

**RUGBY BOROUGH COUNCIL
CUSTOMER AND PARTNERSHIPS COMMITTEE**

A LIGHT TOUCH SCRUTINY REVIEW OF NEIGHBOURHOOD PLANNING

JANUARY 2015

1. RECOMMENDATIONS

The review was reported to Cabinet on 9 March 2015. Cabinet noted the findings and conclusions of this light touch review.

2. OBJECTIVES

The purpose of the review was to capture learning from the Coton Park neighbourhood planning pilot about the benefits and resource implications of supporting local areas to produce a neighbourhood plan, to help inform the Council's approach to neighbourhood planning across the borough. It was intended that the review would assist the Council in reaching an informed policy position about the level and nature of the Council's support for neighbourhood planning in the borough.

The review meeting sought to address the following questions:

- What are the benefits to local communities of developing a neighbourhood plan and what are the associated costs (both financial and in time commitment)?
- What are the benefits to the Council and to the borough as a whole of local communities developing neighbourhood plans?
- What support is available from outside the Council for communities interested in developing a neighbourhood plan?
- What options does the Council have in fulfilling its duty to provide assistance and advice, and what are the associated resource costs?
- Are the financial costs to local communities and to the Council fully met by the available grants?
- Why have no other communities in the borough pursued the development of a neighbourhood plan to date?
- What level of awareness is there in the borough of the availability of new neighbourhood planning provisions?

The findings in relation to these questions are detailed below.

3. METHODOLOGY

The committee considered this matter at their meeting on 13 November 2014, which was held at the Warwickshire Learning Hub, close to Coton Park.

Evidence was presented in a report to the committee, which included:

- an overview of national policy on neighbourhood planning, including the role of the local planning authority and details of the latest position in the implementation of neighbourhood planning nationally
- details of financial and other support available to local planning authorities and local communities interested in developing a neighbourhood plan
- information about the Coton Park pilot, including a copy of the draft neighbourhood plan

At the meeting, the committee received presentations from:

- Sarah Fisher, Development Strategy Manager, Rugby Borough Council, on the local policy context and the Council's current approach
- Councillor Jill Simpson-Vince, Chairman, Coton Forward, on their experiences as part of the national frontrunners scheme
- Bob Keith, Planning Aid UK, providing a wider perspective from work supporting neighbourhood planning in a number of areas.

The meeting was also attended by representatives from a number of parish councils in the borough and from Coton Park Residents Association, who contributed to the discussions.

All of the papers relating to this review can be found online at www.rugby.gov.uk, by following the links to the Committee Papers system and then clicking on Customer and Partnerships Committee and selecting the 13 November 2014 meeting.

4. FINDINGS

4.1 Background

The Localism Act 2011 introduced new powers for communities to prepare their own planning policies and site allocations in the shape of neighbourhood plans. Once agreed, a neighbourhood plan forms part of the overall development plan for that area and can be used in the determination of planning applications. Neighbourhood plans can be developed by town or parish councils and, where there is no such body, a neighbourhood forum (made up of at least 21 people) may be designated to lead the development of the plan.

The Government's aims in introducing neighbourhood planning were to:

- make the planning system more locally driven
- give communities more say in what is brought forward in their area; and
- give communities greater ownership of plans which affect their area.

There are a number of statutory steps that have to be taken in the development of a neighbourhood plan. These include:

- Neighbourhood Forum Application / Designation
- Neighbourhood Area Application / Designation
- Production of Neighbourhood Plan
- Public consultation (at various stages in the process)
- Neighbourhood Plan Public Examination (by Planning Inspector)
- Referendum

4.2 What are the benefits to local communities of developing a neighbourhood plan and what are the associated costs (both financial and in time commitment)?

Neighbourhood plans:

- can empower communities and groups to shape and influence development
- focus on local development needs
- are a flexible tool, with the potential to be as simple or ambitious as the community requires.

The committee heard that a particular attraction of the neighbourhood plan is that it is more heavily weighted than parish plans in the planning system. Although groups are not able to bring forward a plan to prevent development, neighbourhood plans offer more opportunity to guide and shape how developments are laid out, including how buildings will look, protecting open spaces, mitigating the impact of development and influencing what facilities are provided.

Research evidence presented to the committee by Planning Aid indicated that the main motivations for local areas to prepare neighbourhood plans include:

- Reinvigorating the local area
- Protecting the desirable characteristics of the area
- Helping to shape a future vision for the neighbourhood
- Offering communities a greater say in planning and development in their area
- Statutory weight a neighbourhood plan provides
- Control over the process.

The committee also learnt that the inclusive and democratic nature of the neighbourhood planning process has the effect of building community cohesion. Those leading the process have to take the community with them as in the final stages the plan will be subject to a local referendum.

In Coton, local residents saw a neighbourhood plan as offering the opportunity to improve their neighbourhood. The process had very much brought the local community together, with many volunteers coming forward and communications

within the local area improved. The neighbourhood plan also offered flexibility to include issues that were not directly planning-related, with other projects and policies also included and providing a catalyst to action.

However, the associated costs of developing a neighbourhood plan – both financial and in time commitment – can be significant. It was reported to the committee that the process of creating a neighbourhood plan can take up to two to three years. There is a requirement for evidence of community engagement throughout the development of the plan and everything contained in the plan must be justified by supporting evidence.

The committee heard that it had taken a considerable amount of time and effort for Coton Forward to reach the position they are at now, where they had submitted a final draft plan to the local authority. They were confirmed as part of the national ‘frontrunners’ programme in March 2012 and then embarked on an initial consultation process and application for forum and area designation, which were approved by the Borough Council in February 2013. The evidence gathering took most of 2013 and the pre-submission draft neighbourhood plan took six weeks to prepare. The final plan was submitted to the Borough Council in October 2014, and it was hoped that, following independent examination, the plan would be put to referendum in February 2015.

Apart from the considerable time and commitment of the 29 volunteers involved in developing the plan, the financial costs to Coton Forward had included the following:

- £9,000 evidence gathering
- £500 meeting expenses
- £2,000 public consultations
- £1,500 printing costs.

The costs of consultants who were engaged to bring in expertise in relation to parking and traffic issues were included in these figures. The referendum costs remained outstanding.

4.3 What are the benefits to the Council and to the borough as a whole of local communities developing neighbourhood plans?

Neighbourhood plans must be in compliance with both the National Planning Policy Framework (which contains a presumption in favour of sustainable development) and the borough Core Strategy, which sets out the development strategy for Rugby Borough up to 2026.

As the Community Infrastructure Levy (CIL) replaces the ‘section 106’ payments made by developers, local authorities will be able to retain a higher proportion of the CIL if there is a neighbourhood plan in place. Parishes or groups will receive a proportion of this towards measures to mitigate the effects of development. This could, for example, be used to provide leisure facilities.

Nationally there has been most interest amongst rural communities, especially those with development pressures. In rural areas there are more concerns about an ageing population, affordable housing and loss of services and facilities. Neighbourhood plans enable communities to influence the location, type and look of new developments.

4.4 What support is available from outside the Council for communities interested in developing a neighbourhood plan?

The Department for Communities and Local Government has a programme of support in place for communities to assist in the development of neighbourhood plans. Neighbourhood planning groups can apply for direct support in the form of expert advice provided through Locality and the RTPI / Planning Aid England to help groups complete the various stages of the neighbourhood planning process. Applications for direct support were currently available to groups who had not yet submitted their neighbourhood area or forum application for designation to the local authority, and groups who had reached the pre-submission consultation of their plan.

Groups had also been able to apply for grants of up to £7,000 to cover costs involved in developing a neighbourhood plan, to be used by the end of December 2014. With effect from 20 August 2014, however, the government was no longer accepting new expressions of interest for grant.

It was reported that new Government Funding of £22.5 million was to be available over 2015-2018 to provide groups with expert advice, grants and technical assistance. The DCLG were currently devising a new support offer which aimed to award new grants and support packages, likely to be available from April 2015. £100,000 had also recently been made available to enable groups to organise workshops on neighbourhood planning in their area before the end of March 2015. Coton Forward were considering making an application.

Other suggested sources of support (detailed on the 'My Community Rights' website – www.mycommunityrights.org.uk) included:

- a free telephone advice service provided by Locality
- free general planning advice from Planning Aid England
- websites with a range of tools and case studies
- Local Planning Authority
- a local Neighbourhood Planning Champion, able to give peer to peer advice
- local university planning school.

Planning Aid provided direct support for communities in a number of forms but its contract was due to end in March 2015. The Government was tendering for a new contract from April 2015 and so it was as yet unclear what form future support would take.

Parishes and groups interested in writing a neighbourhood plan were advised at the meeting to apply (through Locality) for Government funding before the end of March 2015 while grants were available. It was possible that in future the Government may start targeting support to encourage neighbourhood planning to be pursued in previously under-represented communities.

4.5 What options does the Council have in fulfilling its duty to provide assistance and advice, and what are the associated resource costs?

National Planning Practice Guidance states that a local planning authority must take decisions at key stages in the neighbourhood planning process and provide advice and assistance to any group that is producing a neighbourhood plan. The local planning authority is also responsible for holding the examination on a draft neighbourhood plan and for making arrangements for a referendum.

There is flexibility around what form the “advice and assistance” should take, with examples given including:

- sharing evidence and information on planning issues
- helping with consultation events
- providing advice on national and local plan policies; and
- facilitating communication with external parties.

In carrying out their duties, the Guidance states that a local planning authority should:

- be proactive in providing information to communities about neighbourhood planning
- fulfil its duties and take decisions as soon as possible
- set out a clear decision making timetable
- engage constructively with the community throughout the process.

Funding is available to local authorities, as detailed below, to recognise the officer time involved in providing advice and assistance to communities and subsidise payments for examinations and referendums.

4.6 Are the financial costs to local communities and to the Council fully met by the available grants?

Funding is available to local planning authorities to enable them to meet their legislative duties. Under the current funding arrangements, local planning authorities are able to claim up to £100,000 for up to 20 area designations in each financial year 2013-2014 and 2014-2015. Local planning authorities can also claim for up to 5 forum designations (up to £25,000) in each financial year.

The funding can be claimed as follows:

- the first payment of £5,000 is paid following the designation of the area

- a second payment of £5,000 is paid when the final pre-examination version of the neighbourhood plan is publicised by the local planning authority prior to examination
- the third payment of £20,000 is made on successful completion of the neighbourhood planning examination.

Where applicable, £5,000 was also available on the designation of an area forum, reflecting the additional work that local planning authorities need to do to consider the forum and the proposed boundaries of the area.

It was noted that the final payment is only paid if the examiner recommends that the proposal (with or without modifications) proceeds to the referendum stage. A payment cannot be claimed if the examiner considers that the proposal cannot proceed to referendum. In these circumstances the local planning authority bears the cost of the independent examination.

Coton Forward had received a grant of £20,000 from the front-runner fund, and an additional £7,000 grant from the DCLG. It was unlikely this entire budget would be spent. The forum had been able to utilise the expertise and skills of its members to reduce costs. Nevertheless, their expenses were significantly higher than the grants available from government, outside of the frontrunners scheme, of up to £7,000 to cover costs involved in developing a neighbourhood plan. It was also reported that other areas, with more complex plans, had spent six figure sums. The apparent funding deficit was a point of concern to parish councils represented at the meeting.

4.7 Why have no other communities in the borough pursued the development of a neighbourhood plan to date?

Commonly the Council had found there was a degree of uncertainty from parish councils about what is involved in the process, what the plan contains and whether it is worth all the work involved. Parishes were also concerned about the costs involved in creating a plan and whether they can meet these.

Feedback from parish councils considering whether to pursue a neighbourhood plan suggested that the decision to embark on a plan appears to be heavily influenced by current, Borough level planning strategy, which focused growth in the urban area. The weight given to an adopted neighbourhood plan is attractive, but the resources needed to achieve the required standard of plan are daunting

It was recognised that a neighbourhood plan is not the only solution and there are other powers available. While a neighbourhood plan carries more weight in consideration of planning applications, a parish plan may also achieve the community's aims without the costs and time constraints of neighbourhood plans. The value of a neighbourhood plan would depend on the context of the village or area and the type of issues it needed to address.

The Development Strategy Manager suggested that, if the current work on a new Borough Local Plan resulted in development allocations within rural communities,

it was possible that there may be an increase in interest in neighbourhood plans in the borough.

4.8 What level of awareness is there in the borough of the availability of new neighbourhood planning provisions?

There was evidence from some of the parish councils who were represented at the meeting that they had considered, or were actively considering developing a neighbourhood plan. This included a parish that had completed a village design statement and Parish Plan, and had sought advice from Warwickshire CAVA at the time about whether convert to a neighbourhood plan. Rugby Borough Council planning officers had attended public meetings and held discussions with other parish councils who were considering a neighbourhood plan. No other urban community forums had so far expressed an interest in neighbourhood planning and it was unclear whether there was widespread awareness of the new powers within communities outside the parishes.

The committee were informed about a protocol for parish plans that had been established by the Local Strategic Partnership, to assist with advice regarding grants and coordinate necessary support from partner agencies. A comment was made from parish council that it would be helpful if this facility was better publicised, suggesting that more could perhaps be done to proactively inform communities about opportunities for parish and neighbourhood planning.

5. CONCLUSIONS

The Committee drew the following conclusions from the evidence gathered at the review meeting:

- Neighbourhood plans have some clear benefits and can enhance the local planning framework. They have particular value in giving local communities influence over the shape of new developments in their local area and are more heavily weighted than parish plans in the planning system.
- Both the time and financial costs involved in developing a neighbourhood plan can be considerable, though there is a wide range of practical and financial support available. It seems unlikely, however, that the full financial costs would be covered by the available grants.
- The value of a neighbourhood plan will depend on the aims of the local community. It was recommended that advice should be sought as in some cases the aims of the community could be achieved through other, less onerous, means.
- Local authorities can claim a significant amount of financial compensation to reflect the costs of supporting the development of neighbourhood plans. However, this only becomes available on the successful completion of key

stages in the process, and resources expended where the process fails must be met by the local authority. This presents a financial risk to the Council.

- Given the current focus on growth in the urban area in the existing Core Strategy it seems unlikely that many parishes in the borough will see particular value in developing neighbourhood plans. However, if the current work on a new Borough Local Plan resulted in development allocations within rural communities, it is possible that there may be an increase in interest in neighbourhood plans in the borough. The Council may wish to review the resource implications of its neighbourhood planning responsibilities again in such circumstances.
- The meeting served the purpose of making those present aware of the need to apply for available grant funding within a short timescale and signposting parish councils to the support available from the Council's planning team.
- The meeting was well received by those attending and it was suggested that a further seminar should be arranged for parish councils to provide information about the opportunities available through neighbourhood planning, once there was clarity about future funding. The annual meeting between the council and parish councils could provide an opportunity for such a briefing.
- It is the role of the Council to support but not lead the process of neighbourhood planning and it was felt that the Council's current approach was the right one. Nevertheless the Council could do more to advertise its role in providing assistance with the neighbourhood planning process to parish councils and through community forums.
- Equally, the Local Strategic Partnership could be more proactive in advertising the support it could offer, and may wish to consider extending its parish plans protocol to neighbourhood plans to encourage early engagement with relevant partners.