

CHESHIRE EAST COUNCIL

Cabinet Member for Housing and Planning

Date of Meeting:	13 th December 2016
Report of:	Director of Planning and Sustainable Development
Subject/Title:	Closure of the Neighbourhood Planning Grant Scheme
Portfolio Holder:	Cllr. Ainsley Arnold, Cabinet Member for Housing and Planning

1. Report Summary

- 1.1 The Neighbourhood Planning Team was originally established to be self-funding through the receipt of government grants. At the time, the level of grant available also allowed the Council to set up a local Neighbourhood Planning Grant Scheme offering financial support to groups preparing neighbourhood plans.
- 1.2 In April this year the government reduced funding to Local Authorities in respect of neighbourhood planning by 30%, from £30,000 to £20,000 per plan. This reduced funding means the Council can no longer provide direct support for neighbourhood planning and provide the grant scheme without incurring additional cost to the base budget of the Council. This report makes a recommendation to minimise the impact on the base budget, whilst maintaining continuity of service and direct support to communities preparing neighbourhood plans across the Borough.

2. Recommendation

- 2.1 It is recommended that the Portfolio Holder for Housing and Planning closes the Neighbourhood Planning Grant Scheme.

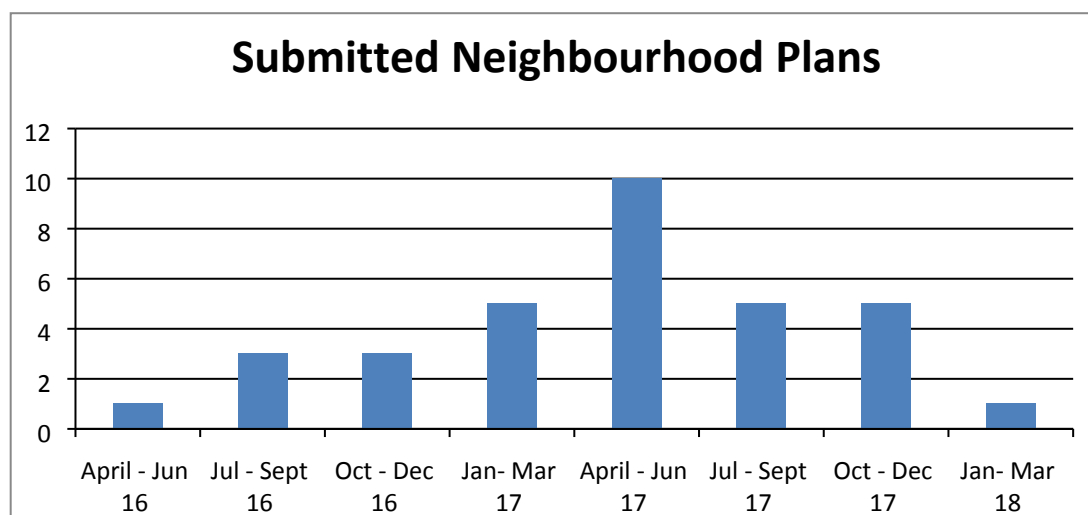
3. Other Options Considered

- 3.1 Given the overall financial position of the Council savings are needed to be made across all services. If funding was allocated for the grant scheme this would need to be offset by a reduction in other services.

4. Reasons for Recommendation

- 4.1 On neighbourhood planning Cheshire East Council is one of the leading boroughs in the country both in terms of the number of plans being prepared and the level of direct support offered to groups.

- 4.2 There are currently 45 groups preparing neighbourhood plans across Cheshire East (39 groups have formally begun the process, a further 6 groups have committed to preparing plans).
- 4.3 In April 2016 funding for neighbourhood planning was cut by 30%. Over the next twelve months the number of neighbourhood plans being submitted to the Council is likely to increase as outlined in the table below. The costs associated with administration of these plans will create a budgetary pressure across this period.



- 4.4 To ensure the Council remains able to support its communities to prepare neighbourhood plans, and discharge its statutory duties, the Neighbourhood Planning team will continue to provide support for at least the next 12 months. Measures are being taken to try and mitigate a potential budget risk of up to £125,000 that results from continuing to provide the resource following the reduction in the grant, including focused support to complete neighbourhood plans more quickly and recharging, on a limited basis, for some elements of high level support. However, the continued operation of the grant scheme leaves the Council exposed to further additional costs of potentially up to £114,000. These additional costs cannot be mitigated against.
- 4.5 Via the grant scheme the Council currently offers grants of up to £7000. To date, three communities have applied for funding. In total £16,638 was applied for and £8,500 has been awarded.
- 4.6 The low uptake of grants to date is likely, in large part, due to the investment the Council has made in direct officer support. However, the continued operation of the grant scheme does expose the Council to a potential financial commitment and on the basis of providing £3000 (rough average of grants awarded to date) per group, across the 38 groups currently preparing plans, this exposure could reasonably be expected to be in the order of an additional £114,000, on top of the base budget.

- 4.7 There is one outstanding application for funding yet to be decided, from Disley Parish Council, and it is proposed that this is dealt with under the existing policy for the NPGS. However, the reduction in government funding to support neighbourhood planning means that outside of this application, it is necessary to close the NPGS to new applications.
- 4.8 It is important to communicate the closure of the NPGS effectively and ensure that communities are made aware that continued support from the Council will remain in place.

5. Background/Chronology

- 5.1 None

6. Wards Affected and Local Ward Members

- 6.1 All

7. Implications of Recommendation

7.1. Policy Implications

- 7.1.1 Neighbourhood Plans establish policies that affect land use and community development. Once formally adopted by the Council, such policies will be used to assist with determining planning applications within the relevant Neighbourhood Plan area. Once adopted, Neighbourhood Plans form a statutory part of the Development Plan for Cheshire East and must be given full weight in decision making.

7.2. Legal Implications

- 7.2.1 Local authorities have a range of general and specific grant funding powers. When a decision to end a grant funding programme is being considered, it is important to ensure that careful consideration has been given to the impacts of such a decision including, in particular, having due regard to equality considerations.

7.3. Financial Implications

- 7.3.1 Removing the Council's exposure to provide additional funding through grant allocations will alleviate budgetary pressure on the Place Directorate and reduce the Council's overall financial exposure in discharging its statutory duty to support neighbourhood planning.
- 7.3.2 Closure of the grant scheme is necessary due to the reduction in government funding. If the grant scheme was to continue, further increases would be needed in the Neighbourhood Planning base budget.

7.4. Equality Implications

- 7.4.1 No impact. Sufficient resource remains available from the Council and external sources to support groups preparing neighbourhood plans.

7.5. Rural Community Implications

- 7.5.1 Neighbourhood Plans enable rural communities to participate in the plan making process and develop policies to address those planning matters that affect their interests and well being. The process allows greater engagement of rural communities and for such communities to take ownership of planning policy which directly affects their futures. Ensuring the Council has a robust mechanism in place to support this process will have a positive impact on rural communities.

7.6. Human Resources Implications

- 7.6.1 No additional personnel will be required to support these recommendations.

7.7. Public Health Implications

- 7.7.1 No public health issues directly arise through the implementation of these recommendations. Neighbourhood plans are an opportunity to promote public health in the statutory planning framework.

7.8. Implications for Children and Young People

- 7.8.1 No direct implications arise for children and young people through the implementation of these recommendations. Neighbourhood plans are an opportunity to promote the safety, interests and well being of children in the statutory planning framework.

7.9. Other Implications

- 7.9.1 None

8. Risk Management

- 8.1 Neighbourhood Plans are a significant policy tool to shape and control development in the host area, this is particularly useful in the interim period until the Council can adopt its emerging Local Plan Strategy. The risk of retaining the NPGS is to increase pressures on the Place Directorate budget which may ultimately result in a need to withdraw other valued services in the future.

9. Access to Information/Bibliography

- 9.1. Further information on neighbourhood planning in Cheshire East can be found [here](#).

10. Contact Information

Contact details for this report are as follows:-

Name:	Sean Hannaby
Designation:	Director of Planning and Sustainable Development
Tel. No.:	01625 383724
Email:	Sean.Hannaby@Cheshireeast.gov.uk

Appendix 1: Other Options

- 1 If the grant is retained there are a number of options available to manage the grant in an alternative way:

1. Reduce the amount offered to communities
2. Refresh the criteria to be tighter and manage the expenditure very closely
3. Refresh the criteria to be very specific and to ensure that funding is only spent on those items that deliver planning value (land allocations, heritage and conservation review etc).

- 2 **Option 1:** Reduce the amount offered to communities

This option offers a range of potential exposure to further financial commitment. If grants were reduced to up to £1000 per community, the Council would currently have a potential exposure of circa £40,000.

- 3 **Option 2:** Refresh the criteria to be tighter and manage the expenditure very closely

A general review of the eligibility criteria may assist in justifying refusing grant applications but would likely create disappointment locally and would leave the Council exposed to further financial commitment.

- 4 **Option 3:** Refresh the criteria to be very specific and to ensure that funding is only spent on those items that deliver planning value (land allocations, heritage and conservation review etc).

This option may result in better quality evidence supporting neighbourhood plans and feed into the Site Allocations part two of the Local Plan, the financial exposure may be limited but also may result in positive outcomes.