

SCRUTINY COMMISSION FOR RURAL COMMUNITIES	Agenda Item No. 5
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Report of the Head of Planning, Transport and Engineering Services

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NEIGHBOURHOOD PLANS

1. PURPOSE

- 1.1 This report is being presented at the request of Councillor Over in light of confusion over neighbourhood plans. The intention of this report is to clarify what neighbourhood planning is and its role within the planning system.
- 1.2 Councillor Over specifically raised queries in relation to the definition of neighbourhood planning terms, CIL, the benefits of having a neighbourhood plan, and the legality of neighbourhood plans.

2. RECOMMENDATIONS

- 2.1 This report is for information only. It is however recommended that the members take note of the report for future reference.

3. LINKS TO THE SUSTAINABLE COMMUNITY STRATEGY

- 3.1 One of the basic conditions that neighbourhood plans and neighbourhood orders must meet is that they must contribute to the achievement of sustainable development; this condition correlates with the vision of the Sustainable Community Strategy.
- 3.2 Neighbourhood plans and orders could potentially contribute towards the achievement of the specific priorities and vision of the Sustainable Community Strategy; this will depend on their focus and content, which is determined by those who prepare the neighbourhood plan or order, in light of the public consultation that they undertake.

4. BACKGROUND

- 4.1 What is neighbourhood planning?
Neighbourhood planning was a key outcome of the Localism Act 2011. It enables parish councils and neighbourhood forums to define neighbourhood areas and to prepare a neighbourhood development plan, a neighbourhood development order, or both. In areas with a parish council, only the parish council can undertake neighbourhood planning; in areas without a parish council, a neighbourhood forum can undertake neighbourhood planning.

A neighbourhood forum is a community organisation established for the purpose of neighbourhood planning. A neighbourhood forum must meet certain criteria and be approved by Peterborough City Council prior to preparing a neighbourhood plan or order.

The process of neighbourhood planning is initiated by communities and is optional, not mandatory. Furthermore, the process is led by the parish council or neighbourhood forum and

as such most of the time and costs are borne by them (not Peterborough City Council). As the local planning authority, Peterborough City Council does have a duty to support parish councils and neighbourhood forums throughout the neighbourhood planning process and is responsible for facilitating the formal publication, independent examination and the referendum stage of the neighbourhood planning process. Local planning authorities are not obliged to provide financial support to those preparing neighbourhood plans.

4.2 What are neighbourhood plans and neighbourhood orders?

A neighbourhood development plan ('neighbourhood plan') is a document that sets out policies in relation to the development and use of land, in the whole or any part of a particular neighbourhood area, and can include the allocation of sites for development.

A neighbourhood development order ('neighbourhood order') is a statutory mechanism which automatically grants planning permission for a specified development or class of development in a neighbourhood area.

Neighbourhood plans and orders are town and country planning documents. They must focus on planning issues. They should not be used in an attempt to address other issues that may be of concern to the parish or neighbourhood forum.

4.3 Neighbourhood plans

The key things to know about neighbourhood plans are:

- 4.3.1 - Planning legislation does not prescribe what neighbourhood plans must contain, however there are some basic conditions which must be met. The key conditions are: a neighbourhood plan must have regard to national planning policy and guidance; must be in general compliance with the Local Plan; and must contribute to the achievement of sustainable development.
- 4.3.2 - Neighbourhood plans cannot propose less development than that proposed in the Local Plan. They can however propose more development.
- 4.3.3 - A plan must also specify the period that it will apply for.
- 4.3.4 - There can only be one plan within any one neighbourhood area.
- 4.3.5 - Policies within a plan can be applicable to the whole neighbourhood area or may apply to only a specific part of a neighbourhood area.
- 4.3.6 - For a plan to be adopted it must receive a majority vote at referendum. People are allowed to vote in a referendum if they are eligible to vote in council elections and their registered address is within the referendum area. There is no minimum turnout required at referendum.
- 4.3.7 - Neighbourhood plans can take up to two years to prepare. The cost of preparing a neighbourhood plan is dependent on the content of the plan, the evidence base required and the approach of the parish council/ neighbourhood forum; the cost could be tens of thousands of pounds.
- 4.3.8 - If adopted, a neighbourhood plan will have statutory status and must be taken into consideration alongside the local plan when determining planning applications within the neighbourhood area to which it applies. However, the local planning authority (i.e. Peterborough City Council) remains the body responsible for dealing with planning applications and deciding whether or not to grant permission.

4.4 The potential advantages of having an adopted neighbourhood plan in place are:

- 4.4.1 - Neighbourhood planning is essentially about enabling communities to be 'proactive' about planning rather than 'reactive' (i.e. submitting representations to specific planning

applications). Adopted neighbourhood plans have statutory status and must be considered when determining planning applications within the neighbourhood area to which they apply. Therefore, as a plan is prepared and influenced by local people, it effectively gives them a greater influence over planning decisions in their area.

- 4.4.2 - A neighbourhood plan could be used to ensure that development is in line with local needs, for example, by identifying the need for small starter homes.
- 4.4.3 - The collaborative nature of the neighbourhood planning process could strengthen community relations.
- 4.4.4 - Increased Community Infrastructure Levy (CIL) receipts. CIL is a charge which is charged on “most new building developments that people go into” (CIL Preliminary Draft Charging Schedule, 2012). Once Peterborough City Council’s CIL charging schedule is adopted (anticipated late summer 2014), in areas without a neighbourhood plan in place, the parish council will be eligible for 15% of CIL receipt money from development that takes place within their parish and the city council will retain 85%, whereas if a neighbourhood plan is adopted, 25% of CIL receipts from development that takes place within the neighbourhood area will go to the parish council.

4.5 Neighbourhood Orders

The key things to know about neighbourhood development orders are:

- 4.5.1 - As for neighbourhood plans, neighbourhood orders must meet basic conditions, the principal ones being that an order must be in line with national policy; in general compliance with the local plan; and must contribute to the achievement of sustainable development.
- 4.5.2 - They can apply to the whole of the neighbourhood area or to a specific part of the neighbourhood area.
- 4.5.3 - Neighbourhood orders can automatically grant either full or outline permission for certain development.
- 4.5.4 - An order could cover things like allowing improvements to shop fronts.
- 4.5.5 - As for neighbourhood plans, for a neighbourhood order to be adopted it must receive a majority vote at referendum.

4.6 The potential benefits of having a neighbourhood order in place are:

- 4.6.1 - A neighbourhood order makes it easier and quicker for the specific type of development it covers to go ahead in the future; somebody contemplating development would not have to prepare and submit a planning application, and would not be subject to planning fees or the 8/ 13 week determination period.
- 4.6.2 - Increased Community Infrastructure Levy (CIL) receipts. Once Peterborough City Council’s CIL charging schedule is adopted (anticipated late summer 2014), the city council must pass 25% of relevant CIL receipts from developments which were granted permission by a neighbourhood order to the relevant parish council (compared to the 15% that would be received if there were no neighbourhood order in place).

4.7 Timescales and Key Milestones

The key stages of the neighbourhood planning process are briefly summarised below (full details can be found in Section 4 of Peterborough City Council’s Statement of Community Involvement).

- Parish council/ neighbourhood forum resolves to prepare a neighbourhood plan/ order.
- Parish council/ neighbourhood forum applies to Peterborough City Council to designate a neighbourhood area. The city council hold a public consultation on the application

(minimum of 6 weeks). Following the consultation, all comments received are considered and the application is determined at the Planning and Environmental Protection Committee.

- Should the neighbourhood area be approved and thereby designated, in the case of a neighbourhood forum, the forum must be formally agreed.
- The key milestones in preparing a plan/ order once the neighbourhood area has been designated are:
 - Plan/ order prepared with support from the city council. This must involve extensive community involvement organised by the parish council or neighbourhood forum.
 - Formal 6 week 'pre-submission' consultation on the draft plan/order (arranged by and paid for by the parish council/ neighbourhood forum).
 - The plan/order can be revised in light of the consultation responses if necessary. Dependent on the changes, further consultation may be advisable.
 - Formal submission of plan/order to the city council. The city council will then publicise the plan/order (minimum of 6 weeks). All comments received will not be considered by the city council: they will be passed to the independent examiner for his/ her consideration.
 - The plan/ order will be examined by an independent examiner, who will recommend whether the plan/order should proceed to referendum.
 - Should the plan/order proceed to referendum, it must receive a majority vote in order for it to be formally 'made' by the city council.

4.8 Neighbourhood Plans compared to other Plans

Some of the confusion around neighbourhood plans may have arisen because members may have heard references in the past to 'Local Plans', 'Village Plans' and 'Parish Plans'.

'Local Plan' is a term that the Government uses to refer to any statutory Development Plan Document (DPD) prepared in accordance with the provisions of the Planning & Compulsory Purchase Act 2004 (as amended). In Peterborough, this means documents like the Peterborough Core Strategy DPD, Site Allocations DPD and Planning Policies DPD. These are the critical documents that set the planning strategy and policies for Peterborough, including the rural areas. Decisions on planning applications are made using these documents as a starting point, before any other material consideration is taken into account, including the National Planning Policy Framework. As mentioned above, any neighbourhood plan that is subsequently prepared must be in general compliance with the Local Plan (i.e. all of these DPDs).

Some years ago (from about 2000 onwards), parish councils were encouraged to prepare 'parish plans' by the Countryside Agency and by voluntary bodies like Cambridgeshire ACRE. Some people used the term 'village plan' instead, so that 'parish plan' and 'village plan' came to mean the same thing. The critical features of a parish plan were that it had no legal or statutory basis and it was not a Town & Country Planning document.

The Countryside Agency sought to encourage parishes to think about the range of issues that were of concern to them (for example, matters such as local services, community facilities, drainage and sewerage, street lighting, traffic, verge maintenance, etc) and prepare a form of action plan.

As these plans had no statutory basis, they proved to be of mixed value, with some parishes finding them a valuable exercise in identifying and documenting issues that needed to be addressed; and other parishes finding them to be largely irrelevant because they had no impact on any decision-making body other than themselves. Certainly, they could carry no weight in reaching any decision on a planning application in the area.

In summary, therefore

- If a parish council feels that the city council's DPDs provide a good basis for reaching planning decisions in its area, there would be little benefit in the parish council proceeding with neighbourhood planning;
- If a parish council feels that there are likely to be particular planning issues that it

- would like to address in its area that are not covered by the city council's DPDs, then it should consider the benefits of proceeding with neighbourhood planning;
- If a parish council feels that there are likely to be issues of concern relating to matters other than planning, there would be no benefit in using a neighbourhood plan approach; instead preparing some kind of parish plan may be more worthwhile, so long as its limitations are understood.

5. KEY ISSUES

5.1 To summarise, the key facts are:

- The aim of neighbourhood plans and orders is to enable local communities to have greater influence over planning decisions within their area, through the preparation of policies against which applications will be assessed (neighbourhood plans) or prescribing what development can take place without planning permission (neighbourhood orders).
- Neighbourhood plans cannot stop development. They cannot propose less development than that specified in the local plan, they can however propose more. The overlying principle of neighbourhood planning is to enable local communities to identify the development needs and priorities within their area and to prepare policies or orders which can help ensure that developments coming forward are in line with these needs and priorities.
- Neighbourhood planning cannot be carried out by Peterborough City Council.
- Neighbourhood planning is optional. There is no legal requirement for any parish council or local community to embark on neighbourhood planning. It will be for each parish council and community to decide whether there are any benefits to be gained from having a neighbourhood plan or order, and whether the potential benefits outweigh the costs and potential challenges.

6. IMPLICATIONS

6.1 This report does not have any direct implications for the following departments: Financial; Legal; Human Resources; ICT; Environmental; Human Rights; Property; Procurement; nor does it have implications for the Local Area Agreement (LAA) targets.

6.2 Furthermore the report does not have direct implications for parishes and non-parished areas. Should a parish council or a neighbourhood forum opt to designate a neighbourhood area and subsequently prepare a neighbourhood plan, neighbourhood order or both, this will have various implications for the neighbourhood area, and potentially the wider surrounding area.

7. CONSULTATION

7.1 N/A

8. NEXT STEPS

8.1 This report has been prepared to provide information and clarification and therefore no action is required. In light of the information provided, Councillors may choose to consider the merits of pursuing neighbourhood planning within their area.

9. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

9.1 [National Planning Policy Framework \(NPPF\), 2012](#)

[Peterborough City Council Statement of Community Involvement, 2012](#)

[Peterborough City Council CIL Preliminary Draft Charging Schedule](#)

10. APPENDICES

10.1 For information, copies of the three neighbourhood plans which have successfully made it through referendum can be found via the following links:

[Upper Eden](#) Neighbourhood Plan

[Thame](#) Neighbourhood Plan

[Exeter St James](#) Neighbourhood Plan

10.2 Locality has produced various guides to neighbourhood planning, including their [Roadmap Guide](#).