

# Cabinet Report



Listening Learning Leading

Report of Head of Planning

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Wards affected: All

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To: CABINET

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## Neighbourhood planning district grant funding review

### Recommendations

1. To extend the current district grant support (Market Towns £15,000; Larger Villages £10,000 and Smaller Villages £5,000) to community groups preparing revised neighbourhood plans subject to:
  - a) the Head of Planning being satisfied that a review of the neighbourhood plan is necessary; and
  - b) the submission of a project plan and associated costings.
2. These changes will take effect 14 August 2017.
3. A review of the Neighbourhood Planning District Grant Funding should take place annually, which would compare our expenditure forecast against actual, and be reported to Cabinet, starting at the end of this financial year (2017/18).

### Purpose of Report

1. To update Cabinet on changes to the Government's neighbourhood planning grants and to seek approval from the Cabinet to extend the current district grant support to community groups preparing revised neighbourhood development plans (NDPs).

## Corporate Objectives

2. Strongly supporting the development of neighbourhood plans for our towns and villages.

## Background

3. The District Council currently provides a fixed one-off grant to any community group preparing neighbourhood plans. This is dependent on the submission of a project plan following the designation of the neighbourhood area. The amount currently available depends on the size of the community: Market Towns £15,000; Larger Villages £10,000 and Smaller Villages £5,000.
4. The District Council is required to carry out the following formal stages of making a neighbourhood plan; area designation, submission consultation, examination and referendum. There is also a 'duty to support' placed upon the District Council by legislation and we provide; informal guidance on community engagement; guidance on gathering the required evidence and; further feedback throughout a plan's preparation.
5. The costs to the District Council of the publication, examination and referendum will vary according to the complexity of the neighbourhood plan, and the population of the neighbourhood area. On average, the cost to the District Council for running submission consultation, examination and referendum is £12,000-£18,000. A large part of this is the fee paid to the Examiner (the examination of Henley and Sonning Common NDPs cost £9,000 and £9,750 respectively).
6. Until April 2016 the District Council received £30,000 grant funding from Government for each successful neighbourhood plan. Government payments of £5,000 were made to the District Council at the area designation stage and when the plan proposal was submitted to the District Council. The remaining £20,000 was paid after successful examination. This income then supported the grant given to communities by the District Council and the formal stages of neighbourhood plan preparation.
7. The Council (March 2017) holds £31,369 in grants reserves towards neighbourhood planning grants.
8. From April 2016, the grant available to the District Council was revised down to £20,000, payable following the successful examination of a neighbourhood plan and when a referendum date is agreed. The Government has confirmed that this funding arrangement will remain in place until 2020.
9. Officers have considered the impact of the reduction in funding from Government, of £10,000 per plan, on our ability to fund grants to neighbourhood planning groups while covering costs related to consultation, examination and referendum.
10. Officers have also considered the implications of extending the district grant support to community groups preparing revised neighbourhood plans. The Government has confirmed that funding available to the District Council (£20,000) is available for the review and modification of made neighbourhood plans until 2020.

11. Whilst there is no requirement to review or update a neighbourhood plan. The policies in a neighbourhood plan may become out of date, for example if they conflict with policies in a Local Plan that is adopted after the making of the neighbourhood plan. In addition, where a policy has been in force for a period of time, other material considerations may be given greater weight in planning decisions as the evidence base for the plan policy becomes less robust.
12. Officer's projections have identified that the £31,369 will be eroded over time, as we continue to offer the grant support and cover the costs of progressing neighbourhood plans to referenda. Therefore, it is important to monitor and compare our expenditure forecast against actual. This should be reported to Cabinet annually, starting at the end of this financial year (2017/18).

## **Options**

13. The Cabinet may choose to not extend the district grant support to community groups preparing revised neighbourhood plans. This option could discourage neighbourhood planning groups from reviewing their plans. Whilst there is no requirement to review or update a neighbourhood plan, the policies in neighbourhood plans may become out of date, particularly if they fail to take account of the latest and up-to-date evidence of housing need informing our emerging Local Plan.

## **Financial Implications**

14. Provided the funding arrangements from Government remain unchanged, all our neighbourhood plans progress to a stage where the council can set a referendum date and we utilise the available £31,369 in the grants reserve, the council will be able to fund the current level of grant offered to community groups preparing neighbourhood plans. This assumes that, on average, the Council provides funding of £15k per Neighbourhood Plan.
15. As at March 2017 the additional neighbourhood planning grant (agreed carried forward budget 2016/17 previous Council Tax Reduction Scheme budget) was £93,234
16. A summary of projected finances up to 2020 is set out below:

<b>Project income/expenditure for Neighbourhood planning @ 31 March 2017</b>	<b>£</b>
Grants reserve (31/03/2017)	-31,369
DCLG grant income following agreed referendum. (assumed for 31 NPs @20K)	-620,000
<b>Gross income</b>	<b>-651,369</b>
Grants for new/revised NPs (this relates to grants not yet paid)	70,000
Council cost for submission consultation, examination & referendum (assumes £15k per NP)	465,000
<b>Gross expenditure</b>	<b>535,000</b>
<b>Balance</b> for funding new plans, above average Council costs, additional re-examination, loss of DCLG grant if NP unsuccessful	<b>-116,369</b>

<b>Example; projected costs/income for Nine NPs 2017-2020</b>	<b>£</b>
Grants for new/revised NPs (x2 Towns, x3 Larger Villages, x4 Villages)	80,000
Council cost for submission consultation, examination & referendum (assumes £15k per NP)	135,000
<b>Gross expenditure</b>	<b>215,000</b>
<b>Income</b> - DCLG grant following agreed referendum. (assumed for 9 NPs @20K)	<b>-180,000</b>
<b>Balance</b>	<b>35,000*</b>

\* Potential to use neighbourhood planning grant ((previous Council Tax Reduction Scheme budget) to fund outstanding costs.

## Legal Implications

17. There are no legal implications by this proposal.

## Risks

18. If an examination is not successful or a parish chooses not to continue working on a neighbourhood plan, then there is a risk that we cannot claim the Government grant. However, with our officer support and the opportunity for re-examination, albeit with additional cost for us, officers consider the risk not to be able to make a claim is low.

## Conclusion

19. As the strategic planning context in the district evolves the closer we get to the adoption of our emerging Local Plan. It is important that, where necessary, made

neighbourhood plans are reviewed to take account of the latest and up-to-date evidence of housing need.

20. Having considered the implications of the reduction in funding from Government on our ability to fund grants to community groups preparing/reviewing neighbourhood plans, officers consider that continuing to offer grants to community groups preparing neighbourhood plans and extending this provision to groups reviewing neighbourhood plans would be met by the neighbourhood plan budget.
21. Without the upfront financial support provided by the council, new groups and groups seeking to prepare a review for their made neighbourhood plans, could be discouraged at the critical stage of getting the project off the ground.

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