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Chief Planning Officers  
Local Planning Authorities (England)

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Dear Chief Planning Officer

### **Update on financial support for neighbourhood planning in 2016/17**

Neighbourhood planning is a vital 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 updated arrangements for funding local planning authorities. Confirmation of this funding, and details of the arrangements for claiming it, are set out in the Annex to this letter.

We are continuing to provide support for communities who choose to prepare neighbourhood plans, in the form of grants of up to £9,000. In addition, groups in certain priority areas (including unparished areas, business areas, deprived areas, clusters of parishes and areas of high growth) are eligible to apply for a further £6,000 grant funding and technical support packages (such as assessing housing needs, masterplanning and design, evidence base and policy review, and strategic environmental assessment). Information on how to apply for the funding and support is at [www.mycommunity.org.uk](http://www.mycommunity.org.uk)

I would also like to take this opportunity to draw your attention to some clarifications to planning guidance on neighbourhood planning made recently, to clarify how planning applications should be decided where there is a made, or an emerging neighbourhood plan but the local planning authority does not have a five-year land supply of deliverable housing sites. Guidance on 'What evidence is needed to support a neighbourhood plan or Order?' and 'Can a Neighbourhood Plan come forward before an up-to-date Local Plan is in place?' has been clarified to emphasise the importance of having up to date evidence on housing needs, and minimising conflicts with emerging Local Plan policies. Advice on the ability of a Parish or Town council to establish an advisory committee or sub-committee has also been updated. The guidance is available online at:

<http://planningguidance.communities.gov.uk/blog/guidance/neighbourhood-planning/>

**RUTH STANIER**  
**PLANNING DIRECTOR**

## Financial support for neighbourhood planning in 2016/17

1. The arrangements for claiming financial support for neighbourhood planning have been reviewed and updated. From April 2016, local planning authorities 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.

Additional funding is available in certain areas:

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

Forum designation: LPAs can claim £5,000 for the first five neighbourhood forums they designate. The limit of five forums applies to the total number of areas designated in the LPA (i.e. it includes forums designated in previous years).

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 and Community Right to Build Orders: 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 the orders has been set.

2. In order to help local planning authorities and DCLG manage this in a simple way, we invite you to submit aggregate claims for payment during the months of June and December (updated). All claims need to be submitted via LOGASnet.
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>).
4. The Q&A at Annex B covers many frequently asked questions. Any other questions should be forwarded to [decentralisation@communities.qsi.gov.uk](mailto:decentralisation@communities.qsi.gov.uk)

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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.

## Frequently Asked Questions on neighbourhood planning funding for Local Planning Authorities

### Q1. What is this funding for?

A. This money is to ensure Local Planning Authorities (LPAs) receive sufficient funding to enable them to meet new legislative duties in relation to neighbourhood planning. Specifically, it covers **the neighbourhood planning duties introduced in 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, particularly regarding applications for area and forum designation
- set out a clear and transparent decision making timetable and share this with those wishing to prepare a neighbourhood plan or Order
- constructively engage with the community throughout the process

### 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? (updated)

A. There will be two opportunities to submit claims using LOGASnet each year. There will be windows between 1 and 30 June, and 1 and 31 December. Payments will usually be made in September and March.

### 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 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.

Information about support available for communities doing neighbourhood planning is at <http://mycommunity.org.uk/programme/neighbourhood-planning/>

**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. 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 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.

**Q9. How much can we 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.

**Q10. How much can we claim where a neighbourhood plan is reviewed?**

**A.** A neighbourhood plan that is reviewed needs to follow the same process of examination and referendum. In such circumstances LPAs can claim £10,000 following the setting of a referendum date.