



Ministry of Housing,
Communities &
Local Government

Developing a Memorandum of Understanding

**A toolkit for neighbourhood
planners**



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Part A

Introduction

This toolkit explains the purpose, content and use of a Memorandum of Understanding (MOU) between a qualifying body (QB) for neighbourhood planning and stakeholders critical to the development of a successful neighbourhood development plan or order. In particular, a MOU is relevant to the way in which a QB and their Local Planning Authority (LPA) do business together. This toolkit is split into two sections:

- Part A describes the types, uses, principles and process of developing a MOU
- Part B provides model clauses which can be used to write a MOU.

Purpose

A Memorandum of Understanding is designed to clarify expectations and the working relationships between key parties involved in the preparation of neighbourhood development plan or order. It starts with, but goes further than the statutory duty to give advice or assistance. It aims to put working relationships on the best possible footing, both from the start and indeed from any point in the relationship between a QB and its key stakeholders. A MOU is both a practical and an aspirational document that sets out how key parties will work together where a QB makes a commitment to prepare a neighbourhood plan for its area. The toolkit takes into account all legislative provisions related to neighbourhood planning including the regulations made under the Housing and Planning Act 2016 and provisions in the Neighbourhood Planning Act 2017 which seek to encourage more transparency as to how the duty to give advice or assistance is being interpreted from authority to authority.

A MOU does not attempt to influence the future content of a neighbourhood development plan or order, but recognises the crucial support role of an LPA and the importance of neighbourhood planning, local planning (and in London GLA planning) working well together, especially in terms of timing, understanding the policies and roles of the different tiers of planning and ultimately ensuring neighbourhood plan conformity with higher level plans. A MOU can also detail the contribution of clear, consistent and effective co-operation between neighbouring QBs, between QBs and other specific statutory bodies such as National Park Authorities and last but not least with regard to significant developer, business and community interests.

In other words a MOU is a statement of how key stakeholders want to work together for the purposes of neighbourhood planning.

Benefits of a Memorandum of Understanding

A Memorandum of Understanding (MOU) is an optional written agreement between two or more parties focusing on the principles and expectations for working together. As a statement of intent it can provide a useful reference point to help avoid potential confusion or tension between different parties as well as fostering positive and ongoing working relationships where they exist.

In short a MoU can:

- Establish clearly the roles and responsibilities of a Local Planning Authority (LPA) to a Qualifying Body (QB) and between neighbouring interests and a QB. This is helpful when there may be a lack of resources or mistrust
- Foster high standards of integrity, honesty, mutual respect and desire in 'win-win' solutions
- Be a tool for creating open and constructive communication channels, particularly between an LPA, a QB and neighbouring areas
- Be the first test of how a relatively new QB is going to do business with an LPA and other parties in a neighbourhood
- Help set an outline timeframe including a description of what is going to occur and in what timeframe
- Ensure the best possible information and ideas flow between parties, particularly in terms of the different tiers of planning
- Provide a benchmark for providing reasonable warning about potential changes in plans or proposals
- Set out how the neighbourhood element of the Community Infrastructure Levy (CIL) will be agreed and administered (including from strategic sites)
- Explain the relationship between a neighbourhood development plan or order, and any regeneration proposals within or adjacent to the neighbourhood area and how parties will work together on these parallel activities.

Types of MoU

Neighbourhood planning groups around the country have, in many cases, found that the LPA's advice and assistance is more legible and practical when there is a pre-standing written agreement between the two parties.

MOU's vary significantly in their size and detail. Some LPAs have developed a standard template. Tower Hamlets has produced a detailed neighbourhood planning guide, plus a 55 page Service Offer to Prospective and Designated Neighbourhood Forums. In East Coker, a simple six page document was drawn up between the Parish Council, the neighbourhood planning group; and South Somerset District Council. The Parish of Fernwood drew up an even shorter, three page document setting out high level aspirations only between themselves and Newark and Sherwood District Council, including a key agreement to work with all parties including landowners, developers and any other interested parties.

Mini-Case Study: Leeds City Council and their Neighbourhood Forums

A Local Planning Authority (LPA) perspective was provided by the lead Neighbourhood Planning Officer within Leeds City Council (LCC).

LCC has encouraged all 36 of its QBs to enter into a MOU with them. Whilst some areas were not interested and formal signings were not the rule, the process of discussing expectations and the support on offer led to a better relationship between QBs and LCC. This was particularly evident around the contentious area of LCC's proposed site allocations where the contact and MOU development allowed proper explanation of the high housing target.

Initiation of MOU discussions and a template came from the LPA. This didn't suit all forums and some wanted a distinctive rather than a standard template and to tie the LPA down to specific commitments, for example: Attendance at key meetings, or pre-submission response times. In most cases the MOUs covered a who's who in terms of key players, agreement on the best use of everyone's time and complementarity between different activities carried out by the different tiers of planning.

In the case of LCC and Holbeck Neighbourhood Forum a 'Neighbourhood Plan Understanding' was developed identifying the different responsibilities of LCC and the forum, obligations and working arrangements for the key stages in the process and furthermore providing clarity on the level of technical advice and support LCC could provide at different stages. Although the format for this understanding was very similar to others, the LPA did note that where there are unique circumstances or additional aspects to consider in these cases the format is tailored by adding additional appendices to address the issues.

In terms of challenges, the LPA has encountered some practical barriers to negotiation and signing, not least both parties being time and resource poor. However, in both content and the process of developing them, LCC see them above all as an effective tool for open communication, not necessarily requiring a signature, but more importantly to alert groups to the services and support that are available to them, not only from the local planning authority but also more widely available e.g. Locality and DCLG funding and technical support. Having an 'always open' communication channel noted in an understanding means that both parties can be confident that important information will be exchanged.

In summary, LCC feels that whilst detailing the support to groups is important, it really is all about relationships and no one party feeling caught 'off-guard'. In future LCC feels something more tailored to each group might be more appropriate with either party being able to initiate a discussion.

Preparing a MoU

As indicated in the case study, committing to writing a MOU between key parties is significant in itself.

Ideally it is agreed early on and, at the latest, soon after formal designation of a QB by an LPA and before any neighbouring planning work gets seriously underway. However, if no MOU exists and difficulties are encountered later on it can be initiated by a QB or LPA at any point.

MOUs reflect the fact that neighbourhood planning cannot be done in isolation. Not just because of the need to fulfil the 'basic conditions' in an examination, but because QBs need all the help they can get and clear relationships with a diverse range of interested parties to help them achieve their goals. QBs should identify their own stakeholders and their interests at an early stage through a stakeholder mapping exercise. This could include statutory bodies, key contacts in the LPA, neighbouring groups, well established networks (e.g. faith groups, resident associations, business networks).

Whilst not every party needs to be named in a MOU, the general standard by which a QB will engage with local people, businesses and organisations can be covered in a few simple clauses, leaving time and space for key discussions with those parties that are going to be particularly important to your neighbourhood planning process.

Experience from around the country suggests that drafting a MOU is not always easy but expectations and working arrangements were much clearer moving forward by having one in place. This is because the drafting and agreeing of a MOU is both a formal discussion and a familiarisation process between different parties. Ideally the MOU should be developed and agreed in the spirit of the principles behind it – i.e. as a collaborative effort for shared beneficial outcomes.

Typical steps when preparing a MoU

Typical steps when preparing a MOU



Discussing a MoU – Top Tips

- Be clear why you want something – so you can explain your reasoning
- Find shared interests (i.e. win-wins)
- Know your behaviour (style of communication) will affect others – be relaxed but alert
- Be a good listener, understand the pressures on the parties you are talking to
- Prepare options for mutual gain – each party has to feel there is an advantage for them
- Determine the least that is considered acceptable (your bottom line).

It should be recognised that there are invariably differences between what each party wants from a MOU. For example, an LPA will want to focus on its formal statutory duties whereas a QB will want to identify additional support from the latter and indeed will not necessarily be clear at the beginning what they might need from their LPA to support the development of their plan. The process of agreeing a MOU is sometimes the first real test for the relationship and there needs to be give and take.

Guiding Principles

Partnership/Co-operation principles relating to the working relationship and sharing of information with the local planning authority and other key parties (e.g. developers) might include:

- An open and constructive working relationship
- The fostering of high standards of integrity, honesty, mutual respect and desire for 'win-win' solutions
- Working closely together at all levels, particularly relating to both strategic and neighbourhood policy levels
- Having respect for each other's views, and where different, after discussion has taken place ensuring proper understanding of the reasons for such differences
- A 'no surprises' policy, based on notifying each other in advance, wherever possible, of significant public announcements, changes in priorities/thinking and/or policy proposals
- Good access to appropriate leads in QBs and the different local planning authority departments in relation to neighbourhood planning
- Early sharing of new ideas generated by QB and local planning authority departments
- The commissioning and sharing of joint research wherever possible
- Minimising duplication of activity wherever possible
- Informing other stakeholders about the relationships so as to reduce uncertainty.

Part B

Range of clauses to consider

Part B of this toolkit identifies potential clauses for you to select. These relate to 6 areas of focus, although some clauses will be more important to some QBs and their LPAs than others:

- Understandings relating to the working relationship and sharing of information with a local planning authority
- Understandings relating to a local planning authority's duty to advise or assist QBs .
- Understandings relating to a QB's commitment to engage with the wider community and specific stakeholder group
- Understandings relating to the boundary, any strategic development sites and who votes in a neighbourhood planning referendum
- Understandings relating to a QBs influence over CIL receipts both inside and adjacent to the neighbourhood area and its role with regard to community asset development and transfer.
- Understandings relating to determination of or changes to the neighbourhood area.

Template

Instructions:

Each following section has recommended clauses – although it is not expected that the parties to a MOU will choose every clause or will use the precise clause wording. Look at the left hand column first. This column describes the principle and subject of a clause and you need to decide if it is a priority for you. Then consider the model clause in the right hand column and paste this, if appropriate, into your first draft for presentation to your interested parties.

Alternatively, you may work through the whole template together with the other key parties to decide which principles and subjects are important to you for the purpose of drafting your MOU.

Section 1: Clauses relating to the working relationship with the LPA and general sharing of information.	Model Clauses
Partnership/Co-operation principles	[X] (QB) and [X] (LPA) across all its departments seek an open and constructive relationship in relation to both strategic and neighbourhood planning issues. This is expected to lead to regular and informed contact on matters of relevance to neighbourhood planning.
An open and constructive working relationship, working together at all levels, both on policy and practical issues of importance.	Differences of opinion or understanding will be acknowledged at an early stage and sufficient contact time allowed for those differences to be worked through, understood and wherever possible resolved.
Respect for each other's views, and where different, ensure proper understanding of the reasons for such differences.	All parties subject to this agreement will operate a 'no surprises' policy, based on notifying each other in advance, wherever possible, of changes in relevant priorities/thinking and/or policy proposals and/or public announcements relevant to the neighbourhood planning in the area.
A 'no surprises' policy, based on notifying each other in advance, wherever possible, of significant public announcements, changes in priorities/thinking and/or policy proposals.	The LPA (See 2b below) will facilitate contact between appropriate lead officers at the LPA and a named person(s) within the QB by providing up to date names of lead officers, introductions where possible and inform the QB of any changes in lead names. The QB will also inform lead officers of any changes from within its lead person(s).

Good access to appropriate leads in the QB and the LPA and others at County, borough and Metropolitan levels where appropriate in relation to Neighbourhood planning.	New ideas with spatial implications generated by the parties identified in 1d above will be shared and explored at the earliest opportunity without prejudice to each party in the spirit of receiving constructive feedback.
Early sharing of new spatial ideas generated by the QB, LPA, landowners or developers.	Where timely and appropriate, budget pooling will be encouraged in order to jointly develop, commission and manage research briefs for independent research and for the parties to share the results of such in full, with the understanding that different uses and conclusions may be reached by the joint partners from the evidence presented.
The commissioning and sharing of joint research wherever possible.	A programme of activities relevant to neighbourhood planning will be regularly exchanged, not less than twice a year so that all parties to this agreement have a broad understanding of the spatial policy and planning issues being explored at both local and neighbourhood planning levels.
Minimising duplication of activity wherever possible.	To make this MOU public and to invite comment on a draft from key parties agreed with [X] (LPA).
Informing other stakeholders about the understandings here so as to reduce uncertainty Clarity on the consultative body status of a forum with regard to high level strategic issues & policies on top of their existing right to be notified of planning applications that may affect the planning framework for any part of the agreed NP area (e.g. Regeneration/ Business Improvement, Opportunity Area designations).	[X] (LPA) undertakes to treat the [X] (QB) as a formal consultee, if requested, by the Neighbourhood Forum with regard to planning applications, area initiatives [X] (name) and strategic policy proposals.
Section 2: Clauses relating to a LPA's 'Duty to advise and assist'.	Model Clauses
Support Principles:	The model clauses below assumes that the neighbourhood area and forum (if there is no parish council) will have been designated prior to this agreement being put in place (see Section 6 if it hasn't).

<p>The level and type of support a council will provide under its duty to advise and assist.</p>	<p>As a minimum [X] (LPA) will meet its statutory duty to [X] (QB) as defined by Para 3 of Schedule 4B of the Town and Country Planning Act 1990. This will include, but is not limited to:</p> <ul style="list-style-type: none"> • Provision of details and electronic copies and reasonable explanation of existing and emerging local planning policy • Providing electronic copies of any existing relevant evidence base • Providing copies of Ordnance Survey maps to an appropriate scale • Providing advice on the regulations and legislation • Advise what needs to be produced in order to comply with EU obligations • Appropriate Officer attendance at a workshop to brief the QB on the local plan context, stage and direction • Providing a screening opinion process in place in relation to the Strategic Environmental Assessment at the earliest opportunity after a full draft plan is developed and advise on a Scoping Report where required • Providing links to useful guidance, websites, published research studies, support bodies and networks • Advising on necessary consultees for Strategic Environmental Assessment (SEA) and other purposes • Providing timely advice to ensure the draft plan or order complies with the Equality Act 2010 • Early comment on a full draft plan prior to the QB consulting locally at (Regulation 14) stage. • Confirm that the draft plan meets the criteria in the Localism Act (Regulation 150 – [X] weeks [insert number] following submission to the LPA <ul style="list-style-type: none"> • Publicise the submission plan and other relevant documentation (Regulation 16) – within [X] weeks of receiving the submission

	<p>documents which meet the criteria and pass on representations to the Independent Examiner within [X] weeks of the close of the consultation period (Regulation 17);</p> <ul style="list-style-type: none"> • Identify up to three potential examiners and appoint one of these in agreement with the QB • Undertake final checks of the plan for legal compliance • Supply a Programme Officer for Examination • Submit the draft plan and supporting documents to the Independent Examiner (Regulation 17) – within [X] weeks of close of pre-submission publicity period • Consideration of the recommendations in the Examiners’ report, that the draft meets the basic conditions and publication of a ‘Decision Statement’ (Regulation 18/19) – [X] weeks following the receipt of the inspectors report. • Make arrangements, including the setting of a date for the holding of the referendum – within [X] days of the publication of the decision statement including naming a Project Officer for electoral services • Verify the selection of the electoral base with the QB • Making of the plan (Regulation 19/20) – at the first available meeting of cabinet/planning committee/council (delete as applicable) following a positive referendum vote.
<p>Minimum frequency of expected contact, name of lead officer(s) and response times.</p>	<p>The lead officer for the [X] (QB) will be (insert name and contact details). This officer will endeavour to keep in regular contact, this being not less than (insert frequency). Direct requests for information and/or advice shall be responded to within [X] working days.</p>
<p>Support/ Servicing of a network/ training meetings for all neighbourhood planning groups the [X] (LPA) area.</p>	<p>[X] (LPA) shall initiate and service a support network for all neighbourhood planning groups in their area to which the [X] (QB) shall be invited and which shall meet not less than [X] times a year.</p>

<p>Whether all QB meetings will be open to LPA Support Officers.</p>	<p>Full meetings of the [X] (QB) will normally be open to [X] (LPA) Lead Officer, and Local Councillors as de-facto members, notwithstanding the right of the QB to sometimes meet without those parties being present.</p>
<p>An understanding that the LPA will involve the QB in the monitoring and implementation of the neighbourhood plan after it is made.</p>	<p>[X] LPA will initiate and service an annual monitoring meeting with the QB to review progress in meeting the policies of the made neighbourhood plan and also respond to enquiries from the [X] (QB) within [X] working days in relation to progress.</p>
<p>Additional named services.</p>	<p>In addition to the above, where resources permit, [X] (LPA) will provide practical assistance with regards to: (insert list – for example this might cover secondment of staff to the QB, informal comment on an early draft of a plan etc.)</p>
<p>Section 3: Clauses relating to a QB’s commitment to engage with the wider community and specific stakeholder groups and co-operation between neighbouring QBs and/or communities.</p>	<p>Model Clauses</p>
<p>Key Principles: Early, consistent and staged engagement to an agreed programme.</p>	<p>At an early stage in its work, [X] (QB) will develop and share the programme for its forward activities summarising how local people, businesses and organisations will be engaged with and can get involved.</p>
<p>Appropriate techniques to reach the widest audience.</p>	<p>[X] (QB) undertakes to use a wide range of engagement and communications channels and techniques to listen to and hear from all sections of the community throughout the neighbourhood planning process.</p>
<p>Inclusive, open and inter-active public meetings and workshops.</p>	<p>[X]’s (QB’s) meetings and workshops shall be open to all members of the community, notwithstanding our need to limit numbers for the smaller meetings and organise a booking system.</p>

<p>Ongoing feedback to a wide section of the community.</p>	<p>[X] (QB) will feedback regularly to project members/supporters it has contact details for and the wider community on a regular basis to explain what it has found out and how it is being interpreted and used.</p>
<p>Regular and meaningful liaison, engagement and formal consultation with key organisations, institutions, statutory interests and businesses based in or active in the neighbourhood.</p>	<p>The following organisations, whether formally represented or not on the QB's lead committee are recognised as playing an important role in the community and [X] (QB) aims to have regular and meaningful liaison and engagement with them. This includes, but not limited to, the following organisations: (List organisations here)</p>
<p>An understanding that neighbouring QBs will be welcome to send observers to meetings and vice versa.</p>	<p>Full meetings of the [X] (QB) will normally be open to 1 representative from neighbouring QBs, notwithstanding the right of the QB to sometimes meet without the other parties being present. Such parties will have speaking rights at the chair's discretion, but will not be able to vote.</p>
<p>Agreement to set up a 'Co-operation Zone' for sites or spaces (e.g. a Park) which are considered shared even though they may be wholly in one neighbourhood plan designated area.</p>	<p>Specific areas subject to other regeneration or policy initiatives or that are shared public spaces relevant to one or more neighbourhood planning area shall be the subject of a 'Co-operation Zone' embracing all the clauses in this agreement. This shall include: (e.g. name of park, sites or areas)</p>
<p>Active use of joint planning, public events, and agreed arrangements for convening, running, recording and reporting on planning activities for the cooperation zone.</p>	<p>In the Co-operation Zone a joint planning group shall be convened by the QB for the organising, running, recording and reporting of engagement and consultation activity.</p>
<p>The proper monitoring of co-operation zones activity and effectiveness by any QB with a co-operation zone.</p>	<p>The QB shall regularly monitor and report on the activity and the effectiveness of activity within a Co-operation zone to [X] (LPA) and other relevant parties.</p>
<p>Section 4: Understandings relating to the boundary with and influence over strategic development sites, routes to planning permission and who votes in a neighbourhood plan referendum.</p>	<p>Model Clauses</p>

<p>Key Principles: Agreement as to how larger ‘Strategic’ Sites (as identified in Local Plan) within or immediately adjacent to the neighbourhood plan boundary will be dealt with by the site promoters, LPA and QB.</p>	<p>[X] (QB) commits to a ‘no interference’ undertaking in the plans for any strategic sites (name the sites here) except through the normal dedicated pre-application consultation to be carried out by the site promoters or [X] LPA (see also 7).</p> <p>[X] (LPA) as the Local Planning Authority commits to encourage the promoters of strategic sites to have particular regard for and make every effort to reach agreement with the [X] (QB) with regard to matters fundamental to the neighbourhood plan’s emerging policies, relating to the public realm, design and sustainability standards covering, but not limited to:</p> <ul style="list-style-type: none"> • Crossing points across and landscaping along [X] (name roads) which are shared with the strategic site in question • Green infrastructure, cycle and pedestrian routes, street furniture & signage relevant to both the strategic development and wider neighbourhood • The location and type of any community infrastructure, whether within the strategic site or wider neighbourhood area, likely to be available to both new and existing residents alike • Public access into and across any new open spaces in the strategic sites likely to be available to both new and existing residents alike
<p>Providing early Information to a local planning authority about a Neighbourhood Development Order(s) or Community Right to Build Order(s).</p>	<p>Where a neighbourhood development order is to be used as the preferred route to planning, [X] (LPA) will be informed by the QB, such information to include the timing, expected level of detail, parties involved and location(s). In return [X] LPA will advise the QB and other parties involved how reserve matters will be dealt with.</p>
<p>Understanding on the circumstances in which a local planning authority may urge an Examiner to include additional neighbouring areas for voting purposes in the neighbourhood plan referendum.</p>	<p>Prior to regulation 14 stage [X] LPA will discuss with the [X] (QB) as to whether the QB’s draft plan requires businesses and/or residents beyond the QB’s designated area to be able to vote and is so which additional streets shall be included.</p>

<p>Section 5: Clauses relating to a QBs influence over Model Clauses Community Infrastructure (CiL) 18 receipts both inside and adjacent to the boundary and community asset development and transfer.</p>	<p>Model Clauses</p>
<p>Key principles: An understanding with regard to any CiL receipts due to the development sites immediately adjacent to the area. This is referred to in this MoU as the 'neighbourhood pot' and can be used for a wide range of purposes.</p> <p>Arrangements for the joint agreement of CiL spend for community infrastructure purposes.</p>	<p>[X] LPA shall have regard to [X]'s (QB's) proposed public CiL Regulation 123 list consisting of priorities for future community infrastructure and reach agreement with the Forum for the timely allocation of the CiL neighbourhood pot in the Annual Monitoring Meeting.</p> <p>Any immediate adjacent strategic site(s) excluded from the designated area shall be treated for CiL neighbourhood pot calculation purposes in relation to the proportion of the site(s) perimeter length abutting the neighbourhood area dividing by the total perimeter area of the site(s) to calculate the contribution as a fraction of the 25% applicable to the QB once the plan is made.</p> <p>[X] (QB) agree with [X] (LPA), the following arrangement for the direction of CiL spend priorities within the neighbourhood plan area (refer to a separate document and/or summarise here)</p>
<p>Clarity on whether site promoters, either directly or via the LPA's CiL receipts, will provide a level of financial contribution to the QB for the purposes of neighbourhood planning without the QB being perceived as compromised by said contributions.</p>	<p>[X] (QB) shall accept financial or pro-bono support from developers, land-owners either directly or via CiL providing, in the opinion of the elected QB, it is not perceived to be, or in practice is, compromised by said contributions; Larger sums over £5k, not including research support, will be discussed at full QB meetings and voted upon.</p>
<p>Arrangements for strengthening arrangements for community assets, including asset transfer to a suitable community organisation.</p>	<p>[X] (QB) shall, with the support of [X] (LPA), identify suitable building for any Community Asset Register and facilitate the transfer of such assets to a suitable community organisation where an appropriate business case is made.</p>
<p>Section 6: Clauses relating to determination of the neighbourhood area where the MOU is being drawn up at this early stage.</p>	<p>Model Clauses</p>

<p>Key Principles: Commitment to achieve area and forum designation as quickly as possible.</p>	<p>[X] (LPA) will share with prospective neighbourhood forums at the earliest stage their expected process for receiving applications. Where there is clarity that there is only one Forum for a given area, the LPA will accept and consult upon, at the same time, a combined application for both area and forum designation.</p>
<p>An understanding for QB to share boundary proposals, evidence & justification at an early stage with neighbouring bodies, before QB designation is sought.</p>	<p>[X] (QB) understands that neighbourhood area boundaries in urban areas are sensitive matters and will consult on the evidence and preferred route of a boundary widely and in particular with bodies representing communities on the other side of a proposed boundary.</p>

Appendix 1: Community Infrastructure Levy (CiL) Spend

In England, communities that draw up a neighbourhood plan or neighbourhood development order (including a community right to build order), and secure the consent of local people in a referendum, will benefit from 25 per cent of the levy revenues arising from the development that takes place in their area (the neighbourhood portion or pot). This amount will not be subject to an annual limit. The levy is paid by landowners or developers on eligible development to Local Planning Authorities (LPAs) according to the detail of an LPA's CiL charging policy and national planning policy. In some cases the revenue can be substantial over time and is a vital contributor to community infrastructure renewal and provision locally.

The neighbourhood proportion of CiL is paid directly to a Parish or Town Council by their LPA. If the arrangements for transferring this money is not specified in the LPA's CiL Charging policy or other document, then the matter could be agreed via a Memorandum of Understanding (MOU).

In the case of Neighbourhood Forums, the neighbourhood portion of CiL is held by their LPA and the Forum and LPA are required to agree on how best the neighbourhood portion is spent, including when and on what it is spent within the neighbourhood. If the arrangements for agreeing are not specified in an LPA's CiL Charging policy or other document, then the matter could be agreed via the MOU.

Many neighbourhood planning groups identify a list of community infrastructure improvements that are important to them. This list is sometimes referred to as the '123 list' because it is a priority order for infrastructure improvements. Although the list is not a formal part of a neighbourhood planning referendum, the spend list is often publically identified in neighbourhood plan referendum versions. A MOU clause relating to the community proportion of CiL spend should therefore refer to the priorities identified by a Neighbourhood Forum or Parish Council (see section 5a).