

Planning Your Project

While the project delivery stage comes later, many problems that may arise at that time are rooted in the project development stage. Therefore, it is important to think about the delivery stage throughout the project development phase and try to pre-empt problems and build in flexibility wherever possible. This will help to offset unforeseen problems later on.

Project Planning and Management

A project plan is required to guide project delivery. It should include a set of aims and objectives to underpin the overall direction of the project and these should be periodically re-visited to ensure that the project is progressing properly. The project plan will set out a schedule of works or activities necessary to deliver the project and will identify key milestones. The complexity of the project plan will depend on the scale and complexity of the project.

The plan will also contain timings and costings for each stage or activity. These allow the delivery of the project to be monitored against a baseline expectation both in terms of actual spend compared to originally planned spend and also the timing of that spend. Cash flow projections can identify points in the project cycle when monies are expected to be spent and ongoing budget reconciliations can identify potential overspends. These are important items to consider in discussions with potential funders. The timeline may identify a 'critical path' of events that must occur sequentially. This also represents the shortest possible time required to complete the set of events that ultimately comprise the 'project'.

FYI The characteristic of a critical path is that it identifies the tasks that must be achieved for the project to be successfully completed. It will also identify other items that are off the critical path and can be undertaken in parallel with the main items.

The project plan should identify the organisation delivering the project and should set out roles and responsibilities for different tasks to be undertaken. These may include overall project management, financial management, quality monitoring, or the delivery of different works or activities. The different elements could be delivered by individuals or organisations, depending on the scale and nature of the project. Establishing such things early on in the project helps to focus participants and remove uncertainties.

A project plan may establish specifications, against which delivery and quality may be assessed.

It may help to consider using established project management techniques, such as PRINCE 2, or software-based project management packages. Others may prefer to develop their own systems for project management and monitoring.

Risk and Contingencies

A project plan should include a risk assessment. This should identify risks at each stage and set out how such risks will be managed and by whom. In most projects, there are unforeseen or changing circumstances which may have implications for a project, including additional costs, delays or changes to the actual design. The risk assessment may help to pre-empt or avoid some of these. The project plan does need to include some flexibility and contingencies where possible, derived from a risk evaluation exercise.

FYI The usual structure of a risk assessment would be to identify potential risks, the likelihood of each risk occurring, the potential level of impact of each risk, and mitigation measures.

Different Levels of Project Management

The overall management of a project will involve:

- preparing and maintaining the project plan.
- financial management (for more complex projects, a separate person responsible for financial management may be brought in to support the project manager).
- contract management.
- liaison with funding bodies, partners and stakeholders.

- liaison with the professional team and contractor.
- preparing and submitting administrative and financial returns to funding bodies.
- monitoring – ensuring different elements of the project are delivered on time, to budget and in accordance with the project brief, plans and specifications.
- developing and/or agreeing solutions to unforeseen circumstances that require changes to the project.
- reporting on progress to the responsible body, including any issues, problems or changes to the project and budget.
- managing other project delivery staff, if applicable.

There is another level of project management. This focuses on the management of the construction process itself. With the exception of very simple projects, this would normally be undertaken by someone other than the overall project manager, and often by a construction professional such as an architect or surveyor (see later section on selecting the professional team)

ALERT Be aware that many projects fail as a result of inadequate management, for example going over budget, not having sufficient controls in place, poor governance, a failure to understand risks or potential problems.

Selecting a Site or Building

This part of the guide looks into the kinds of issues that need to be considered when looking for suitable sites or buildings to accommodate community-led development schemes.

Site or Building Acquisition

In some instances, a site or building may already have been identified or brought under the control of the community organisation leading the project. In other cases, it may be necessary to acquire land or buildings. In these instances, it is important to be very sure that the land or buildings can be secured before serious time or financial resources are committed to developing the project.

Site or building acquisition may be undertaken through the open market, through local authority asset transfer, compulsory purchase by the local authority, partnerships with property owning organisations or other means. It may involve purchase, leasing, rental or other arrangements.

Site or Building Selection

Before searching for a site or building, it is necessary to prepare a clear specification based on the needs of the project. This may include a number of factors:



Cumbria Stoneworks site.
Courtesy of Lyvennet Community Trust

Location and infrastructure:

- proximity to other sites or buildings
- proximity to housing, town centres employment or other community facilities
- proximity to public transport
- vehicular access
- infrastructure (such as roads, schools, facilities, drainage, etc.)
- surrounding uses

Statutory consents:

- existing lawful uses
- valid consents for other uses or development
- planning policy context
- special designations (such as Greenbelt or conservation area status)
- highways considerations
- covenants or charges that are in existence

Financial:

- cost
- local rates and taxes
- borrowing implications
- availability
- terms/tenure

Physical:

- site area
- floorspace requirements related to proposed use
- nature of enclosure (such as open or closed spaces, ceiling heights)
- disabled access
- site topography
- existing services
- site conditions and constraints
- condition of built fabric and repair costs
- conversion and refurbishment costs
- likely running costs, heating, lighting etc.
- property type
- car parking

Infrastructure and Access

Addressing deficiencies in access or infrastructure may add considerably to the cost of delivering development. Planning permissions may require contributions to infrastructure through Section 106 obligations. These are agreements with developers requiring them to provide or pay for certain specified infrastructure, such as high improvements. There may also be a Community Infrastructure Levy (CIL), which requires payments to be to the local authority, based on the scale and kind of development. Whilst community organisations are exempt from the CIL, they are not exempt to Section 106 requirements.

ALERT There are many potential cost implications to be aware of when it comes to infrastructure and access. These can raise the cost of your project significantly.

Site Conditions

It will be necessary to assess the physical condition of the site to identify issues such as:

- ground stability and geology
- underlying services such as telecommunication, sewerage or water infrastructure
- underground structures or remains of previous development (such as basements)
- mineshafts
- trees and growth
- presence of asbestos
- presence of other harmful issues e.g. Radon gas
- presence of protected species
- other physical constraints

These may be assessed by examining existing records and through consultation with utility service providers and other public authorities. It may also be necessary to undertake your own site investigation works.

Assessment of site conditions is necessary to ensure that a site is capable of being developed for the given purpose and to identify any issues that will need to be addressed, such as infilling basements or use of special foundations. Such works can have significant budget implications, affecting the feasibility of a site.

Special Designations

Any special status of land or buildings needs to be checked. These may have varying implications in terms of the suitability of sites or buildings. For example, green belt status will preclude most kinds of development. Some landscape designations may trigger European Union (EU) requirements for environmental assessment and may restrict development potential.

Brownfield sites (previously developed) may be easier to gain consent for than greenfield sites, though this varies greatly in different areas, depending on site availability.

Listed building status may introduce a need for Listed Building Consent. In all instances, early discussion with the local planning authority is advisable.

FYI Listed buildings are defined as 'buildings of special architectural or historic interest'. Most listed buildings are capable of accommodating change and adaptation, but this needs to be investigated.

Finding Funding

One of the greatest challenges in delivering community projects is putting together the funding to cover the capital costs. This section deals with project costs and funding issues.

Costs

The following section discusses some of the main areas of project cost:

ALERT Please see the financial viability tool to determine whether your project is likely to be viable.

Land Acquisition: The cost of land will vary considerably depending on the size of the planned development and the local market value. You will need to consider the footprint of the buildings proposed, space for outside activities, gardens for houses, shared leisure space, as well as space for car parking, access routes and other infrastructure. The value of the land will depend on a range of factors such as its current condition, the purposes for which it can be used, its proximity to other facilities and how it can be accessed (see the previous sections on Feasibility and Site Selection). The land may be available to buy commercially or subject to negotiation from the current owner. Land owned by a public authority may be available as an asset transfer, possibly at little cost. See http://locality.org.uk/resources/?locality_theme=46&resource_type=153&archive_order=date

Land Preparation: Depending on the previous use and condition of land, it may need differing levels of preparation to make it fit for development. Reclamation works may be necessary to address issues like contamination, contour, instability or removal or infilling of physical structures (such as basements from previous development). Such works can have considerable cost implications and can hugely affect the viability of different sites.

Building Costs: At an early stage, an estimated price may be calculated on a cost per square metre basis, but this will vary according to the quality of the materials to be used and the technology to be incorporated. As a scheme is designed in more detail, more accurate and itemised costings may be developed. The cost of refurbishing buildings is often cheaper, but can be more expensive per square metre than new-build.

Fitting-Out: Fitting out costs may include things like furniture, IT, communications, equipment, and supplies (see later section on Ongoing Management).

Shared Areas: Various kinds of development like housing, commercial or community spaces are likely to need shared areas, such as corridors, lifts and bin storage, car parking, laundries and swimming pools.

Infrastructure: Larger developments may need to allow for the costs of new access roads and other contributions to public infrastructure.

Consultancy Fees: Fees charged by architects, quantity surveyors and structural, mechanical and electrical engineers are usually calculated as a percentage of the total contract costs (usually 10%-12%).

Others: Other items to consider include: legal fees; planning and building regulations application fees; surveys; demolition costs; market research; bank charges; recruitment costs; registrations; insurance, etc.

Partnerships

For larger and more complex developments it will often be practical to work in partnership with others who can provide support, specialist expertise, manpower and access to funding. It is also important to understand the value that your organisation can bring into a partnership with others from the public, private or voluntary sectors. Working in partnership may also reduce competition for your facilities and services.

ALERT Partnership working also has its disadvantages; some of the control over the project is handed over, so it is best to have a clear understanding of each organisation's role and what each party is to deliver from the outset. This can be clarified within 'terms of reference' for the partnership or through a 'memorandum of understanding'.

Local Authorities control significant budgets and have responsibility for a range of social, environmental and economic concerns in their area. You may find that the local authority, or at least individual officers or teams within it, have similar objectives to your organisation. They may be able to provide officer support as well as funding towards the development, and may be able to make a longer-term commitment as a tenant or partner in the completed development. As a local community-led organisation you may be able to help them engage with specific sections of the community, access funding for which they would not normally be eligible and provide a base and a focus for activity in the local area.

Other Public Sector Authorities such as educational providers, health agencies, and the police, fire and rescue services also have large budgets and are often keen to work with local community organisations. Again, they may have objectives in common with your organisation and may be able to provide funding and expertise.

Developers may be a solution to delivering projects. Clearly, developers have a profit motive which needs to be accommodated in any partnership or contract. Developers may consider contributing to community projects as a means to complementing larger development schemes in the area.

Registered Providers (RPs) are often natural partners for housing-based development, bringing considerable skills in developing and delivering development schemes.

Public Funding

Grants are non-returnable funds provided to finance projects. There are numerous types and sources of grant funding, the majority of which will relate to a particular type of project, aim to create specific outputs or outcomes, or relate to a defined geographical area. It is necessary to research and find funders whose aims are compatible with the proposed community-led development. Community organisations often ally themselves with one or more networks, such as Locality or the CLT Network, in order to keep up to date with the latest information on funding bodies and programmes.

Central government grants: These are used to stimulate economic, social and/or environmental outcomes and often come with specific conditions relating to the development of the project or the community benefits that will result from its implementation. Details of grant schemes are published on central and local government websites.

FYI: Other websites also give helpful information about grant funding, for example www.mycommunityrights.org.uk which provides details of grants through Social Investment Business and the Homes and Communities Agency. These funds tie in with the Community Rights agenda and could prove helpful to community led building projects.

European grants: These are available within the UK, particularly in areas that are viewed to be falling behind in their development. This funding is centred on employment – vocational training, creating new jobs and providing the infrastructure to accommodate and support businesses. European funding usually is provided to 'match' other investment or grants (generally 50%) and is often regarded as overly bureaucratic by small organisations.

Lottery funding: Lottery funds are distributed in the UK through 12 independent organisations (www.lotterygoodcauses.org.uk). The 'good causes' include arts, sport, heritage and a range of community support streams that encompass education, environment, health and charities. With the exception of some small grants, funding is offered to match the applicant's own funds or other sources.

Funding from charities and foundations: There are numerous grant-making charities that provide funding for community-led organisations and projects. Some large companies also have foundations or charitable arms that support good causes in their locality or within their sphere of interest. Your local Council for Voluntary Services (CVS) or Voluntary Action may be able to assist you to find appropriate funders. Good directories of funders are published by the Directory of Social Change. Alternatively free advice/information is available from NCVO at Funding Central <http://www.fundingcentral.org.uk/default.aspx>



The village of Lyvennet,
Courtesy of Lyvennet Community Trust.

Loans

Loans are funds made available over a set period. The amount borrowed has to be repaid together with any interest over an agreed repayment schedule. There are a wide variety of types of loan finance available, offering different interest rates and usually including arrangement fees. Commercial loans are available from banks and building societies, although there are an increasing number of social investors set up to support community and voluntary sector enterprises.

Ethical banks, such as Charity Bank (www.charitybank.org), have specialist knowledge in the sector and can provide flexible tailored loans. For details of possible sources of social investment this guide from Big Society Capital may be helpful: www.bigsocietycapital.com/seeking-investment Other organisations, such as the Architectural Heritage Fund (www.ahfund.org.uk) and Social Investment Business (www.sibgroup.org.uk) can offer combined loans and grants, and support with business planning. These are rolling funds where the repaid money is reinvested in new projects.

Some local authorities will also provide loans or loan guarantees and the government has established the rolling Growing Places Fund to unlock stalled development to generate jobs and housing, accessed through Local Enterprise Partnerships (LEPs).

Fund-raising

Community Shares can be issued by co-operatives or community benefit societies. The shares can be withdrawn, in that they can only be sold back to the issuing society under set conditions, rather than transferred between owners. There has been a resurgence of interest in community shares over the past few years with shares being offered in community ventures from football clubs to power generation (www.communityshares.org.uk).

Sponsorship deals can be made with commercial companies who will provide finance, resources or services in return for having their branding or advertisements displayed on buildings or literature.

Donations are gifts made to charitable organisations and can be large or small, one-off or regular. Many charities take advantage of Gift Aid, which is a way to increase the value of monetary gifts from UK taxpayers by claiming back the basic tax paid by the donor. This increases donations by a quarter (www.hmrc.gov.uk). Donations can also be made in resources or construction materials.

Bonds can be issued by charities and social enterprises as a form of long-term debt to expand business operations. An organisation may be able to issue bonds if it has a viable underlying source of revenue such as a letting income, with which to repay the bond holders. (www.knowhownonprofit.org)

Innovative Approaches – The Internet and social media has opened up a number of innovative approaches such as **crowd-funding**. This involves the pooling of money by networked individuals, usually through online campaigns.

Developing and Designing Your Project

The project development and design stage is crucial, both in ensuring smooth delivery at the construction phase, and making sure that the end result is fit for purpose and delivers quality and value for money. This section deals with the development and design phase of projects.

Stakeholder and Community Engagement and Consultation

Early (pre-design) engagement with the local community and key stakeholders is strongly recommended. Ongoing community engagement can be used to involve people in finding solutions to particular problems and shaping the project.

ALERT This is part of the information gathering process, ensuring that the project is based on a good understanding of local circumstances, issues and opinions. It informs market research and feasibility stages. It raises awareness of the project. It helps to avoid conflict, cost and delay at later stages, especially the planning consents stage. Funding bodies often require evidence of community engagement and consultation.

Once a draft scheme is produced, it may be subjected to consultation. If there has been robust community engagement at earlier stages, it greatly reduces the chance of adverse reactions at the consultation stage.



Courtesy of Lyvennet Community Trust

Developing the Project Brief

By this stage, there should already be a project brief, setting out the purpose, functions, quality, outcomes, budget and other parameters. However, this will need to be developed to a sufficient level of detail to underpin the selection of a professional design team and to guide the design process for the proposed development.

ALERT Make sure you have appropriate professional support to prepare a project brief. See Locality Brokers

To achieve this, it will need to include:

- the purpose, aims and ethos of the community organisation leading the project.
- the purpose and aims of the development.
- required outcomes.
- details of all the functions that need to be accommodated.
- the budget available.
- any special needs or standards that the development needs to meet.
- other relevant information.
- the role of the professional team.

The roles to be fulfilled by the professional team may vary greatly and could depend on the available skills within the client organisation, budget available and the nature of the project. Possible activities to include are:

- designing the project.
- producing plans to gain different consents.
- obtaining consents.
- running or participating in community or stakeholder engagement events.
- early site works e.g. environmental assessments.
- on-site project management of physical works.
- contract management (contractors).
- producing cashflow forecasts and supporting applications for funding draw-downs.
- health and safety issues.

Professional Team Selection

For all but the simplest projects, it will be necessary to select a professional team to undertake the design, costing and specification of the project and oversee the construction of stage. Selection of the right professional team is a crucial step in delivering high-quality, effective and sustainable projects. Appointing the wrong professional team can compromise a project or lead to its failure. A common and fundamental mistake is to appoint under-skilled professional teams in the interests of cost-cutting. In reality, this is often a very expensive mistake.

It is necessary to ensure that the professional team in question has the range of professional disciplines, skills and experience to deal with the kind of development proposed, the site or buildings involved, and to respond to the ethos and aims of the client.

FYI Locality Brokers partners property professionals with community enterprises to help create mutual benefit and ensure their project to transform land and buildings gets off to a good start. This service aims to provide help and advice at the critical preparation stages of an asset project's development. The service helps groups to secure the skills and services of property professionals and the right time on the right basis.

The project brief previously described will support the selection process and should be accompanied by a specification for the professional team. This should include:

- the skills, experience, and track record required.
- details of information required to support any submission, including references, levels of insurance, accounts, etc.

Professional teams may be approached by invitation or through an open process. There are various ways of selecting professional teams. These include:

Competitions: These could involve submission of conceptual sketches and/or interviews.

Formal Tendering: Funders may require tendering to be undertaken.

Informal Selection: More informal selection, such as invited interviews.

Selection panels may be assembled. These should include members of the client body, but can also include external specialists, such as local authority or independent professionals. It is very important to use a clear selection criteria and scoring mechanism based on the brief. This helps to ensure and demonstrate that a rigorous and fair process has been followed.

ALERT There are many different types of contract for professional support. Ensure you have good advice when appointing a professional team. Also take care to ensure that you have strong governance and are able to exert appropriate controls over the professional team.

The selection criteria will vary according to the nature of the project, but is likely to include things like:

- the skills and experience and track record of the team identified.
- their capacity to undertake the work in the timescale.
- their understanding of the brief.
- the merit of submitted concept.
- the proposed professional fees.

Due diligence may include consideration of references, bank account details, insurance and other relevant details.

Design Process

Once a professional team has been selected, there will be an initial meeting to clarify the brief and discuss how the client and professional team will work together. This will set out the regularity of meetings, other operational arrangements and the client's requirements and expectations.

ALERT The initial meeting should also set out how decision making will take place, who is responsible for budgetary control and any incentives for achieving cost savings.

Outline design proposals should be prepared and agreed before time and money is invested in preparing detailed plans. Depending on the complexity of the project, this may require several meetings. Only when the client is happy with the outline proposal, may detailed plans be produced.

A certain level of detail will be necessary to obtain planning consents, building regulations and other consents. Plans with yet more detail will be required at a later stage to inform the actual construction process. FYI (separate section) The Royal Institute of British Architects (RIBA) has a scale of project stages, reflecting these different levels of detail (www.architecture.com).

Appointed professional teams will often take on responsibility for liaising with regulating bodies and gaining necessary consents, though this may not always be the case, especially for smaller and less complex projects.

Detailed Costings

Every stage of project development should be accompanied by estimates of the likely project cost. These enable project budgets to be established at the outset and monitored as the design progresses to ensure ongoing alignment to available funding. Early estimates of cost need to be considered within a range of potential outcomes either side of a central figure. As the design becomes more detailed, it will be possible to develop more accurate estimates of project delivery cost. At the outline stage, the group will need to be assured that cost estimates fit in with the available budget, with flexibility for contingencies. The scheme should only progress to more detailed stages when the community group is satisfied that delivery within budget is possible.

As detailed plans are produced, estimates may be broken down to give a clearer idea of the costs of different aspects of construction. These detailed costings will provide a basis for the project plan and for financial monitoring at the project delivery stage.

Checking Regulatory Bodies and Statutory Consents

Before a project may progress, and often before land is acquired or funding bids are submitted, it is necessary to make sure the required permissions are obtained and standards are met. This section deals with statutory consents.

Planning Consents

The planning system is concerned with the use and development of land (and buildings). It considers the social, economic and environmental impacts of development. Community groups need to gain planning permission for any development of land or buildings. Development includes new build or alterations and extensions of existing buildings and structures. It also includes many changes of use of land or buildings.

Planning permission may be obtained by submitting a planning application to the local planning authority. This should include plans of the proposed development and sometimes supporting statements or reports, depending on the nature and complexity of the proposal. There is a right of appeal to the Planning Inspectorate if planning permission is refused.

Planning permission can also be gained by certain community organisations or local councils through a Community Right to Build Order. Such an order will include plans and written details of the development proposed, similar to those that would accompany a planning application. These have to be publicised and be subject to formal consultation. Then they need to be submitted to the local planning authority, which will arrange for an independent examination to ensure that the scheme meets certain 'basic conditions' which are set out in the legislation. If successful, the scheme will then be the subject of a public referendum.

FYI The Community Right to Build was introduced under the Localism Act of 2011. For more information, see (www.mycommunityrights.org.uk).

Where a project involves listed buildings, then Listed Building Consent may also be required. Certain advertisements (such as larger or illuminated shop signs) may require advertisement consent.

It is advisable to speak to the local planning authority at an early stage to discuss what consents are required and the likelihood of them being granted.

Planning permissions may be granted subject to conditions or subject to the signing of a Section 106 Obligation. These can restrict development, require certain works to take place or require details to be agreed.

More advice on planning can be obtained through the Planning Portal (www.planningportal.gov.uk).

Building Regulations, Fire and Access

Building regulations are universally applicable to all building works whether new build or alterations to existing buildings. The Local Authority or the professional team will be able to provide guidance on such matters. Building regulation submissions are made in addition to and separately from planning applications and are subject to payment of fees. Building regulation matters may be resolved with either the Local Authority or licensed independent practitioners. The regulations are concerned with the structural integrity and physical performance of development. They require building works to meet minimum standards of construction in areas such as foundations, walls, floors, roofs, electrical installations, utilities, fire resistance and escapes, ventilation, disabled access, and building performance (e.g. insulation and energy efficiency).

Environmental Health

The environmental health department of the local authority will be responsible for ensuring that any public facility complies with environmental health legislation. Early discussions with the local authority are necessary as part of the design process.

Highways

New accesses onto more major roads will require the permission of the highways authority. Changes to highways to accommodate new development may need to be undertaken by the highway authority and may be the subject of planning conditions or a Section 106 Obligation.

Other Regulating Bodies

There are a range of other regulating bodies, such as statutory undertakers (power, water, communications, etc.), which may need to be consulted or involved in the project development process. There are also public agencies, such as the Environment Agency, English Heritage and Natural England. (www.environment-agency.gov.uk, www.english-heritage.org.uk, www.naturalengland.org.uk).