

# COMMUNITY INFRASTRUCTURE LEVY

## **PROJECT MANAGEMENT GUIDE**

Delivering infrastructure to support  
development

### **Part 2**

**Application process following  
approval of Expression of Interest**

May 2021

# **CONTENTS**

## **Part 2**

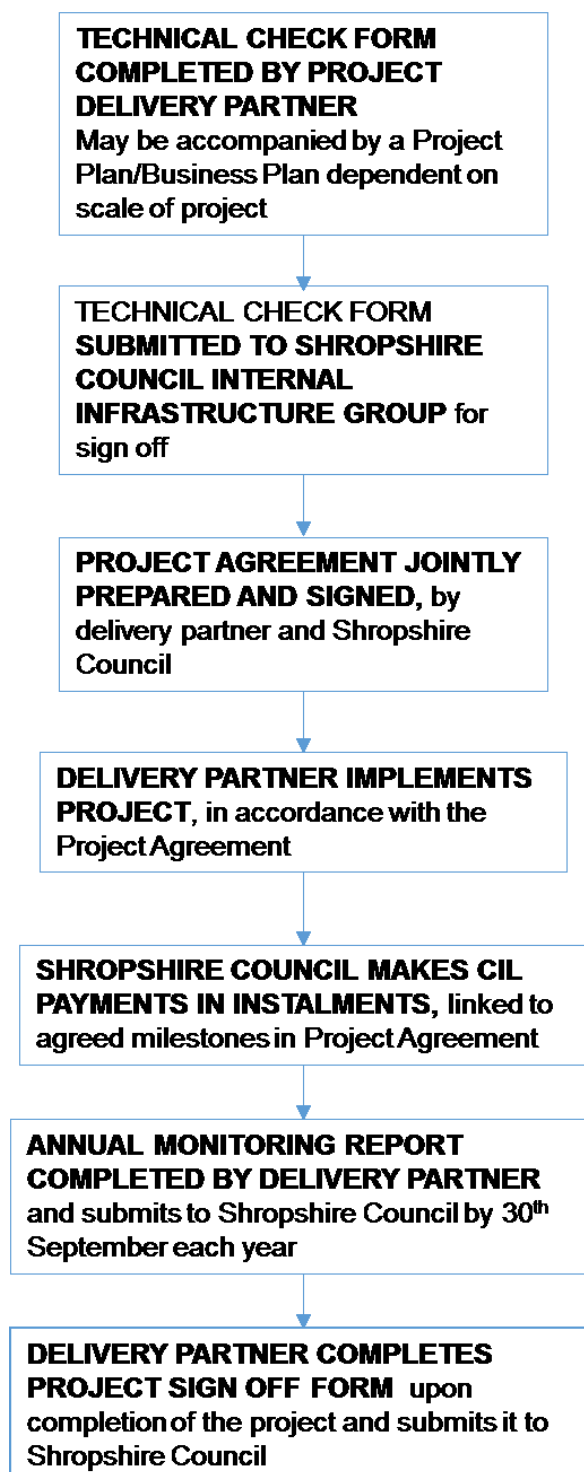
<b>Shropshire's CIL Project Management Procedures</b>	<b>3</b>
<b>1. Technical Check Form</b>	<b>4</b>
<b>2. Project Agreement</b>	<b>8</b>
<b>3. Annual Monitoring Requirements</b>	<b>10</b>
<b>4. Project Sign Off</b>	<b>11</b>
<b>5. Key Contacts</b>	<b>11</b>

## CIL PROJECT MANAGEMENT PROCEDURES

This part of the CIL guide details the project management procedures which must be followed for approved CIL projects (Strategic and Local), to ensure compliance with the CIL Regulations and the Council's Financial Management Procedures.

### *Overview of CIL project management procedures*

Once the Internal Infrastructure Group have agreed to apply CIL funding to an infrastructure project, the following project management processes will need to be followed:



# 1.0 CIL TECHNICAL CHECK FORM

## 1.1 Purpose of the Technical Check Form

The Technical Check Form, provided in Appendix 1, is used to develop an infrastructure requirement, agreed through the CIL Expression of Interest Form, into a deliverable project and must be supported by an up to date Project Plan. In some instances the delivery partner may be required to prepare a more detailed Business Plan, where the infrastructure is of a significant scale and has ongoing operational requirements.

## 1.2 What information is required in the Technical Check Form?

Below is a step by step guide of the information required for each section of the Technical Check Form:

### Section 1: Project Details

Section 1 requires the delivery partner to provide general information on the project. This includes:

- The infrastructure projects name and reference (which will be provided by Shropshire Council following sign off of the Expression of Interest Form).
- The location of the project.

### Section 2: Delivery Partner Details

Section 2 requires the lead delivery partner to provide their contact information which will be used for project management and retained by Shropshire Council for audit purposes. This includes:

- The name of the lead delivery partner.
- Their status - type of organisation (for example: Local Council, Government Agency, Business, Non-Profit Business, Charity or Other) and why they are appropriately placed for the delivery of the infrastructure project.
- Identification of their project manager for this infrastructure project (who is the lead contact) and their contact details.

### Section 3: Summary of Project Costs

Section 3 of the Technical Check Form requires the delivery partner to provide a breakdown of the project costs (and identification of any VAT payable). This includes any:

- Costs associated with purchase of land.
- Costs associated with construction and other works – including purchasing equipment to perform these works.
- Fees that will be incurred during the implementation of the project such as architects fees, planning permission or any permits
- Costs associated with the purchase/operation and maintenance of vehicles and machinery required for the implementation of the infrastructure project.
- Costs associated with the finishing of a project, including purchasing any equipment necessary to operate the completed infrastructure.

- Costs for technical reports that are required in order to implement the project – if the costs have already been incurred these should not be documented here; however they should be outlined within the Project/Business Plan.
- Any contingency funds required – where there are known potential risks. It should not be expected that CIL funds are used to cover any contingency costs.
- Any other costs

Following identification of the various costs, there is a need to provide:

- A calculation of the total anticipated costs of the project.
- Identification of any initial revenue costs required for the initial set-up and operation of infrastructure. Where the revenue expenditure is linked to the capital delivery of a project, CIL funds may be considered but should not be used for covering the costs of administering CIL.
- Identification of any ongoing revenue costs associated with the ongoing maintenance and operation of infrastructure following completion of a project. These costs are unlikely to be funded through use of CIL.
- Identification of whether the delivery partner is VAT registered or not (if they are a VAT number should be provided).

#### **Section 4: Summary Project Funding**

Section 4 of the Technical Check Form requires the delivery partner to identify available and potential funding for the project. Initially, there is a need to identify:

- **The amount of CIL funding required/applied for to deliver the project. It would be expected that in most circumstances CIL is used to match-fund the project (this is where CIL monies are used to top-up or equal existing funding secured for a project), rather than act as the only funding mechanism.**

The Delivery Partner should then identify other funding sources contributing to the delivery of the project. For each funding source, it must be clearly indicated if funds are secured or applied for. Where funds have only been applied for, an indication of timescales for determining this application must be included. Funding sources to consider should include:

- Any funding available from relevant Town or Parish Councils. This may include the Neighbourhood Fund element of CIL, where the relevant Town or Parish Councils believe this is an effective use of this money and/ or precepts.
- Any funding available from local and/or other businesses.
- Any funding to be provided by the delivery partner itself.
- Any funding available from grants.
- Any funding available from loans/borrowing that has been/could be secured for the implementation of the project.
- Any funding that has been/could be generated from fund raising.
- Any other funding sources that have been secured or applied for.

A summary of the total financial funding available for the infrastructure project must be provided. This must include a clear indication of the funding that is secured and the funding that has been applied for/could potentially be secured.

## Section 5: Legal Controls

Section 5 of the Technical Check Form requires identification of the legal controls required for the project and whether these are achievable. Specifically there is a need to identify:

- Ownership details of any land or assets to be affected by the infrastructure project and an indication of whether they have approved the use of their land and/or assets for the delivery and long term use/operation of the infrastructure project. Evidence that each legal or legislative control has or can be secured should also be provided.
- Ownership details of any land or assets resulting from the completion of the infrastructure project.
- Specification of who is responsible for the ongoing maintenance and if necessary operation of the land or assets resulting from the completion of the infrastructure project.
- Whether the owner of the land or assets to be affected by the infrastructure project is willing to accept a covenant on the relevant deeds. A covenant is a commitment to allow or restrict specific actions or uses of the land or asset. This covenant would run with the ownership of the land and is aimed at ensuring any benefits delivered through the project remain with the local community.
- All necessary legal and legislative controls required in order to successfully deliver the project. This may include such things as permissions to use/access land, perform works, purchase or dispose of materials, or obtain relevant licenses.
- **This section must be supported by provision of detailed information on all legal controls required for the project and an indication of whether these have/could be secured.**

## Section 6: Required Permissions

Section 6 of the Technical Check Form requires identification of all necessary permissions required in order to successfully deliver the project. This may include such things as:

- Planning permission for the development – including listed building, conservation area consent, tree preservation orders etc.
- Building Control approval.
- Any statutory consents e.g. permits required to undertake works.
- Any other necessary permissions.
- **This section must be supported by provision of detailed information on all permissions required for the project and an indication of whether these have/could be secured.**

## Section 7: Procurement

Section 7 of the Technical Check Form requires confirmation that the Shropshire Council Contract Rules, specified in its Constitution will be complied with when undertaking procurement for the infrastructure project. The Shropshire Council Contract Rules are available to view at:

<http://shropshire.gov.uk/doing-business-with-shropshire-council/>

- An alternative procurement route outside of the Shropshire Council Contract Rules may be applied and this must be agreed with Shropshire Council prior to the commencement of a project. A copy of the proposed procurement route must also be submitted to Shropshire Council.

## **Section 8: Project Finances: Detailed Breakdown**

Section 8 of the Technical Check Form requires confirmation that a detailed cost and budget forecast for the implementation, operation and maintenance of the infrastructure project is provided.

## **Section 9: Confirmation**

Section 9 of the Technical Check Form requires that an authorised signatory signs on behalf of the delivery partner to confirm that the information provided is correct, to the best of their knowledge. Providing false or misleading information could affect the deliverability of the infrastructure project.

Please Note: All future correspondence and documentation that requires a signature should be completed by this individual.

## **Section 10: Data Protection**

Section 10 of the Technical Check Form requires the delivery partner to acknowledge the data protection protocol that Shropshire Council is applying to the project and the data supplied within Technical Check Form.

### *1.3 What information is required in a Project Plan?*

A Project Plan is a formal document used to specify the scope of the infrastructure project and the intended process of implementation. A Project Plan is required for all infrastructure projects to be fully or partially funded by CIL. It should include:

- A summary of the project – what is the scope of the project (what will and will not be delivered).
- Identification of the objectives of the project.
- Explanation of project implementation, including:
  - Identification of key stages or milestones.
  - Identification of resources required for achievement of each milestone.
  - Timescales for the achievement of each milestone.
  - A step by step guide of the implementation process for the infrastructure project.

### *1.4 What information is required in a Business Plan?*

A Business Plan provides a business case, overview of the implementation process and explanation of the intended method of operation for the infrastructure project. A Business Plan is required for all infrastructure projects to be fully or partially funded by CIL that create an asset with ongoing operational requirements. It should include:

- A summary of the project – what is the scope of the project (what will and will not be delivered).
- Identification of the objectives of the project.
- A business case for the infrastructure project, including:
  - Assessment of the cost of the infrastructure project.
  - Identification of funding available for the infrastructure project.

- Identification of benefits of the project and a summary of why these are desirable.
- Justification for how the infrastructure project will achieve these benefits.
- A Cost – Benefit Analysis that justifies the cost of delivering the infrastructure project, given the intended benefits.
- Explanation of project implementation, including:
  - Identification of key stages or milestones.
  - Identification of resources required for achievement of each milestone.
  - Timescales for the achievement of each milestone.
  - A step by step guide of the implementation process for the infrastructure project.
- **A step by step guide of the operation of the infrastructure project, identification of any associated revenue costs/generation and an explanation of how these will be met.**

## **2.0 CIL PROJECT AGREEMENT**

### *2.1 Purpose of the Project Agreement*

The Project Agreement is the contract between Shropshire Council and the delivery partner for the delivery and, where appropriate, future operation of the infrastructure project. It is aimed at ensuring compliance with the CIL Regulations and the Councils financial management procedures as well as making sure the agreed infrastructure project is delivered.

### *2.2 What information is required in the Project Agreement?*

In summary, the Agreement addresses the following items:

#### **Infrastructure Project Details**

- Delivery partner details.
- Infrastructure project description.
- Project Reference (provided by Shropshire Council).
- Identification of the amount of CIL allocated to the infrastructure project and the total funding available for the project.
- Date that the allocation of CIL funding for the infrastructure project was agreed.
- Anticipated date of project completion.

#### **Project Agreement**

- Specifies the nature and extent of the agreement – which is between Shropshire Council and the delivery partner. It requires two appropriate representatives of the delivery partner to sign to confirm that they have read and will comply with the requirements of the Agreement. It confirms that the signed Technical Check Form and submitted Project/Business Plan form part of the Project Agreement and delivery of the project must therefore be in accordance with these associated documents.

#### **Funding**

- Provides a breakdown of when each CIL fund instalment will be provided which is linked to the achievement of key project milestones. Payment of each instalment will only occur following evidence of the achievement of the relevant milestone and on receipt of an invoice.



- Outlines restrictions on the use of CIL funds – must be in accordance with National Regulations. The delivery partner is responsible for ensuring that this is the case.
- Outlines the implications of over or underspend. If there is an underspend, any monies must be returned to Shropshire Council or where there is agreement from Shropshire Council the must be used for the delivery of an alternative agreed infrastructure priority. If there is an overspend Shropshire Council would usually expect the delivery partner to find alternative funding sources to cover these costs.
- Specifies the timescales for delivery of the project and consequences of failing to achieve these timescales.

### **Specific Project Conditions**

- Identifies any conditions which are specific to the particular infrastructure project. This will vary from project to project.

### **Project Management Responsibilities**

- Explains the project management responsibilities assumed by the delivery partner. Specifically the delivery partner is responsible for all project management. These responsibilities can be transferred to another party, but ultimately the agreement remains between the identified delivery partner and Shropshire Council.
- Outlines the delivery partners' responsibilities for completion including project sign off.

### **Communication Responsibilities**

- Specifies the circumstances where the delivery partner must provide progress reports on the infrastructure project – and to which parties.
- Highlights that the delivery partner is responsible for providing updates to the relevant local member.
- Requires the delivery partner to maintain appropriate records on the infrastructure projects progress.

### **General Responsibilities**

- Outlines the legal/legislative requirements to which the delivery partner must conform.

### **Financial Administration**

- Explains that CIL funding must be managed in accordance with Section 151 of the Local Government Act 1972.

### **Publicity**

- Identifies the delivery partner's responsibilities to publicising the infrastructure project.
- Requires the delivery partner to provide a written endorsement of the project reflecting collaboration with Shropshire Council upon completion of the infrastructure project.

### **Audit**

- Specifies the need for the delivery partner to comply with Shropshire Council audit procedures. This includes provision of evidence of achievement of key milestones, allowing the performance of spot checks on the project and providing appropriate requested information to Shropshire Council.

### **Maintenance and disposal of assets**

- Identifies the owner of the infrastructure upon completion of the project.
- Explains that this party is responsible for the continued and ongoing operation and maintenance of the infrastructure project.
- Outlines the implications of any future sale of assets resulting from the infrastructure project – the equivalent funds to those provided through CIL must be used on infrastructure delivery and is subject to the same requirements as CIL income.

## Annual Reporting Requirements

- Outlines the annual reporting requirements placed on the delivery partner. A template Annual Monitoring Form is provided in Appendix 4.

## Termination

- Identifies the circumstances within which the Project Agreement would be terminated.

Once the Project Agreement has been signed by two appropriate representatives of the delivery partner it must be returned to Shropshire Council. It will then be signed off by the relevant officer under delegated powers of responsibility. The infrastructure project can then commence.

## 3.0 CIL ANNUAL MONITORING REQUIREMENTS

### 3.1 *What Annual Monitoring Requirements do delivery partners need to fulfil?*

During the implementation of the project, the delivery partner is responsible for providing appropriate information on the progress of the infrastructure project, including annually submitting the Project Specific: Annual Monitoring Form to Shropshire Council. A template Annual Monitoring Form is provided in Appendix 4 and must be submitted to Shropshire Council by 30<sup>th</sup> September each year, providing information on the previous financial year.

The Project Specific: Annual Monitoring Form provides Shropshire Council with the necessary information on project progression and spend to allow the production of its financial report for each financial year, which is a requirement under the CIL Regulations.

The Project Specific: Annual Monitoring Form must be submitted for each financial year that the infrastructure project is taking place.

### 3.2 *What information is required in the Annual Monitoring Form?*

When completing the Project Specific: Annual Monitoring Form, the delivery partner is required to:

1. Identify the infrastructure project and its unique reference.
2. Identify the Place Plan Area within which the infrastructure project is taking place.
3. Specify the date that the form is being completed – and that the data is accurate at the time of submission.
4. Identify the funding allocated, received, spent and retained for the project:
  - a. Funding Allocated:
    - i. *CIL funding* allocated to the project.
    - ii. *Other funding* (excluding CIL funding) allocated to the project.
  - b. Funding Received:
    - i. *CIL funding* received to date for the project.
    - ii. *Other funding* (excluding CIL funding) received to date for the project.
  - c. Funding Spent:
    - i. *CIL funding* spent to date on the project.
    - ii. *Other funding* (excluding CIL funding) spent to date on the project.

- d. Funding Retained:
  - i. *CIL funding* retained (received but not spent) for the project that will be spent during the implementation of the infrastructure project.
  - ii. *CIL funding* retained (received but not spent) for the project that will not be spent on the infrastructure project.
  - iii. *Other funding* (excluding CIL funding) retained (received but not spent) for the project that will be spent during the implementation of the infrastructure project.
  - iv. *Other funding* (excluding CIL funding) retained (received but not spent) for the project that will not be spent on the infrastructure project.

5. Summarise the expenditure on the project:

- a. CIL expenditure – by item.
- b. Other expenditure – by item.

Further details of other reporting requirements are provided within the Funding Agreement.

A Project Specific: Annual Monitoring Form has been provided within Appendix 4 of this CIL Guide.

## **4.0 CIL PROJECT SIGN OFF**

### *4.1 Purpose of the CIL Project Sign off Form*

Following completion of the project, the delivery partner is responsible for notifying Shropshire Council of project completion. The Project Sign off Form, in Appendix 6, must be completed and returned to Shropshire Council.

## **5.0 KEY CONTACTS**

In the first instance, please direct all enquiries to:

Email: [CIL@shropshire.gov.uk](mailto:CIL@shropshire.gov.uk)