

COMMUNITY INFRASTRUCTURE LEVY

PROJECT MANAGEMENT GUIDE

Delivering infrastructure to support
development

Part 1

Shropshire Council's CIL Governance Arrangements

Expression of Interest

May 2021

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1.0 ROLE AND PURPOSE OF THE GUIDE

1.1 What is the role and purpose of this Project Management Guide?

As the CIL Charging Authority, it is vital that Shropshire Council demonstrates compliance with the national CIL Regulations. This project management guide therefore sets out the governance arrangements for the use of CIL Strategic and Local Funds, for which Shropshire Council is the accountable body.

A separate project management guide has been put together for the Neighbourhood Fund element of CIL, which is available from Shropshire Council, aimed at helping Town and Parish Councils comply with those elements of the CIL Regulations governing the Neighbourhood Fund.

1.2 How is this guide structured?

This project management guide is divided into two parts, alongside the accompanying appendices:

Part 1 Shropshire Council's CIL Governance Arrangements

- Background to Shropshire's CIL
- The criteria for how CIL Strategic and Local monies can be used
- The process for identifying Shropshire's infrastructure requirements
- The process for how Shropshire Council will make decisions on the use of CIL Strategic and Local Funds
- The scoring criteria which Shropshire Council will apply
- An Expression of Interest Form for stakeholders to complete to enable Shropshire Council to assess and agree CIL infrastructure priorities.

Part 2 CIL Project Management Procedures

- Overview of the project management procedures for agreed CIL Strategic and Local Projects
- CIL Technical Check Form
- CIL Project Agreement
- CIL Annual Monitoring Requirements
- CIL Project Sign Off

Appendices

- CIL Technical Check Form
- Project Agreement
- Annual Monitoring Form
- Project Sign Off Form

2.0 BACKGROUND TO SHROPSHIRE'S CIL

2.1 What is the Community Infrastructure Levy?

The Community Infrastructure Levy (CIL) is a charge on new development which is used to deliver the infrastructure that is needed to support new development in Shropshire.

2.2 How does the CIL differ from other infrastructure contributions that developers make?

Developers contribute to the provision of infrastructure alongside new development in three ways:

ON SITE DESIGN

On-site infrastructure that is primarily to meet the needs of the occupants of the new development is usually a design requirement. This could include landscaping, amenity open space, car and bicycle parking, suitable road access, waste storage and site drainage.

These elements will be addressed at the Planning Application stage, with Planning Conditions on approvals being the main mechanism for agreeing such requirements.

Infrastructure will also be provided on-site where it represents an intrinsic element of the scheme (either in terms of design or during the development and promotion of the site).

Maintenance of on-site infrastructure will usually be secured through adoption agreements between developers and suitable organisations.

S106 OBLIGATIONS

S106 Planning Obligations are an important tool for ensuring developers provide contributions to infrastructure which is necessary to make a site specific development acceptable in planning terms.

For employment-related and other non-residential developments S106 Planning Obligations will be the main mechanism for ensuring contributions are made.

A proportion of residential developments may require a S106 Planning Obligations for site-specific requirements that are not covered by CIL.

Affordable Housing will be sought via S106 Planning Obligations in accordance with the Type and Affordability of Housing SPD and national guidance. Further information is available at:

www.shropshire.gov.uk

COMMUNITY INFRASTRUCTURE LEVY (CIL)

CIL provides a fair, transparent and consistent mechanism for ensuring development contributes to the cost of infrastructure and is a method for addressing the cumulative impacts of development.

CIL applies to all development that results in the formation of:

- A new dwelling (including holiday lets, but excluding affordable dwellings); or
- 100m² or more of new residential floorspace.

The approved charging schedule has set the levy at £40/m² in Shrewsbury, Market Towns and Key Centres; and £80/m² elsewhere.

There is no CIL charge for other types of development as these will be addressed via other means, such as S106.

Further information is available at:

www.shropshire.gov.uk/CIL

2.3 What is the benefit of CIL?

The CIL is a levy on development, designed to raise funds for infrastructure needed generally as a result of an increase in development in an area. It therefore allows the cumulative impact of development to be addressed rather than focusing just on the site specific infrastructure impacts of a development scheme. Site specific requirements will continue to be negotiated via a S106 Planning Obligation, where required.

2.4 How will the CIL monies be distributed across Shropshire?

Shropshire Council has adopted a community led approach to CIL, recognising the important link between new development and local infrastructure provision. The following table provides an overview of how CIL monies will be distributed within Shropshire:

CIL Fund	Proportion of funds	Responsible	Area for spend
Administrative fee	5%	Shropshire Council	Administrative expenses incurred during the implementation and enforcement of CIL.
Neighbourhood Fund	- 25% where there is a formal Neighbourhood Plan or Neighbourhood Development Order. - 15% where there is no formal Neighbourhood Plan (capped at £100 per council tax dwelling).	Town and Parish Councils	Provided directly to the local Town/Parish Council to fund locally identified infrastructure projects. <i>Please Note: The Neighbourhood Fund only applies to income from development where the CIL Liability Notice has been issued since the introduction of the Amendment CIL Regulations (2013) on the 25th April 2013.</i>

Of the remainder:

Strategic Infrastructure Funding	10% (of remaining amount)	Shropshire Council in conjunction with infrastructure providers	Strategic infrastructure priorities across Shropshire.
Local Infrastructure Funding	90% (of remaining amount)	Shropshire Council in conjunction with Town/Parish Councils and infrastructure providers	Local infrastructure priorities to meet the infrastructure needs in the area where development takes place, as identified within the Place Plans.

In locations where the Strategic Infrastructure Fund is not sufficient to deliver necessary strategic infrastructure, discussions will take place with the relevant Town/Parish Council about the use of the Local Infrastructure Fund to ensure delivery of a particular priority to support new development.

2.5 How will these different CIL funds be spent?

The following provides guidance on how CIL monies can be spent, which is in accordance with the national CIL Regulations:

Administrative Fee (5%)

- Used by Shropshire Council for the implementation and enforcement of CIL.

Neighbourhood Fund (15 -25% to go direct to Town and Parish Councils)

- Neighbourhood fund monies passed by Shropshire Council to recipient Town or Parish Council for the area where the development and growth has taken place.
- Monies must be used on *'the provision, improvement, replacement, operation or maintenance of infrastructure; or anything else concerned with addressing the demands that development places on an area'*.
- Where development crosses a Town or Parish boundary, each Council will receive a proportionate amount of the Neighbourhood Fund payment based on the proportion of the gross internal floorspace of the development located within their area.
- Communities without a Parish Council still benefit from CIL but in such cases Shropshire Council will engage with the community where development has taken place and agree with them how best to use the monies.

Strategic Infrastructure Fund (10% of remaining CIL monies)

- The Strategic CIL monies must be spent by Shropshire Council on infrastructure that is essential to the delivery of Shropshire’s overall development strategy. Monies may therefore be used for strategic infrastructure anywhere across Shropshire or indeed outside the authority’s boundaries, as long as it addresses Shropshire’s strategic infrastructure needs.

Local Infrastructure Fund (90% of remaining CIL monies generated within an area)

Shropshire Council has committed to spending the CIL local monies in the area (i.e. market town, key centre, hub or cluster) where the development has taken place. However, where necessary, monies may be used by Shropshire Council to meet a particular need in the wider locality, dependent on the infrastructure priorities required to support new development.

In summary:

CIL FUND	SPEND AREA
Neighbourhood Fund	Town/Parish Council area where development takes place
Strategic CIL	Shropshire wide
Local CIL	Area where development takes place

3.0 CRITERIA FOR THE USE OF CIL STRATEGIC AND LOCAL FUNDS

The use of CIL is governed by national legislation (set out in the Planning Act (2008) as amended by the Localism Act (2011)) and the CIL Regulations (2021). The below sets out the criteria projects need to meet, in order to comply with this legislation.

3.1 CIL funding criteria (not including Neighbourhood Fund)

The CIL funds (not including the Neighbourhood Fund) must be used for:

- Funding infrastructure to support the development of Shropshire.
- Funding the provision, replacement, operation or maintenance of infrastructure, which includes a) roads and other transport facilities b) flood defences c) schools and other educational facilities d) medical facilities e) sporting and recreational facilities, and f) open spaces. The term ‘includes’ means that this definition is not an exhaustive list but provides an indication of what constitutes ‘infrastructure’.
- Funding for the capital costs of infrastructure provision and the ongoing revenue costs associated with that capital provision.
- Funding items related to project delivery, including fees associated with the capital project such as planning fees, architects fees or project management fees related to project delivery.
- Funding infrastructure projects outside of Shropshire Council’s boundaries provided it can be justified as benefitting Shropshire’s residents. As such, funds can be passed on to others, as long as they are used to provide infrastructure and can be pooled between Authorities to fund strategic projects.

The CIL monies must not be used for:

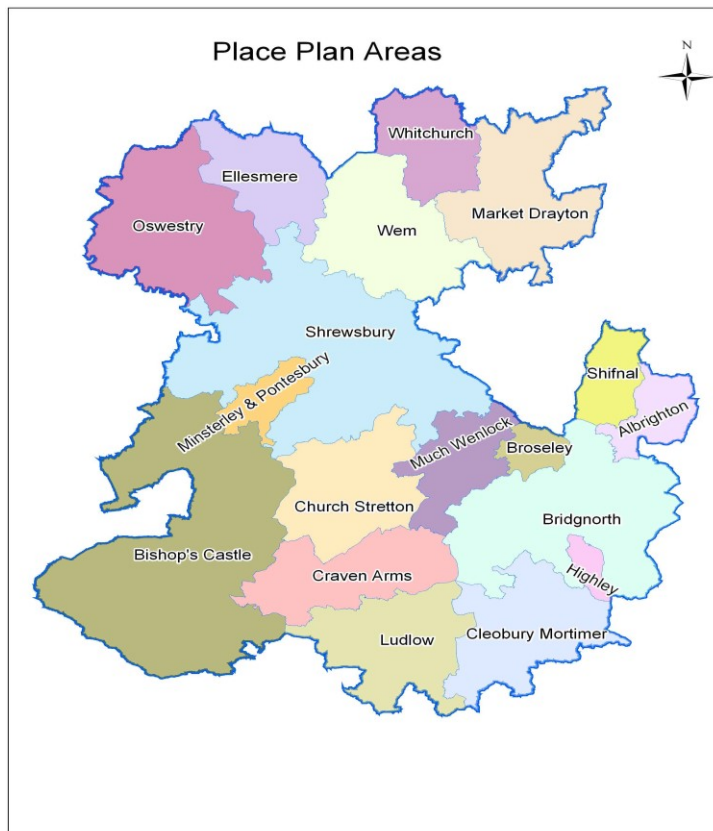
- Providing affordable housing as planning obligations already provide an appropriate mechanism to deliver affordable housing.
- Remedying pre-existing deficiencies in infrastructure provision, unless those deficiencies will be made more severe by new development.
- Funding revenue costs where there is no capital infrastructure provision.
- Covering the costs of administration, including staff time associated with general administration of CIL monies and the monitoring and reporting of CIL projects.

4.0 IDENTIFYING SHROPSHIRE'S INFRASTRUCTURE REQUIREMENTS

4.1 How are Shropshire's infrastructure requirements identified?

In Shropshire, 18 Place Plans have been produced which identify the infrastructure required within each community, including the infrastructure needed to meet the level of growth planned for Shropshire through the development strategy.

The 18 Place Plans are based around the 18 main market towns/key centres of Shrewsbury, Oswestry, Whitchurch, Wem, Ellesmere, Market Drayton, Minsterley/Pontesbury, Ludlow, Bishops Castle, Church Stretton, Cleobury Mortimer, Craven Arms, Bridgnorth, Albrighton, Broseley, Highley, Much Wenlock and Shifnal) and their wider hinterland which comprises any Community Hubs and Clusters and parishes within the surrounding countryside. These areas are shown on the map below:



4.2 How is information on infrastructure requirements kept up to date?

The Place Plans are live evidence based documents which contain information on infrastructure requirements as identified by local infrastructure and service providers such as the Police, Utility Companies, Highways and Education Authority alongside the local community via ongoing discussions with Town and Parish Councils.

Shropshire Council coordinates this intelligence gathering from stakeholders and categorises the identified infrastructure requirements within each Place Plan according to whether they are:

- **Strategic-** Shropshire Council is working with partners to deliver an infrastructure item for the benefit of Shropshire as a whole or more than one place within Shropshire
- **Locally Strategic-** Shropshire Councils works with the local community and partners to deliver an infrastructure item for the benefit of a particular place.
- **Local-** The local community works directly with partners to meet local needs.

The definitions which Shropshire Council will use for this categorisation are as follows:

Definition for 'Strategic'

The project is eligible for CIL Strategic investment

- *It is a strategic infrastructure item which seeks to address the infrastructure impacts of Shropshire's development and would previously have been mitigated through the Section 106 process but changes to legislation may mean this is no longer an effective delivery mechanism.*
- *The strategic infrastructure project does not seek to remedy a pre-existing strategic infrastructure deficiency unless it can be demonstrated that Shropshire's growth makes the deficiency worse.*

The delivery of infrastructure helps to unlock the potential for growth across Shropshire

- *The infrastructure project will help unlock further growth across more than one locality in Shropshire.*

The strategic infrastructure needs are significantly greater than the funding likely to be required.

- *The resources SC provide for the strategic infrastructure project will be used as match funding / gap funding source, linked to other infrastructure funding.*

The strategic infrastructure item supports SC in meeting a statutory responsibility

- *The project either directly constitutes or supports fulfilment of a statutory responsibility for SC or another strategic infrastructure provider*

Definition for 'Locally Strategic'

Eligibility for CIL Local investment

- *The infrastructure is necessary to support new development within a particular settlement, as set out in the Local Plan*
- *It is a local infrastructure item which seeks to address the infrastructure impacts of development within a particular settlement that would have previously been mitigated through the Section 106 process.*
- *The infrastructure project does not seek to remedy a pre-existing infrastructure deficiency unless it can be demonstrated that the settlement's growth makes the deficiency worse.*

The delivery of infrastructure which helps to unlock the potential for growth within a particular settlement

- *The infrastructure project will help unlock further growth in a particular settlement.*

The local infrastructure needs are significantly greater than the funding likely to be required.

- *The resources SC provide for the local infrastructure project will be used as match funding / gap funding source, linked to other funding (including local funds such as the Neighbourhood Fund).*

The local infrastructure item supports SC in meeting a statutory responsibility

- *The project either directly constitutes or supports fulfilment of a statutory responsibility for SC or another local infrastructure provider*

Definition for 'Local'

The project is eligible for Neighbourhood Fund investment

- *The project is for the provision, improvement, replacement, operation or maintenance of infrastructure or anything else that is concerned with addressing the demands that development places on the local area.*

The project is an identified local community priority

- *The project is identified by the Town or Parish Council as a local priority and does not constitute a statutory requirement for SC or other strategic and local infrastructure providers*

The project supports local community involvement in local service delivery

- *The project supports delivery of a service area which has been identified as appropriate for delegation to Town and Parish Councils or which Town and Parish Councils have agreed to enhance.*

4.3 Which infrastructure items within the Place Plans will Shropshire Council resource?

Shropshire Council will focus its resources on those Place Plan items which are categorised as 'Strategic' or 'Locally Strategic'. This may involve resourcing in terms of officer time or capital funding via CIL and the Councils own capital programme, with the aim of drawing in additional match funding, for example through the Local Enterprise Partnership (LEP).

Those items categorised as 'Local', within the Place Plans, help to provide direction for local community action, either through application of the Neighbourhood Fund, local precepts or bids for external funding.

4.4 How will Shropshire Council prioritise the infrastructure projects it is involved with?

Priority for delivery will be informed by the hierarchy of infrastructure set out in Core Strategy Policy CS9 (Infrastructure Contributions):

- 1. Critical Infrastructure:** the essentials without which development cannot take place, such as utilities, water management and safe access.
- 2. Priority Infrastructure:** that which has been identified by the community as a particular priority at that point in time.
- 3. Key Infrastructure:** all other infrastructure not included in the previous two categories.

Whilst some infrastructure requirements will be addressed through investment by other partners, such as utility companies, Policy CS9 provides a guide for the use of developer

contributions, including CIL. It states that 'critical infrastructure' will be the first call for developer contributions, followed by 'priority infrastructure' and finally 'key infrastructure'.

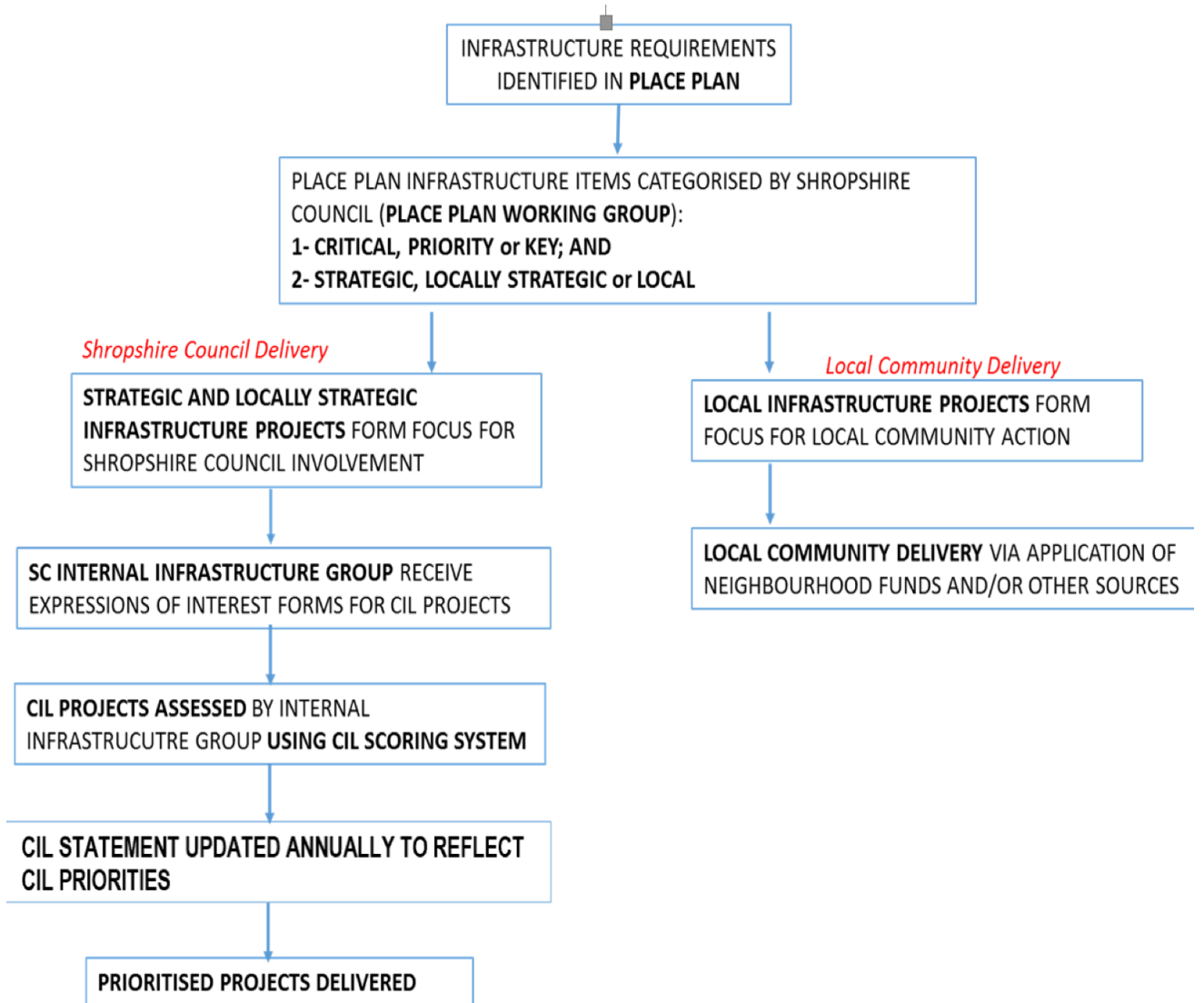
4.5 What is the role of the Annual Infrastructure Funding Statement?

The publication of the Infrastructure Funding Statement is a regulatory requirement placed on the Council as part of the CIL Regulations. It specifies what CIL receipts will be spent on and as a result restricts the use of alternative developer contributions (e.g. S106 legal agreements) for these identified items.

It is clear that current resource constraints and the limited funds available through CIL will mean that difficult decisions will need to be made about which items are included within the Funding Statement. In putting together the Annual Infrastructure Funding Statement, Shropshire Council will follow the governance arrangements set out in section 5, giving careful consideration to the policy requirements set out above (Policy CS9) and seek to maximise delivery by achieving an appropriate balance between all developer contributions including S106 agreements and on site design, in addition to taking account of other sources of funding and delivery mechanisms. The Infrastructure Funding Statement is signed off by Shropshire Council's Cabinet each year.

5.0 DECISION MAKING PROCESS FOR THE USE OF CIL STRATEGIC AND LOCAL FUNDS

The CIL Regulations make Shropshire Council, as the Charging Authority, responsible for applying CIL to infrastructure to support the development of its area. As such, Shropshire Council is responsible for managing CIL finances, including accounting and auditing their use. However, it is envisaged that the monies will be used by a wide variety of partners to deliver agreed infrastructure priorities. Governance arrangements for the use of CIL are therefore important to ensure there is consensus on the use of CIL and that the monies are used in accordance with the CIL Regulations. The below diagram provides an overview of the governance arrangements which Shropshire Council will follow for making decisions on the use of CIL. Part 2 of this guide covers the governance arrangements for managing the delivery of the agreed infrastructure projects:



6.0 CIL EXPRESSION OF INTEREST FORM

6.1 Shropshire Council Internal Infrastructure Group

The Council's Internal Infrastructure Group meet on a monthly basis to discuss the strategic and locally strategic infrastructure requirements for Shropshire and to identify and agree appropriate delivery mechanisms. Through this role, the group are responsible for the delegated decision making on the use of CIL monies for which Shropshire Council is accountable. The group therefore receive completed CIL Expression of Interest Forms and assess these against the scoring system, summarised below.

Any projects which do not meet the pre-application criteria on the Expression of Interest Form are not considered eligible for CIL Strategic and Local funds.

6.2 Expression of Interest assessment

To ensure a consistent approach, Shropshire Council's Internal Infrastructure Group will assess all infrastructure projects submitted through the CIL Expression of Interest Form based on the following criteria:

1. whether the project explicitly supports a Local Plan policy and/or fulfils a statutory obligation of Shropshire Council
2. whether the scheme is fully financed and deliverable
3. whether the scheme supports Shropshire Councils strategic objectives of:
 - generating income or budget efficiencies
 - addressing the needs of vulnerable people
 - growing the Shropshire economy
 - facilitate or further enhance resilient communities
4. whether there are any political or legal risk associated with non delivery of the infrastructure project
5. whether the CIL monies act as leverage to draw in additional matchfunding.

Community Infrastructure Levy (CIL)

Expression of Interest form for CIL Local funding

Before completing this Expression of Interest (EoI), please read carefully the guidance document which was sent to you with this form, and also answer the questions in Table 1, below.

If your answer to any of the questions in Table 1 is no, you should not proceed with this CIL Local application, as your project will not be supported. If you do answer no to any of these questions, then your project could still be supported through other sources, such as the Neighbourhood Fund. We can send you more information about this if you need it.

Please be aware that critical infrastructure projects, along with infrastructure that is required in order to fulfil Shropshire Council's statutory functions, will still take precedence for CIL Local funding.

Table 1: pre-application questions

	Yes	No
Is the project DIRECTLY related to new development that has taken place (or will take place) in the local area? Please see the examples in the Guidance to Applicants document for more information.		
Do you have confirmation of support from the relevant Shropshire Council department?		
Do you have confirmation of support from your local Elected Member?		
Have you considered the guidance document which was sent to you with this EoI form, particularly regarding <u>eligibility criteria</u> for CIL Local funding?		
Is your project included in the current version of the Place Plan for your area?		

If you have answered yes to all of the questions above, please complete Tables 2, 3, and 4 on the following pages.

Table 2: project summary

Applicant organisation	
Place Plan area	
Project name	
Project location	
Brief description of project	
Total project cost	
CIL Local funding requested	

Table 3: more detail about the project

More about the project	
Full name and contact details (email and phone number) of the appropriate person at the applicant organisation	
Please describe your project in more detail: How will it be delivered? What will it deliver? What is its purpose? What will it achieve?	
Please describe how your project is DIRECTLY related to new development in the local area. (Please keep in mind that CIL cannot be used to remedy pre-existing deficiencies in infrastructure provision, unless those deficiencies will be made more severe by new development.)	
Evidence of need / support for the project	
Please supply the name of the relevant Shropshire Council officers that you have liaised with regarding this project and confirm that they are in support of this EoI. This will include your local Place Plan Officer, and may also include another officer in a specific relevant department (e.g. Highways, Outdoor Partnerships, etc.)	
Please supply the name of the relevant local Elected Member that you have liaised with regarding this project and confirm that they are in support of this EoI.	
Please give a <u>brief outline</u> of the evidence that you have gathered which clearly confirms the need for this project.	
Please give an outline of the evidence of support for the project from other stakeholders and organisations.	

Please note that <u>if the applicant organisation is not the local Town or Parish Council, then the applicant organisation must confirm that they have the support of that local Council.</u>	
How does the project contribute to the objectives and policies of Shropshire's Local Development Framework (you can find this here): http://www.shropshire.gov.uk/planning-policy/local-planning/	
Finance overview	
Total cost of project	£
How much CIL Local funding are you requesting?	£
Please provide details of any ongoing revenue / maintenance costs relevant to the project. If applicable, how will these costs be met?	

Table 4: breakdown of funding package

Source of funds	£
Neighbourhood Fund contribution to the project	
Precept contribution to the project	
Other funding (please indicate source and amount, if applicable)	
Total funding secured	
CIL Local requested to meet funding gap	
Total project cost	

Table 5: Neighbourhood Funding

Date of submission of last NF Annual Monitoring Return	
If there is no NF contribution to the project what has NF funding been allocated to:	
Project	Cost £
Total Neighbourhood Funding allocation to other projects	

Please return this form to cil@shropshire.gov.uk

Your application will be assessed by Shropshire Council's Internal Infrastructure Group, and you will be informed of the outcome of the assessment as soon as possible.

If you have any queries about the assessment process, please contact us using the email address

If the answer to an of the questions above is **NO** the project is not considered eligible for CIL funding