



# Department for Communities and Local Government

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Local Planning Authority  
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## **Changes to financial support for neighbourhood planning in 2012/13 and 2013/14**

1. I wrote to you in August confirming details for funding neighbourhood planning in 2012/13. Many of you will have already drawn down payments and may be intending to claim in January for designations in the last quarter.
2. The Minister for Planning Nick Boles is today announcing an extension of funding of up to £30,000 per scheme for local planning authorities into next year. He is also announcing changes from January that will provide greater support to those places encouraging neighbourhood planning on a larger scale this year. I have outlined below the main changes this year and next.

### **Changes that come into effect on 2 January 2013**

3. From 2 January you are able to claim up to a maximum of £50,000 (up from £20,000) for area designations this financial year. This means that you will have an opportunity between 2 January and 16 January and again between 1 and 22 March to claim for those areas designated and not yet claimed for up to a maximum of ten. This has been done to ensure that LPAs supporting lots of neighbourhood planning are adequately compensated for their efforts. There is an overall limit of £1.5m on designation payments this year which will pay for up to 300 areas to be designated.

### **Changes from 1 April 2013 to 31 March 2014**

4. You will be able to claim for up twenty designations (£100,000) in the financial year 2013/14. This means that in total you can claim for up to 30 designations over two years. The overall limit for designation payments in 2013/14 has been set at £5m which will pay for up to 1000 areas to be designated.
5. We are also adjusting the payment stages, to reflect the work involved in getting a plan to the point of being published prior to examination. Payments will be staged as follows:

- The first payment of £5,000 will be made following designation of a neighbourhood area recognising the officer time supporting and advising the community in taking forward a neighbourhood plan. For authorities designating several neighbourhood areas, each local planning authority can claim up to a maximum of £100,000 for area designations, in 2013/14. However, you should also bear in mind the overall cap of £5m.
  - The second payment of £5,000 will be made when the local planning authority publicises the neighbourhood plan prior to examination. This will contribute towards the costs of the examination as well as other staff costs incurred at this stage. There is no cap in 2013/14.
  - The third payment of £20,000 will be made on successful completion of the neighbourhood planning examination. This is to cover costs for that examination and any other further steps that may be needed for the neighbourhood plan to come into legal force, including referendum. However, the payment is not dependent on pursuing the referendum route if both parties agree on a different approach at that point (for example, if both parties agree, the neighbourhood plan could be taken forward as part of the local plan or as a supplementary planning document). There is no cap in 2013/14.
6. In order to help local planning authorities and DCLG manage this in a simple way, we invite you to submit aggregate claims for payment at the beginning of July, October, January and March. As with this year, all claims need to be submitted via LOGASnet.
  7. Payments will be made under Section 31 of the Local Government Act 2003 (and in respect of National Parks Authorities under section 72 of the Environment Act 1995 and in respect of the Broads Authority under section 15 of the Norfolk and Suffolk Broads Act 1988<sup>1</sup>).
  8. I have attached a Q&A which will hopefully answer any other questions you have. Any other questions should be forwarded to [decentralisation@communities.gsi.gov.uk](mailto:decentralisation@communities.gsi.gov.uk)



**DIRECTOR, PLANNING**

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<sup>1</sup> In making these payments, we will ask the national parks authority or the Broads authority to make a payment to the local authority for the work in relation to the referendum it will undertake on behalf of the National Parks Authority or Broads Authority.



## Department for Communities and Local Government

### Frequently Asked Questions on Neighbourhood Planning funding for Local Planning Authorities

#### Q1. What is this funding for?

- A. This money is to ensure LPAs receive sufficient funding to enable them to meet new legislative duties on neighbourhood planning. Specifically, it covers the neighbourhood planning duties in the Localism Act which are **to provide advice and assistance; to hold an examination; and to make arrangements for a referendum.**

#### Q2. What does “advice and assistance” mean?

- A. The extent of advice and assistance will be different in each area. The sorts of things that could include are:
- Sharing evidence and information on planning issues
  - Helping with consultation events
  - Providing advice on assessments and evidence
  - Providing advice on national and local plan policies with which the Neighbourhood Plan or Neighbourhood Development Order will need to fit
  - Helping communities communicate with external partners

Parish or Town Councils or neighbourhood forums should discuss with their local planning authority how this funding can support their work involved in taking forward neighbourhood plans. There is more detail on this available in the neighbourhood planning roadmap produced by Locality available at:

<http://locality.org.uk/wp-content/uploads/The-Roadmap.pdf>

#### Q3. How do I apply for this funding?

- A. Any LPA supporting neighbourhood planning will be able to claim using LOGASnet following designation of a neighbourhood area, after publicising the plan prior to examination and after successful examination.

**Q4. How much can I claim?**

- A. For 2012/13, there will be un-ringfenced payments in the form of section 31 grants of up to £30,000 to each LPA per scheme, paid in two stages. The first payment of £5,000 will be made following designation of a neighbourhood area. The second payment of £25,000 will be made on successful completion of the neighbourhood plan examination.

In 2013/14, the amount will remain at £30,000. However, we are bringing forward some of the funding. The first payment of £5,000 will be made following designation of the area as before. The second payment of £5,000 will be made when the final pre-examination version of the neighbourhood plan is publicised by the LPA prior to examination. The third payment of £20,000 will be made on successful completion of the neighbourhood planning examination.

**Q5. When and how can I submit a claim?**

- A. There will be two further opportunities to submit claims using LOGASnet in 2012/13. There will be a window between 2 and 16 January and a final window between 1 and 22 March. The claims window for 2013/14 will be at the end of each quarter with the first opportunity being 1 July. Details have been set out in letters to Chief Planners and Finance Officers.

**Q6. What are these payments expected to cover?**

- A. The payments recognise the LPA officer time to provide advice and assistance to communities in taking forward their neighbourhood plans and payments for examinations and referendums.

**Q7. Why is this money being paid to LPAs and not direct to communities?**

- A. LPAs have a duty to support and advise parish councils, neighbourhood forums and community right to build organisations and pay for examination and referendum. We want to ensure that LPAs receive the appropriate funding to enable the fulfilment of this duty in line with new burdens principles.

**Q8. Can we claim for more than four area designations from now?**

- A. Yes. This announcement means that **each LPA can now claim up to £50,000** (up from £20,000) for area designations in 2012/13. This means that **areas can claim for up to 10 areas this year. In 2013/14 LPAs can claim up to £100,000 for 20 area designations.** This will encourage and compensate those authorities that are supporting multiple neighbourhoods and parishes to develop neighbourhood plans.

**Q9. What about if we designate twelve areas this year? Can we claim for ten this year and the other two next year?**

A. Yes, any areas not claimed for this year can be claimed for next year, up to the limit of twenty next year.

**Q10. The final payment will be made at 'successful independent examination' – what does 'successful mean'?**

A. Following the examination, the examiner will make a report recommending that the proposal (with or without modifications) proceeds to the referendum stage. They will recommend it proceeds to referendum if it meets the required legal conditions (e.g. appropriate having regard to national policy). A payment can be claimed if the examiner recommends that the proposal (with or without modifications) proceeds to the referendum stage. A payment cannot be claimed if the examiner considers that the proposal cannot proceed to referendum.

**Q11. What happens if at this point a decision is taken not to proceed to referendum?**

A. The payment is not dependent on pursuing the referendum route if both parties agree on a different approach at that point (for example, if both parties agree, the neighbourhood plan could be taken forward as part of the local plan or as a supplementary planning document).

**Q12. Is this additional to the £20,000 already paid to NP frontrunners?**

A. Yes. These payments are available to frontrunner and non frontrunner areas. The £20,000 payment was made last financial year to help neighbourhood planning frontrunners develop their plans ahead of legislation and regulations coming into effect.

**Q13. What about National Parks Authorities and Broads Authorities that are supporting neighbourhood plans?**

A. We are intending to pay National Parks Authorities under section 72 of the Environment Act 1995 and Broads Authority under section 15 of the Norfolk and Suffolk Broads Act 1988. In making these payments we will ask the national parks authority or the Broads authority to make a payment to the local authority in relation to the referendum it will undertake on behalf of the National Parks Authority or Broads Authority.

**Q14. What happens where a designated area crosses the boundary of two local planning authority areas?**

A. Where a neighbourhood planning scheme comprises a neighbourhood area in more than one local planning authority, including a National

Parks Authority or the Broads Authority, it will be for both parties to decide on who to make the claim and how to share the payment locally. We would expect it normally to be the area with the largest proportion of the neighbourhood planning area or whoever has agreed to lead. However, this may not necessarily be the case if both parties agree otherwise. We would expect the lead authority to share the payment, in such proportions as may be locally agreed, with the other authorities working on the scheme.

**Q15. How much will we be able to claim if we have to hold a business referendum?**

- A. Where a neighbourhood area is considered to be wholly or predominantly business in nature the Localism Act enables LPAs to designate these as a 'business area'. In these areas an additional referendum must take place in which non-domestic rate payers can vote. Where a responsible authority must run two referendums we will make an additional payment of £10,000. This can be claimed at the same time as the £20,000 payment on completion of a successful examination. Further details will follow.

**December 2012**