

**Case Study: Project Management: Gateways To Oldham Project**

**Client: Oldham Council**

**Background**

'Gateways to Oldham' is a Round 4 housing PFI project investing £120million to facilitate the regeneration of 3 estates in Oldham. As Project Director, Chris Kelsall led the project to Financial Close in November 2011, the first project within the PFI round 4 programme to do so. His broad role was as follows:

- Leading the procurement strategy and procure all wider support, e.g. financial, legal and technical advisors; and
- Manage the Competitive Dialogue process, i.e. from OJEU notice, outline/detailed solutions and ITFSB through to Financial Close.

**Key Deliverables**

As part of its role, Chris was responsible for key deliverables as follows:

<b>Work Stream</b>	<b>How Achieved</b>
<i>Outline Business Case</i>	<p>Raising the project's profile to get key internal buy-in and resources: e.g. Environment, Highways, Planning, Finance and Legal officers.</p> <p>Setting out the vision for the project: namely to establish a new quality benchmark for urban design within Oldham as simply achieving numbers of new units. Sustainability and improved community cohesion were the key drivers of this project.</p>
<i>Competitive Dialogue</i>	<p>Maintaining bidder confidence through robust project planning and management right through from Outline Solutions Stage through to Final Bids.</p> <p>Strong partnership with CLG and HM Treasury to ensure their continued support and secure timely sign-off and approvals.</p>
<i>Surveys and benchmark designs</i>	<p>Procurement of detailed surveys for all sites</p> <p>Preparation of benchmark designs in order to address the concerns of local action groups that that sprung up in opposition to the scheme put forward at Outline Planning.</p>
<i>Communication</i>	<p>Established a consultation framework for the procurement phase. Clearly this was a very sensitive issue given the plans to re-house over 300 residents and a consistent and cohesive communication plan was paramount.</p> <p>Rather than attend a wide variety of forums, Chris established a single stakeholder group whereby communication could be managed in a consistent and cost effective manner. The group comprised Council members, police, residents, tenants and affected businesses.</p> <p>Monthly briefings to Project Board, Chief Officers and lead councillors.</p>
<i>Re-Housing</i>	<p>Careful planning of the re-housing logistics and procurement of a dedicated re-housing officer. Key considerations were:</p> <ul style="list-style-type: none"> <li>• Significant advance re-housing so that some sites could be freed up by Financial Close.</li> <li>• Balancing the needs of affected tenants – particularly vulnerable tenants or those with specific housing needs – with the need to ensure a viable construction programme.</li> </ul>
<i>Land Assembly</i>	<p>Establishment of a bespoke Land Assembly Group for the sites in question. This included ensuring all necessary reports and documentation were prepared to support CPO's on two of the sites.</p>

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**Challenges & Issues**

During the project, Chris has addressed key challenges as follows:

<b>Issues / Challenges</b>	<b>How addressed</b>	<b>Key Successes</b>
<p><i>Stakeholder Opposition</i></p> <p>This formed two major strands:</p> <ul style="list-style-type: none"> <li>▪ Opposition to the outline planning proposals from adjoining residents.</li> <li>▪ Initially, existing tenants who did not want to move out of the area</li> </ul>	<p>Setting up a focussed consultation and re-housing team. Extensive dialogue was held with local residents and the vast majority of opposition issues were resolved.</p> <ul style="list-style-type: none"> <li>▪ Opposing residents were fully included in stakeholder meetings and bidders' expertise was used to bring stakeholders on a journey throughout procurement. In this way stakeholders could see how the regenerations proposals developed and trust in the process and the Council was engendered.</li> <li>▪ Individual meetings held with all tenants and options / timetable fully explained. Sympathetic but consistent communication strategy adopted throughout.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong statements of support from the vast majority of the communities affected</li> <li>▪ Positive Feedback from Consultation events</li> <li>▪ All objections to CPO withdrawn prior to Public Inquiry</li> <li>▪ Applications for Village Green status thwarted</li> <li>▪ Over two thirds of residents now re-housed resulting in a much simplified construction programme.</li> </ul>
<p><i>Land assembly</i></p> <p>Key elements of the land required for the project was not in Council ownership</p>	<ul style="list-style-type: none"> <li>• Extensive negotiations with landowners over an extended period of time.</li> <li>• Backup solutions developed where possible so as to avoid ransom demands</li> <li>• CPO proceedings instigated to enhance negotiating position</li> </ul>	<p>Valuations now agreed with all land-owners and opposition to CPO has been withdrawn</p>
<p><i>Site constraints</i></p> <p>Further development of design solutions following Outline Business Case revealed that estimated densities could not be achieved.</p>	<ul style="list-style-type: none"> <li>▪ Working in partnership with Planning Officers to ensure that densities could be maximized but still meet stringent quality standards</li> <li>▪ Identified and appraised additional sites that could make up the shortfall</li> </ul>	<p>Outputs stipulated in the Outline Business case have been achieved.</p>
<p><i>Affordability</i></p> <p>The credit crunch has eliminated the forecast cross-subsidy from private housing and increased financing costs significantly.</p>	<p>The scheme contained sufficient flexibility so that any loss making elements of the project could be removed without compromising the overall vision and objectives.</p> <p>Extensive negotiations were held with bidders in order to reduce construction costs without impacting upon quality.</p>	<p>As the Council prepares to close dialogue it is in the fortunate position of having two high quality but affordable bids.</p>