

## NEIGHBOURHOOD COMMUNITY INFRASTRUCTURE LEVY (NCIL)

### AREA COMMITTEE APPLICATIONS GUIDANCE

#### Introduction

This document provides guidance information on the Neighbourhood Community Infrastructure Levy (NCIL) application process and sets out the criteria by which application (bid) for NCIL can be made.

The guidance document will be reviewed regularly and where necessary reported to and approved at Cabinet.

#### What is CIL?

CIL is a standard charge collected from developers on a rate per square metre basis and the funds raised are spent on infrastructure to support the development of an area. Part of CIL funding is allocated to and managed by the three Area Committees for North, East and West Areas.

CIL was introduced by the Planning Act 2008 Part II to help fund and deliver infrastructure to support the development in an area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010 as amended (“the Regulations”). Section 216(2) of the Planning Act 2008 lists some examples of infrastructure which CIL can fund. i.e. roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreation facilities and open spaces.

#### CIL Regulations:

59F.— Application of CIL where the authority does not have a local councils.

The charging authority may use the CIL. A local council must use CIL to which this regulation applies, or cause it to be used, to support the development of the relevant area by funding—

(a) the provision, improvement, replacement, operation or maintenance of infrastructure;

or

(b) anything else that is concerned with addressing the demands that development places on an area. ([See further guidance on CIL funding eligibility guidance](#)).

#### What can the Community Infrastructure Levy be spent on?

The levy can be used to fund a wide range of infrastructure, including transport, flood defences, schools, hospitals, and other health and social care facilities (for further details, see [section 216\(2\) of the Planning Act 2008](#), and [regulation 59](#), as amended by the [2012](#) and [2013 Regulations](#)). This definition allows the levy to be used to fund a very broad range of facilities such as play areas, open spaces, parks and green spaces, cultural and sports facilities, healthcare facilities, academies and free schools, district heating schemes and police stations and other community safety facilities.

This flexibility gives local areas the opportunity to choose what infrastructure they need to deliver their relevant plan (the Development Plan and the London Plan in London). Charging authorities may not use the levy to fund affordable housing.

Local authorities must spend the levy on infrastructure needed to support the development of their area, and they will decide what infrastructure is needed.

The levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure if that is necessary to support development.

### **What can neighbourhood funding be spent on?**

The neighbourhood portion of the levy can be spent on a wider range of things than the rest of the levy, provided that it meets the requirement to 'support the development of the area' (see [regulation 59F](#) inserted by the 2013 Regulations for details). The wider definition means that the neighbourhood portion can be spent on things other than infrastructure (as defined in the Community Infrastructure Levy regulations) provided it is concerned with addressing the demands that development places on the area. As Barnet does not have a local or parish council the relevant area is the three area committees.

### **NCIL Use**

NCIL makes up a 15% portion of CIL and is available for community led or community focused initiatives, to address the demand that development has placed on the community. Regulation 59F enables application of CIL receipts in cases where, as in Barnet, a charging authority does not have a local council structure, the local or neighbourhood CIL is passed to Area Committees. NCIL can be requested via an application and bid process. NCIL drawdown bids can be made by Members at Area Committees (West, North, East).

The overall NCIL funding allocation is £1.8m per annum which is allocated across the 3 Area Committees, based on population within each Area Committee. It is required that the funding is used for infrastructure or to address the demands that development places on an area (as defined under Regulation 59F(3) of the CIL Regulations 2010 (as amended) ("the Regulations") There is no funding limit for an individual CIL application scheme; Area Committees will operate within their annual budgets.

### **Other Criteria of Use**

- NCIL should only be used to enable projects that will be delivered within 24 months and provide long term positive impact on the community.
- NCIL should be used in initiatives that look to build community capacity. For example, funding could be used to establish a new community service offering for a defined period of time, at which point the offering could have established a proof of concept and identified a financially sustainable way to continue delivery without financial support from the Local Authority.
- NCIL funding should not be used for organisations already receiving subsidy from the Local Authority or for organisations with outstanding debt owed to the Local Authority.
- Following the review of scope of NCIL use in 2024, one off, annual, or regular recurring events, festivals and celebrations are ineligible for NCIL funding.

Examples of events that were funded by Area Committee In 2024 include, Lunar New Year, London Nigerian Festival and East Barnet Festival, these are events that would now be considered as ineligible for the fund.

There are also additional priorities that Area Committees should consider when deciding to allocate NCIL funds. These include sustainability, public health, community engagement, or community safety.

Members will be able to refer issues for consideration including issues under the Road Safety & Parking Fund under the separate guidelines document and application form found [here](#).

Officers may also suggest potential future bids for Members consideration and support.

### **Area Committees**

Area Committees have responsibility for all constituency specific matters and determining the CIL funding within the constituency. The full terms of reference of the Area Committees as set out in the Council's Constitution can be found [here](#).

CIL funding priorities agreed by the [Policy & Resources Committee on 22 February 2023](#) include Sustainability; Community Engagement; Public Health; and Community Safety. Area Committees make decisions on how funding is allocated in their areas in line with the specific infrastructure or other needs of the area falling within regulation 59F.

The priorities do not restrict Area Committees from approving funding requests that are concerned with addressing any other demand that development places on an area. The purpose of the priorities is to enable Area Committees to make balanced decisions about which schemes may best support their local areas.

Members are encouraged to seek the views of a range of residents in their ward and invite proposals from the local community. This will help ensure CIL applications meet local needs and enable residents to actively engage in the improvements to their local area.

### **CIL Funding Application**

The increase in the Area Committee budgets foresees the potential for both larger and more complex schemes and a more significant number of schemes to be presented to the Committees for consideration.

While officers will be able to advise, Members are responsible for completing the required bid documentation with members of the community.

To enable Officers to dedicate time to properly review potential schemes, Members are strongly advised to consult officers at least three months in advance of the relevant Area Committee meeting that the CIL Funding application is proposed to be submitted to. This is to enable officers to advise as appropriate. Bids will require a legal opinion on eligibility, this should be sought at the earliest opportunity and prior to the submission of an area formal bid. This is to avoid abortive effort. Bids without legal opinion will not be able to proceed to committee.

The deadline for submitting CIL Members items is 20 clear working days before the Area Committee's meeting date. However, to enable Area Committees to make an informed decision, Members are required to consult and engage with Area Committee Lead Officers at an early stage of CIL Funding applications, with as much supporting information as possible to be included with applications.

Please see Members CIL Information page for relevant Officer contact details. (Note: engagement with other departments and services will likely be required as well).

Urgent bids close to critical project dates are to be avoided. Bids should allow 2 committee cycles before committing to implementation dates. This is to allow committee and officers the ability to defer and request further information where necessary without impact of project viability.

Applications where limited or no consultation has taken place are likely to be deferred or rejected by Committee. Therefore, you are advised to circulate your application to relevant officers at least 2 months prior to the date of committee. Please note that for certain complex funding applications, the time required to effectively assess the scheme before being reported to Committee may be longer.

Officers will advise on a range of points for each respective application, including:

- It is within the parameters outlined in CIL statutory and regulatory definitions
- Falls within the CIL Funding Priorities set by the Council
- Links to priorities in any existing Council policy or strategy and/or whether any insight and intelligence may support the application
- The scheme has considered any potential impact on the Council's Strategic portfolio including those considered for strategic CIL funding
- The scheme has no ongoing incremental revenue costs to the Council
- That the scheme budget is forecast accurately
- That scheme deliverability has been assessed to ensure it can be resourced and successfully implemented.
- That the scheme outcomes and benefits have been assessed including benefits for the wider community and/or including those with protected characteristics under the Equalities Act 2010
- Engagement/consultation with local communities This information will enable committees to make informed decisions. The CIL funding request form has been updated to provide clarity on the expectations of the information and supporting documentation required to enable the Committee to make an informed decision.

**When looking at NCIL applications members should consider the following questions**

How does the proposed use of NCIL support the development of the area to which the duty relates, or of any part of that area, by funding:

(a) A the provision, improvement, replacement, operation, or maintenance of infrastructure, or

(b) B Anything else that is concerned with addressing demands that development places on an area.

- How does the use of neighbourhood funds match priorities expressed by local communities, including priorities set out formally in neighbourhood plans.
- Please demonstrate how the project or initiative seeking funding will address additional demands that development has placed on the area.

**Legal Eligibility proforma**

Prior to submitting a bid, a legal eligibility proforma form must be completed and submitted to the Lead Officer. This form is essential for our legal team to assess and verify that the bid meets all required eligibility criteria. Only bids that pass this legal review will be considered for submission to the area committee.

This step is crucial to ensure compliance with all relevant regulations and to avoid any potential legal issues that could arise from non-compliant bids.

To facilitate this process, please ensure that all necessary documentation and information are included in the proforma form. The legal team will review the submissions thoroughly and provide feedback or request additional information if necessary. Timely submission of the proforma form will help prevent delays in the bid evaluation process.

### **Cross-Ward applications**

A Member may bring a cross-ward CIL funding application to Committee. The protocol is as follows:

- A 'lead' ward Member for the application sponsors the scheme (this will count as the Member's one permitted CIL application for that Committee).
- The 'lead' ward Member is required to seek written endorsement of the application by one ward Member of each of the other impacted wards as part of the application (this endorsement does not count towards that Member's CIL application allowance)
- The funding would normally be taken from the relevant committee's budget that the lead member sits in. Funding could be spread across committees as an exception but only with prior agreement.

### **Community Group Grant applications**

A Member may bring an application on behalf of a Community Group which may result in an NCIL Community Grant being awarded and paid to the Community Group.

Community groups seeking to apply for the community grant must have obtained Member support. Each application must include a letter of support from a Member, affirming the group's credibility and the project's alignment with community needs.

All new applicants must first review and formally agree to the terms and conditions. The terms and conditions stipulations include a claw-back provision, which allows the Council to reclaim part or all of the funding if the specified outcomes and deliverables are not achieved.

Applicants must agree to a thorough due diligence process, to ensure the eligibility, financial stability, and capability of the groups to meet the proposed outcomes. This process requires groups to provide necessary documentation and information.

Approved funding disbursements will follow a predefined schedule, contingent upon the group meeting specified milestones and reporting requirements; failure to adhere to these timelines or to provide required progress reports may result in suspension or termination of funding.

Regular progress reports detailing the activities conducted, outcomes achieved, and expenditure of funds must be submitted.

Groups are required to maintain accurate financial records and may be subject to audits to ensure financial accountability, and the funds must be used solely for the purposes outlined in the application.

The Member must ensure that the Members CIL Funding Request Form is completed prior to submission to the NCIL Coordinator. This ensures appropriate due diligence is performed and is consistent with all grant payments made by Barnet. It will also provide Members with all the information required to complete the Members application.

### **Decision by Area Committee**

The Area Committee will consider the CIL funding application, supporting information and officer's comments. The committee may have questions for the Member submitting the application and may wish to ask questions of the community group representative. It should be noted that external speakers will need to register with the Governance Service to speak at the Committee. Committees have discretion to approve something that is not an identified priority, **providing it meets the CIL eligibility criteria.**

The Area Committees will determine each CIL Funding application by virtue of one of the options set out below.

- a) To award funding (either fully or partly), and any conditions attached
- b) To defer an application and state reasons why
- c) To reject an application and state reasons why

All approved CIL Funding applications are subject to a time-limit of 2 years requiring the scheme to have commenced, after which the scheme funding lapses and returned to the CIL reserve. The Committee may choose to apply its own time-limit at the time of approval.

**Area Committees are not permitted to agree expenditure beyond the current financial year's allocated NCIL budget.**

### **Post Decision**

The Neighbourhood Community Infrastructure Levy (NCIL) Coordinator can be contacted by Members for updates on all CIL Applications.

The NCIL Coordinator is responsible to the Area Committee through the Lead Officers for the administration and delivery of all CIL applications from receipt to implementation.

The NCIL Coordinator will ensure that the CIL funding allocation is monitored and reported to each Area Committee meeting to inform Members how much CIL budget has been spent and is available.

The NCIL Coordinator will also ensure funding awards are accounted for in the manner decided by the Area Committee, including any conditions.

Once project is complete, an impact statement must be submitted to NCIL officer for review. A final report comprehensively evaluating the project's success against initial objectives must be submitted to the approving Area Committee.