

Neighbourhood Planning Guidance on Costs



by Cornwall Council

The Localism Act 2011 provides local councils with new powers to create their own Neighbourhood Plans to guide development in their administrative areas. Many local councils can see the benefits of local plans and want to get moving preparing their plans right away.

But what is the cost likely to be? And who is going to pay?

The average costs are estimated by the Department of Communities and Local Government (DCLG) at £20,000 to £86,000 per plan.

Plans are likely to vary in costs depending on the complexity and size of the proposal.

Clearly, some smaller plans will cost less, whilst other could cost much more.

In Cornwall we can expect most Plans to be small scale and therefore at the lower end of the costs scale.

However a Neighbourhood Plan for a town could cost considerably more. **Therefore 'scoping' a plan to be well focussed on the critical issues in a local area is really important to keep costs to a sensible minimum.**

Costs - Who pays for what?

The Dept of Communities and Local Government (DCLG) says that the cost of preparing a neighbourhood plan will be met partly by the local planning authority and partly by the promoters of the neighbourhood plans (i.e. the local council), and that in the initial years, there will be some financial support from Central Government.

Core costs to a local council

In reality a neighbourhood plan will consist of some 'core costs' that are unavoidable. These are things like public engagement and consultation, publicity, printing of documents. Typical costs for these items could be around:

- Engagement and consultation costs : Planning for Real type events: £1,500 to £5,000
- Publicity and production of plans £1,500 to £2,500
- Project management and 'footwork' £nil to £10,000

Potential additional costs to a local council - In addition it may be necessary to commission some expert studies. These could include:

- Non-statutory assessments:
- Retail Impact assessment: £3,000 to £7,000
- Equalities Impact assessment: £Nil to £2,000
- Community safety assessment: £2,000 to £5,000
- Flood risk assessment £2,000 to £5,000
- Environmental Impact Assessment: up to £75,000
- Strategic Environmental Assessment (SEA/ SA): £10,000-£30,000
- Habitats Regulations Assessment (statutory – where required) typically: £15,000
- Masterplan type documents: £50,000/1yr consultants' fees

It's possible that these costs could be reduced by using volunteers to collect data and record local conditions. It's highly unlikely that the higher levels of costs will be required in Cornwall, unless it is for the major settlements.

There are also costs of reviewing the plan – estimated by the Dept of Communities and Local Government at an average 70 per cent of the original costs of the plan – every 10 years.

Cost to Local Planning authority

- Arranging and covering costs of independent examinations £5,000 to £10,000
- Holding the referendum £1,800 to £30,000
- Officer time requirements in providing expertise and advice to local councils on Neighbourhood Plans
- Administrative costs and legal fees for processing the statutory elements of a Neighbourhood Plan.
- Loss of income from planning application fees for development covered by a neighbourhood development order

Savings and benefits - to be set against these costs is the potential savings and local benefits that Neighbourhood Plans can generate. These are harder to estimate.

Savings to Local Councils -

- Less time and resources spent opposing 'unwanted' development
- A statutory influence on planning application decisions
- Enhanced influence on the content of Local Plans

Savings to Local Planning Authority –

- No longer processing appeals against rejected planning applications
- Officer time requirements reduced in processing planning applications
- Reduced administrative costs and legal fees

Estimated Costs - using the figures above its possible to estimate how much a Neighbourhood Plan for different types of are might cost:

- A basic small village plan: £5,000 - £10,000
- Small Town: (including an SEA, Retail, Flood Risk Assessment): £25,000 - £75,000
- Large Town/City: (including a retail, equalities, community safety, flood risk, EIA, Strategic Environmental Assessment and a master-plan prepared by consultants) £200,000+
- Town Centre or Employment area: £20,000

St Somewhere Neighbourhood Plan

So how much cost should a local council be planning for? Well, let's look at the report on our fictional Cornish parish of St Somewhere (see <http://www.cornwall.gov.uk/default.aspx?page=17712>).

You can see from the report that, to begin there was a community event in the village hall, with plenty of tea, cakes and sweets on hand to ensure a good turn out. A series of recording and fact finding groups were then fielded. Each needed some materials to function (paper, maps, pens, cameras, printing facilities, refreshment, meeting room hire, etc). After that a big consultation event was held, which needed exhibition material, room space, refreshments etc, and the use of a skilled 'community facilitator' which the Parish were fortunate to get for free.

A Sustainability Assessment to help to make sure that the neighbourhood development plan is as well thought out and as sustainable as possible was carried out, as was a flood risk assessment. A noise report for the wind turbine was also commissioned.

For the final consultation proper maps, plans and documents were created and printed, along with a summary leaflet. Fortunately a local graphic designer gave his services for free. And at the end, when the plan was found to be 'sound' and passed the referendum, a final document was produced for adoption.

So at the end of the day, the costs were:

- Engagement and consultation costs: £1,500
- Publicity and production of plans £1,500
- Sustainability Assessment £4000
- Flood Risk Assessment £2000
- Noise Report £800

Total cost to St Somewhere Parish Council: £9,800

- Examination costs: £5,000 (£1,500 set up and £700 per day for 5 days)
- Costs of running a local referendum: £1.80/head (£8,300/ward) : £2,000

Total cost to Cornwall Council: £7,000

Covering the costs – so far all the funding that has been made available by Central Govt has been aimed at covering the costs of the ‘new burden’ of costs incurred by the Local Planning Authorities in supporting Neighbourhood Plans.

The expectation was that, as Neighbourhood planning is a right, not an obligation, local councils should raise their part of the costs through the local precept, from reserves, or through grant aid. It is also expected that local councils could minimise costs through:

- Volunteer time in doing the ‘footwork’ supporting surveys, data collection, engagement and consultation
- Clerks and Councillors time in project management
- Use of council premises for events, meetings etc.
- Sponsorship by local companies and agencies
- Contributions ‘in-kind’ from experts and professionals who live locally.

Furthermore, it’s possible to involve developers in contributing to some of the additional assessment costs of Neighbourhood Plans, bearing in mind that these would be items they would have to generate anyway were they to make a planning application. Careful safeguards and protocols would be needed to ensure that local people can see that the developer is not gaining unfair advantage by making such contributions.

Help with Costs – DCLG have announced in ‘Supporting Communities in Neighbourhood Planning 2013-15’ that it is making some grant funding available plan making groups to contribute to the costs incurred in preparing a neighbourhood plan or order of up to £7,000 per neighbourhood area.

This includes, for example, start-up costs, training sessions, community engagement costs, contribution to the required assessments, and incidentals such as printing costs. Ineligible expenditure would include, for example, funding permanent salaried posts (e.g. Parish Council clerk), loss of earnings, paying for volunteer time, and referendum campaign costs. No reimbursement will be given for work already completed, and the

To be eligible the local council must be able to demonstrate that it is committed to making progress in preparing a Neighbourhood Development Plan or Neighbourhood Development Order and will have to commit to work to an agreed timetable. Those most likely to make good progress will be prioritised for grant.

Other Support - DCLG will also offer direct support professional planning support to local councils to assist them in preparing their Neighbourhood Plans. This will be ‘bespoke’ and tailored to a councils particular needs and will be delivered in a range of ways, such as training (neighbourhood planning processes, policy writing, legal requirements, and consultation methods), remote and face to face advice, ‘Planning Camp’ events, workshops and online forums. Successful applicants for direct support will receive a full diagnostic interview to identify a bespoke package of support to be agreed by all parties.

Communities will not be offered direct support and grant funding for the same specific activity.

The programme will be delivered by Locality, in partnership with RTPI/Planning Aid England, Community Development Foundation, Eden Project and other agencies.

Community Right to Build

The cost to community groups of bringing forward a Community Right to Build scheme is estimated by DCLG at approximately £40,000. Developers will pay a fee upon completion of development given permission under the Community Right to Build, and arrangements with the landowner involved may offer opportunities to reduce this cost.