally for the Partnership and externally with other Pathfinders and local authorities;	Preparing a Good Practice Manual will draw on the linked task of the local level evaluation and to the wider role of MSP networking with other Pathfinders and regeneration agencies. We will review and assimilate potential good practice from within MSP and work in partnership with MSP officers to identify the final good practice evidence for the Manual.	GVA have extensive, practical experience working with all nine HMR Pathfinders on governance, partnership, strategy, policy, project appraisal and delivery aspects of their programmes. This is coupled with national level contacts in the PPWG and ODPM and Audit Commission HMR teams . We can draw on this knowledge base to inform and benchmark good practice within MSP.
g. Review in consultation with Manchester and Salford City Councils the HMR Guidance Manual and the overarching monitoring and performance management framework , which has been implemented in order to ensure the efficient delivery of current and future investment programmes. The framework will be agreed with ODPM and the Partnership;	In consultation with the two Councils we would thoroughly review the usefulness of the guidance manual (in terms of comprehensiveness, user-friendliness and clarity) and the robustness of the performance management framework. Any proposed changes to the process would be tested for feasibility. Any amendments to the process would be agreed with the Partnership and ODPM.	Deloitte supported a review of the London Development Agency's commissioning and appraisal processes . The review involved detailed consideration and revision of the Agency's processes for project development, appraisal, approval, risk management and performance management. We provided direct support in its investment appraisal, monitoring and evaluation. GVA advised Rother District Council on the probity of its regeneration services and related risk management issues.
h. Work alongside the Accountable Body Function to conduct performance monitoring of all delivery agencies in relation to contractually agreed performance criteria, making recommendations to the Partnership body and advising the delivery partners in an appropriate manner to deliver strategic objectives	We would monitor performance of the delivery agencies against the agreed objectives and targets. User-friendly pro-forma would be developed to facilitate data capture and we would hold discussions with agencies to clarify reasons for under or over performances. We would also make recommendations where a change in approach is required.	Deloitte recently prepared a review of the 1997-1999 ERDF Objective 2 programme for GONW to respond to a European Commission audit report. GVA prepare quarterly performance reviews of HMR projects for TSY's Board. We consider overall performance in relation to ODPM and other targets.

6. Our Approach

Key Task	Method Statement	Case Study
i. Undertake reviews of any policies, systems and procedures as required by Core Management Team and report to CMT and the Partnership as required	We will develop a review tool with assessment criteria to ascertain if they are operating effectively and fit for the purpose of day to day management. We will identify what works well and where improvement must take place. We will work with the CMT to ensure that the systems are embedded in day to day activity. We will run improvement workshops with CMT, staff and project managers.	GVA undertook a review of London Borough of Lambeth's support for the voluntary sector. GVA reviewed all of Lambeth's service and business plans, procurement arrangements and systems such as application forms and performance management systems.
j. Advise the Partnership on key skill and knowledge gaps identified as obstacles to successful programme delivery and to provide advice as required;	Based on analysis of objectives and delivery challenges, we would propose a framework of the skills and knowledge required by the various partners in order to ensure successful implementation of the plan. We would then audit the current skills sets against those requirements to identify skills / knowledge gaps or deficits. This could be benchmarked against other Pathfinders, but would need to be cognisant of the skills and knowledge available throughout the delivery chain.	Deloitte advised ILEX , Northern Ireland's first URC, on a range of issues including its approach to skills and resourcing to enable it to meet delivery challenges. This included a workshop with senior officers and Board Members. GVA have advised Elevate East Lancs on skills and resources issues. This has involved a review of each local authority, consultation with programme leaders.
k. Scrutinise the work of the Research, Foresight and Intelligence project and assist with contract monitoring ;	Our approach is based upon consultation, scrutiny, challenge and support , not to undermine what has gone before, but ensure that the evidence is as robust as possible. We would be the interface between the Partnership and both the RFI team and AC in particular, but also external agencies as necessary. Our role includes process : ensuring that the requirements are met; and technical : making full use of the intellectual capacity and experience of our team to enhance and deliver added value.	GVA was commissioned to prepare a Strategic Investment Framework for Liverpool's Inner Core. The area was awash with previous strategies and had also benefited from housing market research undertaken by CURS and Prof. Brendon Nevin. Our role was to scrutinise the proposals and evidence, challenge the assumptions and recommendations and provide clear advice to the client, which was commercially robust whilst meeting the objectives of the HMR programme.
l. Advise on the implications of key regional and national strategies and policy developments such as the Regional Spatial Strategy, Regional Housing Strategy and other national or regional documents as required.	Our approach is best conceived as a TWO-WAY approach, whereby we would give clear advice on the implications for the Partnership of a changing policy environment, but would also ensure that the objectives and programme of the Partnership are fully embedded in the national, regional and local policy making process. An early task for the Technical Advisor will be to respond to the emerging RES and particularly the RSS as these enter crucial phases in their development up until Christmas 2005.	GVA developed the economic and planning evidence and actions that successfully helped to raise the profile of Preston as an "emerging City" within RES. Deloitte are currently providing advice to the NW Regional Assembly on the impact of the RDA's economic scenarios on regional housing demand. Deloitte have also undertaken ground-breaking analysis on housing and the economy in other regions, which is now being studied by ODPM Ministers

7. Fees

The estimated total annual cost for providing this service is as set out in the schedule to the right, as required by the Brief. The costs are based on discounted daily rates, inclusive of expenses, and will be reviewed in January 2006, and annually thereafter in line with the agreed S-CAT framework.

Clearly, the costs are based on an assumed average no of days per month, and these are difficult to scope with any precision at the current time. Some months would see a greater concentration of effort, whilst other periods might be less busy.

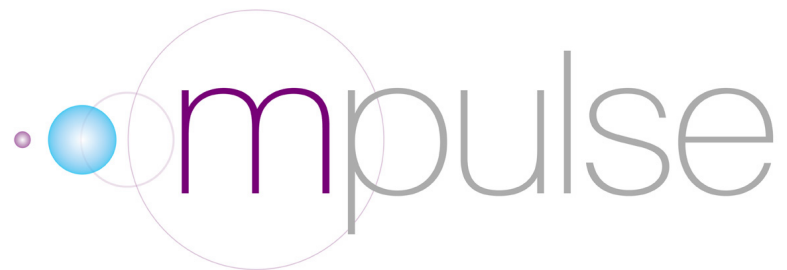
As part of the project management process, we would look to agree mutually acceptable fee estimates for individual components of work as more detail becomes available on the precise nature of work, and how much support is required over any given period, and whether our Expert Panel needed to be drawn upon.

To ensure that your technical advisors were 'up-to-speed' on the key issues, we would propose to commence our engagement with an intensive document review, tour of the area, and meetings/ workshop within two weeks of appointment. This initiation (totalling up to 6 working days) would be **free of charge**.

Name	Grade	No. of Days per Month (Annual Average)	Daily Rate	September 2005 - March 2006	April 2006 - end of March 2007	April 2007 - end of March 2008
Deloitte		25		208,320	357,120	357,120
Heather Hancock	Partner	2	2330	32,620	55,920	55,920
Matthew Spry	Manager	7	1300	63,700	109,200	109,200
David Coulson	Manager	4	1300	36,400	62,400	62,400
Sundeep Khaira	Senior Consultant	3	1050	22,050	37,800	37,800
Sarah Metcalfe	Senior Consultant	3	1050	22,050	37,800	37,800
Mick Krupa	Consultant	2	750	10,500	18,000	18,000
Sarah Mitchinson	Consultant	2	750	10,500	18,000	18,000
David Hodgkinson	Consultant	2	750	10,500	18,000	18,000
GVA Grimley		23		148,750	255,000	255,000
Gerry Hughes	Partner	2	1300	18,200	31,200	31,200
Mike Taylor	Associate	5	975	34,125	58,500	58,500
Iain Jenkinson	Associate	5	975	34,125	58,500	58,500
Richard Laming	Principal	4	850	23,800	40,800	40,800
Asi Panditharatna	Principal	4	850	23,800	40,800	40,800
Nick Ireland	Senior Consultant	3	700	14,700	25,200	25,200
Mpulse		12		56,000	96,000	96,000
Phil Gold	Director	1	750	5,250	9,000	9,000
Andrew Jones	Director	1	750	5,250	9,000	9,000
Bill Usher	Senior Consultant	5	650	22,750	39,000	39,000
Mike Arundale	Senior Consultant	5	650	22,750	39,000	39,000
Total		95		413,070	708,120	708,120

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