

# Scrutiny Committee



Report of Head of Planning

Author: William Sparling

Telephone: 07717150693

E-mail: [William.sparling@southandvale.gov.uk](mailto:William.sparling@southandvale.gov.uk)

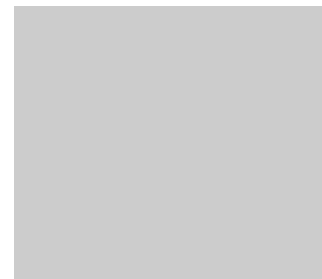
Cabinet member responsible: Roger Cox

Tel: 01367243360

E-mail: [roger.cox@whitehorsedc.gov.uk](mailto:roger.cox@whitehorsedc.gov.uk)

To: Scrutiny Committee

DATE: 24 November 2016



## Neighbourhood Planning District Grant Funding

### Recommendation(s)

- a) To provide a £2,500 grant to constituted neighbourhood planning groups, once a draft costing project plan has been received by the council.
- b) Revised grant funding to take effect at the start of new financial year 2017/18.

### Purpose of Report

1. To recommend to Scrutiny Committee a change to the amount of grant provided by the District Council to communities preparing neighbourhood plans. It is proposed that a grant of £2,500 is provided to all communities preparing a neighbourhood plan.

### Strategic Objectives

2. Neighbourhood Plans have the potential to support the delivery of the Council's strategic objectives including housing; economic growth and infrastructure.

### Background

3. The District Council currently provides grants to any communities preparing neighbourhood plans depending 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 consultation, 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; gathering the required evidence and; further feedback throughout a plan's preparation.
5. Until April 2016 the district council received £30,000 grant funding from Government for each neighbourhood plan. Government payments of £5,000 were made 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 supported the grant given to communities by the district council and the formal stages.
6. For 2016/17, a grant of £20,000 is available directly to the district council from Government, following the successful examination of a neighbourhood plan and when a referendum date is agreed.
7. This is a reduction from the previous financial year by £10,000. How this funding will change for the financial year 2017/18 is unknown, but it is probable that there will be further reductions in grant funding to the local planning authorities. Emphasis is likely to be on direct payments to neighbourhood planning groups, which is explained further below.
8. On average the cost to the district council for running submission consultation, examination and referendum is £12,000-£18,000, of which a large part is the fee paid to the Examiner. The fee has increased over the last year, partly due to greater scrutiny and the evidence submitted (and thus examiner's time) in neighbourhood plans.
9. Taking into account the changes to Government grant funding available to the district council, the current district grant payment, and the cost of the required formal stages, it is necessary to change the level of grant provided by the District Council to break even.
10. Government grants and technical support is available directly to Neighbourhood Planning groups immediately following area designation, through a consortium led by Locality. The current financial year is the second of a three year programme. The grant available is for up to £9,000. A further grant of £6,000 and technical support is available directly to groups where there are, for example, further complex issues; clusters of parishes, or business Neighbourhood Plans.
11. Two examples of neighbourhood plan costs published by the Locality consortium are; the Strumpshaw Plan costing £4,220, which planned for low impact employment, ten dwellings and a community hall in a rural area of Norfolk with 600 residents and covered by several environmental designations. The second example; the Broughton Astley Plan, Leicestershire cost £14,312 and planned for a new supermarket, new infrastructure and creating employment for a town of 10,000 people.

## Proposed Grant Funding

12. The proposal is to offer a grant of £2,500 to all constituted neighbourhood planning groups, subject to receiving a costed project plan. As part of an initial scoping exercise, groups will be encouraged to submit a draft project plan when they apply for neighbourhood area designation, alongside a supporting statement outlining the key issues they wish to cover.
13. The submission of a costed project plan would trigger the £2,500 payment and kick start the neighbourhood planning process. As part of the payment process we require the neighbourhood planning group to sign a pro-forma that if the neighbourhood plan does not progress, the district council can claim back the grant, subject to reasonably incurred expenditure.
14. Once their area is designated, neighbourhood planning groups will be encouraged and supported to apply for the full £9,000 of funding directly available to them from Government through Locality, including the additional £6,000 of funding for complexity, and the technical support package. A total of £15,000 plus technical support is available to the most complex areas.
15. Groups will be encouraged to apply for other sources of funding for the preparation of their neighbourhood plan, such as lottery funding.
16. The grant funding available directly to neighbourhood planning groups is significant, and with a district grant fund of £2,500 this covers making or reviewing a neighbourhood plan for the largest and most complex of settlements in both South and Vale districts.
17. Subject to cabinet agreement officers will communicate these changes to towns and parishes through a letter before the changes take effect.

## Current Grant Funding

18. It is suggested that we review our approach to grant funding in the light of any further changes to Government funding.

<b>Table 2 – proposed changes to the district council grant</b>				
<b>Who?</b>	<b>Grant Amount</b>	<b>Timing</b>	<b>Notes</b>	<b>Government grant available (directly to neighbourhood planning group)</b>
<b>Current availability</b>				
Smaller villages	£5,000	Post-area designation	Available subject to a costed project plan	Up to £9000  +£5000 and direct technical support where it can be
Larger villages	£10,000	Post-area designation	Available subject to a costed project	

			plan	demonstrated there is extra complexity.  Other grants may be available from other sources.
Market towns	£15,000	Post-area designation	Available subject to a costed project plan	
<b>Proposed availability</b>				
All South and Vale Constituted Neighbourhood Planning Groups.	£2,500	Post-area designation.	Available to all subject to a costed project plan. Preparation of a project plan could form part of a scoping exercise for area designation. Payment follows submission of a costed project plan.	

## Financial Implications

19. If Vale of White Horse District Council does not change the level of grant it provides Neighbourhood Planning groups, there is an increased possibility that the Neighbourhood Planning service will not 'break even'. Furthermore, if an examination is not successful or a referendum date is not agreed, the government grant of £20,000 cannot be claimed and therefore there is a risk that costs already incurred for examination and grant would remain to be funded. Any funding for this would need to come from any unused grant received in respect of other neighbourhood plans.

## Legal Implications

20. There are no legal implications beyond those touched upon in the main body of the report.

## Risks

21. See paragraph 17.

## Conclusion

22. We need to change our grant funding approach, as the income to the council from Government is reducing and alternative funding sources exist to support neighbourhood plan groups. The proposal seems to be the most pragmatic way to change our grant approach.