



Ministry of Housing,
Communities &
Local Government

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By email only

The Chief Planning Officer

Update on financial support for neighbourhood planning in 2018/19

Neighbourhood planning remains an essential part of the Government's reforms to help local communities play a much stronger role in shaping the areas in which they live and work and in supporting new development proposals.

To support the vital role of local authorities in the neighbourhood planning process, the Department is today announcing arrangements for funding local planning authorities from the financial year beginning April 2018. Confirmation of this funding, and details of the arrangements for claiming it, are set out in Annex A of this letter. Updates to the scheme from previous financial years' arrangements include amended rates for claiming neighbourhood planning grant where a made plan has been modified. This reflects changes in types of modification that have been introduced through the Neighbourhood Planning Act 2017.

This letter will be available online at:

<https://www.gov.uk/guidance/planning-guidance-letters-to-chief-planning-officers>.

Local planning authorities should enter claims for neighbourhood planning support relating to activity undertaken in the current 2018/19 financial year only. If you have queries relating to claims that might have been made relating to previous years, please contact the neighbourhood planning team via <http://forms.communities.gov.uk/>

We are continuing to provide support for communities who choose to prepare neighbourhood plans. Information on how groups can apply for funding and support is available at <http://neighbourhoodplanning.org> alongside other neighbourhood planning tools for communities.

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Chief Planner

Annex A

Financial support for neighbourhood planning in 2018/19

1. The arrangements for claiming financial support for neighbourhood planning have been confirmed for 2018/19. From April 2018, local planning authorities (LPAs) will be able to claim as follows:

For all areas: LPAs can claim **£20,000** once they have set a date for a referendum following a successful examination where a neighbourhood plan has not previously been made for that area.

Additional funding is available in certain circumstances as follows:

Area designation: LPAs can claim **£5,000 for the first five neighbourhood areas designated** only. The limit of five areas applies to the total number of areas designated in the LPA (i.e. it includes past claims made in previous years) and includes the re-designation of areas.

Forum designation: LPAs can claim **£5,000 for the first five neighbourhood forums** they designate only. The limit of five forums applies to the total number of areas designated in the LPA (i.e. it includes claims made in the past for forums designated) and includes the re-designation of forums.

Business areas: LPAs can claim a further **£10,000** once they have set a date for a referendum following a successful examination.

Neighbourhood Development Orders (NDO) and Community Right to Build Orders (CRtBOs): LPAs can claim **£20,000 in relation to NDOs and/or CRtBOs for each neighbourhood planning area per year**. The claim can be made once the date for the referendum on an Order has been set.

Modification of a neighbourhood plan that is in force:

Sums available vary according to the scale of modifications proposed, in line with the new neighbourhood plan modification procedures introduced through the Neighbourhood Planning Act 2017. Neighbourhood Planning Practice Guidance has been updated to provide more detail on the new processes:

<https://www.gov.uk/guidance/neighbourhood-planning--2#updating-neighbourhood-plan>

Minor (non – material) modifications (no new examination or referendum required): Not eligible to claim for neighbourhood planning grant.

More substantive modifications (requiring an examination but no new referendum because the nature of the plan has not changed): LPAs will be eligible to claim **£10,000** after the revised plan comes into force following examination. Once such a claim is made, claims for further updates to that specific neighbourhood plan will be restricted to one every 5 years.

More Substantive Modifications (requiring an examination **and** new referendum because the nature of the plan **has** changed) will be eligible for a claim of **£20,000** by LPAs, after a successful examination with the setting of a new referendum date by the LPA. Once a claim for a modified neighbourhood plan has been submitted, further claims for revisions to that specific neighbourhood plan will be restricted to one every 5 years.

More Substantive Modifications (requiring an examination **and** a referendum because the nature of the plan has changed) **in Business Areas:** LPAs will be eligible to claim an

additional **£10,000** after the setting of a referendum date. Once such a claim is made, claims for further updates to that specific neighbourhood plan will be restricted to one every 5 years.

2. In order to help local planning authorities and MHCLG manage this in a simple way, we invite you to submit aggregate claims for grant during **June and November 2018 and March 2019**. All claims need to be submitted via the LOGASNET grant administration system. Please email logasnet.helpdesk@communities.gsi.gov.uk to be set up on the system in order to submit claims. Users will be contacted regarding claims windows and system upgrades.

3. 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 1988¹).

4. The Q&A at Annex B covers many frequently asked questions. Any other questions should be submitted to <http://forms.communities.gov.uk/>.

¹ 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.

Frequently Asked Questions on neighbourhood planning funding for Local Planning Authorities

Q1. What is this funding for?

A. This money is to help Local Planning Authorities (LPAs) meet their legislative duties in relation to neighbourhood planning. Specifically, it covers **the neighbourhood planning duties introduced by the Localism Act 2011 which are to provide advice or assistance; to hold an examination; and to make arrangements for a referendum.**

Q2. What does “advice or assistance” mean?

A. The extent of advice and assistance will be different in each area. The legislation requires local planning authorities to provide such advice or assistance to qualifying bodies as, in all the circumstances, they consider appropriate for the purpose of, or in connection with, facilitating the making of proposals for neighbourhood development plans orders. Planning guidance states that a local authority should:

- Be proactive in providing information to communities about neighbourhood planning.
- Fulfil its duties and take decisions as soon as possible, and within statutory time periods where these apply.
- Set out a clear and transparent decision making timetable and share this with those wishing to prepare a neighbourhood plan or an Order.
- Constructively engage with the community throughout the process including when considering the recommendations of the independent examiner of a neighbourhood development plan or Order proposal.

Q3. How do I apply for this funding?

A. Any LPA supporting neighbourhood planning will be able to claim using LOGASNET.

Q4. When and how can I submit a claim?

A. There will be **three** opportunities to submit claims using LOGASNET each year. There will be claims windows in **June** and **November 2018** and **March 2019**. Payments are expected to be made in September 2018, February and June 2019 respectively.

Q5. 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 examination and referendum costs. We want to ensure that LPAs receive the appropriate funding to enable the fulfilment of this duty in line with Government’s new burdens doctrine. Information about support available for communities considering or undertaking neighbourhood planning can be found here:

<http://neighbourhoodplanning.org>.

Q6. What about National Parks Authorities and the Broads Authority that are supporting neighbourhood plans?

A. National Parks Authorities and the Broads Authority may make claims as above. Payments to National Park Authorities are made under section 72 of the Environment Act 1995 and the Broads Authority under section 15 of the Norfolk and Suffolk Broads Act 1988. In making these payments we will ask the National Park 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 Park Authority or Broads Authority.

Q7. What happens where a designated area crosses the boundary of two local planning authority areas?

A. Where a neighbourhood area falls within the area of more than one local planning authority, including a National Park Authority or the Broads Authority, it will be for each authority 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 area or whichever authority 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.

Q8. What about the re-designation of an established neighbourhood forum, and the re-designation of a neighbourhood planning area?

A. Where a designated neighbourhood forum has reached the end of its five year life span, the re-designation of a forum can be claimed for by the Local Planning Authority. A limit of 5 claims for forum designations will still apply per LPA, including previous claims made. The re-designation of a neighbourhood planning area can also be included, again allowing for the existing cap of 5 claims for area designations per LPA.

Q9. How much will LPA's be able to claim if it has to hold a business referendum?

A. Where a neighbourhood area is considered to be wholly or predominantly business in nature the legislation enables the local planning authority to designate this 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 setting a date for a referendum following a successful examination. Later, if a made business neighbourhood plan undergoes modification requiring a new examination and referendum, a further £10,000 can be claimed again at the same time a claim for the revised modified neighbourhood plan referendum is made.

Q10. How much can LPAs claim for a Neighbourhood Development Order or Community Right to Build Order?

A. Where there are successful NDOs or CRtBOs, LPAs can claim **£20,000 for each neighbourhood planning area per year**. This means that where a parish, neighbourhood forum or community organisation (in the case of CRtB) prepares one or more NDO or CRtBO, the LPA can make a single claim for that area in each year. As with neighbourhood plans, the claim can be made once a referendum date is set.

Q11. How much can be claimed where a neighbourhood plan is modified and how is this affected by the Neighbourhood Planning Act?

A. A neighbourhood plan that is modified (other than for the purpose of correcting errors) will now be eligible for one or another of two possible payments, depending on the level of modification that was undertaken. The Neighbourhood Planning Act 2017 introduced three different levels of update to made neighbourhood plans that will be recognised. A non-material modification will be where there is no new examination or referendum held. As such, **non-material modifications will not be eligible for a claim under the 2018/19 neighbourhood planning grant arrangements**.

The Act also introduced two other types of modification.

- i) A **more substantive modification** will require a new examination, but no referendum because the nature of the plan has not changed). In such circumstances LPAs can claim **£10,000** following the successful examination and its adoption by the LPA.
- ii) Where a made plan has a **more substantive modification**, (requiring an examination **and** new referendum because the nature of the plan has changed). In these circumstances, plans undergoing 'major' modification will be eligible to claim **£20,000** following a successful examination with a new referendum date being set. A business neighbourhood plan requiring a more substantive material modification can claim an additional **£10,000** in recognition of the additional referendum to be held for non-domestic rate payers. Claims

for both types of modified plan will be limited to 1 claim per neighbourhood planning area every five years.

Q12. What is the limit on the number of claims that can be made for a revision to a made plan?

A. LPAs can claim for a modification to a specific plan once every five years. This limit reflects the expected frequency of revisions to other statutory planning documents. Only one claim for examination and/or referendum can be made per plan in 2018/19.

Q13. What about activity in previous years?

A: Claims must relate to the 2018/19 financial year only.

Q14. How do LPAs enter claims for neighbourhood planning grant?

A. Local Planning Authorities will need to register officials to enter and certify claims on the LOGASNET grants administration system. The Chief Executive (or the acting Chief Executive) or the officer with responsibility for financial affairs under section 151 of the Local Government Act 1972 of each authority must certify the data entered on LOGASNET, before a claim will be considered by the Department.

LPAs wishing to register officials on the LOGASNET system should contact the LOGASNET helpdesk on LOGASNET.HELPDESK@communities.gsi.gov.uk or telephone 0303 444 2444 for queries on using the system.

Q15. What about changes to the LOGASNET system?

A. The LOGASNET system is due to be replaced during 2018. Registered users will be contacted by administrators of the new DELTA system when this happens. Please see <https://logasnet.communities.gov.uk/logasnet> for updates.