

CABINET (LOCAL DEVELOPMENT FRAMEWORK) COMMITTEE

17 December 2012

DENMEAD NEIGHBOURHOOD PLAN FUNDING

REPORT OF HEAD OF STRATEGIC PLANNING

Contact Officer: Jenny Nell Tel No: 01962 848278 jnell@winchester.gov.uk

RECENT REFERENCES:

CAB2373 (Denmead Neighbourhood Plan : Designation of Neighbourhood Area) - 4 July 2012

CAB2302 (Localism Act 2011) – 14 March 2012

EXECUTIVE SUMMARY:

The Council received £20,000 in 2011/12 as a grant from DCLG to support the preparation of a Neighbourhood Plan for Denmead.

Denmead commenced preparation of the Neighbourhood Plan in late 2011 and has spent some money in undertaking community engagement, although to date none of the money spent has been reclaimed from the Council.

The project has now reached a stage where Denmead wish to commission more extensive pieces of work, and it is recognised that the purpose of 'front runner' money is to empower local communities to undertake the necessary tasks to produce their neighbourhood plan.

This report therefore, sets out the proposed grant payment arrangements to Denmead Parish Council towards the production of its neighbourhood plan.

RECOMMENDATION:

That the funding arrangements for Denmead Neighbourhood Plan be noted and

a) it be agreed that Denmead Parish Council can claim grant as agreed up to £20,000 (funded by 'front runner' grant) in order to progress its Neighbourhood Plan with claims to be certified by its Responsible Financial Officer in accordance with its own financial regulations.

b) that the City Council claims any additional funding available to support the preparation of Neighbourhood Plans in order to cover elements of expenditure it is required to fund as set out in the Neighbourhood Planning Regulations 2012.

CABINET (LOCAL DEVELOPMENT FRAMEWORK) COMMITTEE

17 December 2012

DENMEAD NEIGHBOURHOOD PLAN FUNDING

REPORT OF HEAD OF STRATEGIC PLANNING

DETAIL:

1 Introduction

- 1.1 To initiate interest in neighbourhood planning, the Government (in advance of the Localism Act) invited applications for 'front runner' status, with the offer of financial assistance (£20,000) to each project, to support their preparation and production.
- 1.2 Denmead Parish Council approached the City Council in July 2011, requesting that the Council apply for front runner status on its behalf, on the basis that it wished to be pro-active in both identifying potential development sites and the allocation of them in a neighbourhood plan. That application was successful and the Council received this income in 2011/12 and brought forward the corresponding expenditure budget to 2012/13, in the Strategic Planning budget.
- 1.3 More recently, the Government has announced that additional funding will be made available to Local Planning Authorities that can be bid for on completion of certain stages of Neighbourhood Plan preparation. This is in recognition of the additional financial burdens this new layer of planning places on local authorities and their duty to support Neighbourhood Plans as prescribed in the Neighbourhood Planning (General) Regulations 2012.
- 1.4 The purpose of this Report is therefore to set out the various financial elements of preparing this Neighbourhood Plan and to agree a mechanism to pass on the 'front runner' grant, to Denmead Parish Council.

2 Neighbourhood Planning Funding

Department of Communities and Local Government (DCLG) Front Runner Grant

- 2.1 The Council has available a budget of £20,000 in the Strategic Planning budget for 2012/13 which exists to help achieve a neighbourhood plan for Denmead. A grant was received by the Council as a result of Denmead being awarded 'front runner' status in August 2011, although to date none of this money has been passed on to Denmead Parish Council.

- 2.2 CAB 2373 set out the key stages of neighbourhood plan preparation including the responsibilities for Winchester City Council. Neighbourhood Planning Regulations make clear that the Council, as Local Planning Authority, has a role to support the preparation and publication of a neighbourhood plan, including organising and funding the examination and referendum stages. The Council has always maintained that both these elements have significant costs associated with them and has therefore anticipated that a proportion of the front runner money received would need to be used. However, it is acknowledged that general day-to-day support can be undertaken by officers within the Strategic Planning team.

Additional Funding from DCLG to Support Neighbourhood Planning in 2012/13

- 2.3 During August 2012, the Government announced the availability of further funding to all Local Planning Authorities to support Neighbourhood Planning in the financial year 2012/13. This announcement recognised the role of planning authorities in supporting and advising parish councils and paying for the examination and referendum. The funding available is not ring-fenced and up to £30,000 per Neighbourhood Plan, is payable in two stages. The first payment of £5,000 is awarded following designation of a neighbourhood area, and a second payment of £25,000 is made on successful completion of the neighbourhood planning examination. The announcement made clear that this funding was additional and separate to the £20,000 'front-runner' project funding.
- 2.4 In order to manage this additional funding DCLG set out three payment periods for 2012/13. Given that the Council had already initiated the formal designation process for Denmead (CAB2373 refers), it was able to promptly apply for £5,000 under this scheme before the end of the first claim deadline of 7 October 2012 and this money has now been received.
- 2.5 The Council has confirmed with DCLG that the 'on completion of successful examination' payment of £25,000 is due at the point at which the examiner states that the plan can proceed to referendum either with or without further modifications. DCLG will announce during December 2012 how much funding will be made available in the next financial year 2013/14 and the arrangements for Local Planning Authorities to apply.

3 Denmead Funding

- 3.1 To date, Denmead Parish Council has not claimed any of the £20,000 front runner funding, although it has incurred some expenditure through hosting community engagement events and exercises. Through initial budget planning, the Parish Council expects that the bulk of the money will be spent on community engagement, technical advice and plan production. The City Council has supported elements of the preparation to date through attendance at meetings, technical advice and the printing of large colour plans and questionnaires for some of the consultation exercises.

- 3.2 Denmead has also successfully bid for free support from Locality - one of the charities who receive direct funding from DCLG to support neighbourhood planning. This support is via a dedicated officer in Locality plus a consultant from URS, a multi-disciplinary consultancy. Originally, the intention was that this support would be intensive until the end of July 2012. However, the support has been extended until March 2013.
- 3.3 Locality has supported Denmead with the production of a project plan, attendance at workshops covering employment; site assessment criteria and a business breakfast. URS have created an evidence gathering toolkit called 'Oikos' Total Place Analysis. This is in its pilot stages and they wish to test it on Denmead. Normally, to run such an analysis would cost £6000. However, it is suggested that the costs are split equally between the three groups involved - £2000 each from URS, Locality and Denmead. Denmead's portion would need to be sourced from the front runner money.
- 3.4 Another item of expenditure that Denmead is keen to pursue is the appointment of an editor/report writer, to oversee the drafting of the Neighbourhood Plan itself. They believe that this could cost in the region of £10,000 to undertake this work. It is anticipated this will be commissioned shortly.
- 3.5 The City Council seeks to ensure that the front runner money is spent appropriately, and that it achieves the production of a Neighbourhood Plan that is evidence based has community support and when examined will achieve a positive outcome. Although it is fully acknowledged that the purpose of the funding is to empower communities. This is to allow flexibility in approach and to let the local community decide how the project is run and the information required is gathered. The Government made clear on announcing the front runner initiative that Neighbourhood Planning was an untried process and would involve a range of techniques and initiatives to both gather information and prepare the plan.
- 3.6 Denmead is a Quality Parish Council and has its own established financial regulations and procedures adopted in February 2009. On this basis, it is considered that it is appropriate to allow Denmead the flexibility and confidence to use the money as it sees fit, within its established financial procedures, to generate a plan that will stand up to scrutiny in the fullness of time.
- 3.7 It is suggested therefore that Denmead simply claims grant from the City Council to cover expenses incurred, at regular stages (e.g. quarterly) or on completion of key pieces of work as set out in a grant offer letter. This would be subject to submission of necessary receipts or documentation that demonstrates that the items of expenditure have been undertaken as part of the work to develop a neighbourhood plan and are in accordance with the Parish Council's financial procedures. Grant claims should be certified by the Parish Council's Responsible Financial Officer (RFO).

3.8 It is also suggested that to aid submission of the City Council's annual return, Denmead submits, by the end of April each year, a full expenditure statement for the preceding financial year, to ensure that any carry forward is correct.

3.9 In terms of the additional DCLG funding referred to in paragraphs 2.3 – 2.5 above, the City Council will need to ensure that this is retained to contribute towards the examination and referendum for Denmead. The City Council is responsible for the costs of these stages and, if no more additional funding is available from DCLG, it will need to fund these elements of neighbourhood plan preparation itself. Therefore the Strategic Planning budget should be adjusted to include further grant Income of £5,000 and corresponding Expenditure in 2013/14.

4 Conclusion

4.1 It is concluded that a reasonable approach, in order to give flexibility to the neighbourhood plan group, is to provide a grant offer for up to £20,000 to Denmead Parish Council and to place reliance on its own financial procedures and the certification by the RFO. This will ensure that Denmead takes responsibility for its commissioning and expenditure, that the funding is used wisely and demonstrates value for money, and achieves the expected outcome.

4.2 Other than to ensure that the spending has been applied to achieve the intended purposes, the City Council should not seek to restrict how Denmead uses the money as it is recognised that the purpose of being a 'front runner' is to initiate different ways of undertaking this type of community plan work.

OTHER CONSIDERATIONS:

5 SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO):

5.1 The preparation of a neighbourhood plan allows communities to build on existing policies and plans and incorporate more local detail as appropriate to their neighbourhood. Government has made clear in its various announcements on neighbourhood plans that these will vary from place to place and be tailored to suit local circumstances. Whilst these are primarily a planning tool, they can by their nature also include more aspirational requirements and in this respect there may be elements of the City Council's Sustainable Community Strategy or actions derived from the Change Plans that could be incorporated at this local level.

6 RESOURCE IMPLICATIONS:

6.1 At present, officers from both the Strategic Planning and Community Planning Teams of the Council support Denmead Parish Council, by providing technical advice and expertise and attending monthly meetings of the steering group and forum. In addition, the Council is providing advice through the preparation of Local Plan Part 2 to a number of other Parish Councils who

wish to undertake a more participative approach in identifying local issues and development opportunities - see item CAB 2429(LDF) elsewhere on this agenda.

- 6.2 The Council received £20,000 front runner monies to support preparation of the Denmead Neighbourhood Plan and, assuming the additional funds mentioned at paragraphs 2.3 – 2.5 above are made available as suggested by the Government, it is envisaged that sufficient funds will be available through this process to avoid the need to retain the front runner budget to fund the examination and referendum. However, the Council can only be reimbursed for these costs once the neighbourhood plan has successfully completed its examination i.e. an inspector recommends that it can proceed to referendum, and this is also dependant on the Government continuing to financially support local authorities to assist in the neighbourhood planning process.
- 6.3 At this stage Denmead has yet to prepare a draft plan, although it anticipates that a draft plan will be ready for its initial consultation during Spring 2013, and the intention is that the Plan can then proceed to examination by Autumn 2013. In the meantime Denmead will continue to be supported by officers from Locality and the Council.
- 6.4 The budgetary effect is as follows:

<u>Denmead Neighbourhood Plan</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>Total</u>
<i>Income</i>				
Front runner grant receivable	£20,000			£20,000
Neighbourhood planning grant		£5,000	£25,000	£30,000
<i>Total income</i>	£20,000	£5,000	£25,000	£50,000
<i>Expenditure</i>				
Grants Payable to Denmead Declaration of Neighbourhood Area		£20,000		£20,000
		£5,000		£5,000
Examination costs			£20,000	£20,000
Referendum costs			£5,000	£5,000
<i>Total Expenditure</i>		£25,000	£25,000	£50,000
Surplus/ (Deficit) to / (from) reserves	£20,000	-£20,000	£0	£0

7 RISK MANAGEMENT ISSUES

- 7.1 Given that neighbourhood planning is new there are a number of potential risks in terms of failure to produce a robust plan, lack of sufficient community engagement and the like. The purpose of the 'front runner' money is to ensure that communities undertaking this type of plan are resilient to such challenges and that the resultant plan is fit for purpose, and can proceed to a successful examination.

- 7.2 The risk to the Council is that, having committed all of the £20,000 front runner money to Denmead, if the Government fails to provide the additional financial support announced for local authorities (£30,000 in total for each neighbourhood plan), the Council will be fully liable to cover those elements it is responsible for, namely the examination and referendum.

BACKGROUND DOCUMENTS:

None.

APPENDICES:

None.