



Ministry of Housing,  
Communities &  
Local Government

By Email only

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The Chief Planning Officer

### **Update on financial support for neighbourhood planning in 2020/21**

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 for the financial year beginning April 2020. Confirmation of this funding, and details of the arrangements for claiming it, are set out in Annex A of this letter. As in 2019/20, eligible claims include rates for claiming neighbourhood planning grant where a made plan has been modified. This reflects changes in types of modification that were 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>.

In normal circumstances, Local Planning Authorities would only be eligible to enter claims for neighbourhood planning support relating to activity undertaken in the current 2020/21 financial year only. However, we will allow claims relating to 2019/20 activity if these could not be submitted due to the COVID-19 emergency. We have also made some changes this financial year to enable local planning authorities to receive financial support at an earlier point in the neighbourhood planning process while referendums are postponed until 6 May 2021 due to the COVID-19 emergency. In addition, we will provide support for those authorities where scheduled referendums were cancelled at short notice.

I attach a number of FAQ's at Annex B but if you have other 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/> noting Neighbourhood Planning in the message box.

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.

**Dr Michael Bingham OBE**  
Interim Chief Planner

## Financial support for neighbourhood planning in 2020/21

1. The arrangements for claiming financial support for neighbourhood planning have been confirmed for 2020/21. From April 2020, local planning authorities (LPAs) will be able to claim as follows:

**For all areas where a neighbourhood plan has not previously been made for that area:** LPAs can now claim £20,000 from when they issue a decision statement detailing their intention to send the plan to referendum (as set out under Regulation 18 of the Neighbourhood Planning (General) Regulations 2012) rather than when a referendum date has been set.

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 for instance where a boundary has altered.

**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 now claim a further **£10,000** from when they issue a decision statement detailing their intention to send the plan to referendum (as set out under Regulation 18 of the Neighbourhood Planning (General) Regulations 2012) rather than when a referendum date has been set.

**Neighbourhood Development Orders (NDO) and Community Right to Build Orders (CRtBOs):** LPAs can now claim **£20,000 in relation to NDOs and/or CRtBOs for each neighbourhood planning area per year**. The claim can now be made from when they issue a decision statement detailing their intention to send the order to referendum (as set out under Regulation 25 of the Neighbourhood Planning (General) Regulations 2012) rather than when a referendum date 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) LPAs will now be eligible to claim **£20,000** from when they issue a decision statement detailing their intention to send the plan to referendum (as set out under Regulation 18 of the Neighbourhood Planning (General) Regulations 2012) rather than when a referendum date has been set.

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 now be eligible to claim an additional **£10,000** from when they issue a decision statement detailing their intention to send the plan to referendum (as set out under Regulation 18 of the Neighbourhood Planning (General) Regulations 2012) rather than when a referendum date has been set. Once such a claim is made, claims for further updates to that specific neighbourhood plan will be restricted to one every 5 years.

A local planning authority may make only one claim for substantive modifications to a specific neighbourhood plan in their area within each 5-year window from the date that plan was first made. This cap applies regardless of the amount of claim made by the LPA in each 5-year window and the number of claims made in previous windows. This is summarised in the following table.

<b>Number of years after a specific neighbourhood plan was first made by the LPA</b>	<b>How many claims may be made by an LPA for modifications to a specific neighbourhood plan?</b>
Between 0 and 5 years	1
Between 5 and 10 years	1
Between 10 and 15 years	1
Between 15 and 20 years	1

A full review and replacement of a neighbourhood plan will be treated in the same way as more substantive modifications.

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 **July-August, October-December 2020 and March 2021**. All claims need to be submitted via the DELTA grant administration system.

Please email [delta.grants@communities.gov.uk](mailto:delta.grants@communities.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 1988<sup>1</sup>).

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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

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

5. **Cancelled Referendums:** In recognition that some local authorities will have had to cancel scheduled referendums at short notice due to the Covid-19 emergency we are inviting local authorities to claim for wasted costs in relation to organising scheduled referendums. This funding is available for LPAs that cancelled referendums that were scheduled (i.e. where notice of a referendum had been issued) to be held between 19 March and 31 May 2020. Any LPAs that wish to make such a claim should in the first instance contact us directly at <http://forms.communities.gov.uk/> noting Neighbourhood Planning in the message box.

## 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. When will payments be made?

A. Payments are expected to be made in September 2020 for the July-August claim window, February for the October-December claim window and June 2021 for the March claim window.

### Q4. 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>.

### Q5. 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. 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.

**Q6. 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.

**Q7. Can the additional £10,000 for a business neighbourhood plan be claimed again if that plan is modified?**

**A.** 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 is made.

**Q8. 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 new DELTA 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 DELTA, before a claim will be considered by the Department.

LPAs wishing to register officials on the DELTA system should email [delta.grants@communities.gov.uk](mailto:delta.grants@communities.gov.uk)