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## Future of Neighbourhood Planning Support

### Report summary:

The Government has ended financial support for communities for neighbourhood planning. East Devon has been particularly active in neighbourhood planning, with communities relying on volunteer effort, EDDC officer support, and until recently, the national support programme, which provided them with grants of up to £10,000 per plan, plus additional funded technical work. While the pace of plan-making has slowed in recent years for various reasons, there continues to be community interest in neighbourhood plans and the Government has been clear they are not being abolished. Local Planning Authorities will continue to receive grants towards their costs in supporting plan preparation, but the removal of the support programme for communities is a significant change, creating challenges for current and future plan-making.

The Government's decision coincides with the expected depletion of the Council's own neighbourhood planning reserve during the next financial year. The 2026/27 budget is being prepared on the basis of maintaining our current support offer through a dedicated post to fulfil our statutory duty to provide advice, guidance and support to communities for neighbourhood planning. In the light of the changed circumstances, and in the context of our emerging new Local Plan and Local Government Reorganisation (LGR), Members views are also invited on how we may best and most effectively continue to support neighbourhood planning, ensuring it remains a viable option for communities and that robust plans are developed.

### Is the proposed decision in accordance with:

Budget Yes ☒ No ☐

Policy Framework Yes ☒ No ☐

### Recommendation:

1. That Committee note the changed context for neighbourhood planning in the light of the Government Spending Review with the cessation of access to grants and funded technical support for communities and recommend that the Chair write to MHCLG to formally register this Council's disappointment with the decision and to urge reconsideration and/or consultation on an alternative support arrangement;
2. That Committee note that the 2026/27 budget is being prepared on the basis of a continuation of current neighbourhood planning support offered to communities in East Devon despite this impacting on the general fund;
3. That Committee agree to receive an annual report on neighbourhood planning activity for information, noting that reports for decision need to continue to be taken to Cabinet until such time as the constitution is reviewed.

## Reason for recommendation:

To ensure that EDDC continues to fulfil its statutory duty to support neighbourhood planning and to ensure it remains an option available to communities who wish to pursue their right to prepare a neighbourhood plan.

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Portfolio(s) (check which apply):

- ☐ Assets and Economy
- ☒ Communications and Democracy
- ☒ Council, Corporate and External Engagement
- ☐ Culture, Leisure, Sport and Tourism
- ☐ Environment - Nature and Climate
- ☐ Environment - Operational
- ☒ Finance
- ☒ Place, Infrastructure and Strategic Planning
- ☒ Sustainable Homes and Communities

## Equalities impact Low Impact

The Government funding cut is likely to make it more challenging for communities to exercise their right to prepare a neighbourhood plan, particularly smaller parishes / those with the least resources. The on-going support of the LPA will be vital to help ensure it remains an option for those who wish to prepare a plan. Neighbourhood planning itself is designed to be inclusive and extensive consultation is a fundamental requirement of plan preparation, and all electors are invited to vote in a local referendum before a plan can be made (adopted). Support of the LPA is critical to ensuring this takes place.

## Climate change Low Impact

**Risk:** Low Risk; There is a risk that without maintaining at least the current level of support for neighbourhood planning offered to communities by EDDC, its role in east Devon will diminish.

**Links to background information** [The Localism Act](#); [Plain English Guide to the Localism Act](#); [National Planning Policy Framework \(2024\)](#); [Neighbourhood Planning Regulations](#); [Neighbourhood Planning Roadmap Guide](#); [East Devon Neighbourhood Planning webpages](#); [Government Funding Decision Announcement on Locality website](#); [Minutes of Westminster Hall debate on the role of neighbourhood plans in planning decisions \(July 2025\)](#); [Final Report to MHCLG on the Impact of Neighbourhood Planning in England \(May 2020\)](#).

## Link to [Council Plan](#)

Priorities (check which apply)

- ☒ A supported and engaged community
- ☐ Carbon neutrality and ecological recovery
- ☐ Resilient economy that supports local business
- ☒ Financially secure and improving quality of services

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## Report in full

### 1. Changing Context

- 1.1 The 2025 Spending Review unexpectedly ended financial support for communities for neighbourhood planning, cancelling the re-procurement of a further 3-year national programme anticipated to be worth £18m. Local Planning Authorities continue to have a legal duty to support communities in neighbourhood planning and LPA funding from government (£20,000 per plan reaching referendum stage) is being retained.
- 1.2 The Government has stressed that it is not seeking to abolish neighbourhood planning and that it will remain an option for communities. However, they are now expected to rely on their own expertise, knowledge and resources, and that of others with neighbourhood planning experience, supported by their LPA.
- 1.3 The long-standing annual grants and technical support programme offered:
  - basic grant of up to £10,000 for every community wishing to prepare a new plan or modify and update an existing plan,
  - additional grants of up to £8,000 available for specific purposes, and
  - a wide range of fully funded technical support, (e.g. site assessments, housing needs assessments, Strategic Environmental Assessments) depending on what plans were seeking to achieve.
- 1.4 The withdrawal of this funding is therefore a significant change in circumstances and has been widely met with criticism, but a reversal of the decision is not anticipated. It applies to the preparation of both neighbourhood plans as well as neighbourhood development orders (NDO's).

### 2. Current Neighbourhood Plan Support Model and Take Up

- 2.1 EDDC delivers support primarily through a dedicated neighbourhood planning officer within the Planning Policy service. Take up of neighbourhood planning in the district has been strong, with 27 plans now in place (26 'first' plans and one reviewed and updated plan). [MHCLG data \(March 2024\)](#) put East Devon as 11<sup>th</sup> in the rank order of LPA's in England with the highest number of 'made' plans, and almost half of those with more plans were unitary authorities on much larger County level geography.
- 2.2 In the last few years, and in line with the picture nationally, the pipeline of new plans has slowed as most '1st generation' plans have reached adoption, and our work on the new Local Plan has impacted plan preparation. We have generally encouraged communities to hold off work on new/revised neighbourhood plans until there was more certainty about the emerging Local Plan content to avoid abortive work, or their plans becoming prematurely out of date. During this time, the focus of communities and our support has been on engagement with the local plan process and understanding the relationship between its proposals and neighbourhood plans.
- 2.3 Linked to this reduction in the pipeline of plans, the timing and static nature<sup>1</sup> of the flat-rate NP grant payments that LPAs receive, and increases in costs, the balance in our neighbourhood planning reserve has been diminishing and is expected to be exhausted during the next financial year.

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<sup>1</sup> The £20k grant is payable only when a plan is recommended to referendum and has remained static for many years (possibly since it was introduced), but certainly since 2018 whilst our costs have continued to increase with inflation (and our 2022 staff Reward Review)

- 2.4 While only a small number of town/parish councils are currently actively progressing new or updated plans, our December 2023 NP survey showed most of those with a 'made' plan intend to review it, and we are now actively encouraging plan-making activity, not least because aging plans risk losing weight in planning decisions.

### **3. Resourcing Neighbourhood Plans**

- 3.1 The change in the Government support available is widely expected (including by Government) to have a suppressant effect on neighbourhood planning activity, but it also places a greater onus on the support we can provide and in ensuring plans are meaningful and effective. Some of our communities may be able to undertake relatively light-touch and low-cost updates to existing neighbourhood plans, and these may be less affected by the loss of funding. The resource required depends in part on what communities wish to achieve and the level of resource (volunteers and budget) and experience available locally. More ambitious plans, particularly those seeking to allocate sites for development, typically cost more to prepare, requiring a greater degree of technical evidence and expertise, but at the same time offer potentially greater benefit.
- 3.2 Communities need support to engage in neighbourhood planning. Many have chosen to enlist consultants to work with them, alongside our support offer, together with accessing technical support from the national programme.
- 3.3 Officers have identified few alternative funding sources available for communities. One possibility is the neighbourhood proportion of CIL that town and parish councils (with the exception of Cranbrook) can receive linked to permissions for development in their area. Whilst neighbourhood plan preparation is a potential eligible use of these funds, there is a significant disparity in funds available between parishes, and also likely to be competing priorities for spend (although there is an incentive as communities with a NP in place receive a higher proportion of CIL (25% versus 15%). To date, other than small grants from County Councillor 'locality budgets', no other external funding sources have been identified.
- 3.4 In terms of our EDDC support for plan making, it is estimated that it would require more than 6 plans being sent to referendum per year generating £120,000 in LPA grant income to be entirely self-sustaining. This is possible in some years, but not imminently or consistently. It costs in the region of £10,000 just to put a neighbourhood plan through the latter stages of formal examination and referendum, against Government grant income of £20,000 released only when a plan is recommended to referendum (reduced to £10,000 where a modified (updated) plan requires examination only). However, officer time is required to promote and inform communities about neighbourhood planning, provide advice and guidance to any interested community, and technical and administrative support for every step of the plan-making process, which is not uncommon to take 4-5 years or more, and for a wide variety of reasons, not all plans necessarily progress to submission, and some stall for periods of time.

### **4. Benefits of Investing in Neighbourhood Plans**

- 4.1 Government's own commissioned research (published 2020) into the impact of neighbourhood planning found that neighbourhood plans:
- were making a 'not insignificant positive contribution' to housing supply through the allocation of sites;
  - had helped to improve design policy and the meeting of specific community needs through development leading to higher quality, more impactful schemes;
  - were able to influence decisions on development; and

- that work on plans (even where this has not progressed to completion of a plan) has improved engagement and understanding between communities and LPAs and prompted other related place-making initiatives (such as Community Land Trusts).

- 4.2 Neighbourhood planning is well established and valued in east Devon by both communities and Members, highlighted through the new Local Plan preparation process. There is also the need to support our town and parish council's to be in a strong position ahead of and in anticipation of LGR, with the expected increased role of town and parish councils as local government becomes less local.
- 4.3 Notwithstanding our legal duty, the rewards of investing in neighbourhood plans include:
- a. bringing communities together to agree a shared vision for their area;
  - b. giving them a greater say in shaping and influencing development;
  - c. the ability to protect valued local assets like green spaces, valued views, community facilities and heritage assets;
  - d. setting design standards;
  - e. helping ensure specific local needs are met, like affordable housing;
  - f. facilitating access by communities to a greater proportion of funding from developer contributions to improve local infrastructure and facilities;
  - g. help with engagement with statutory agencies and funders for community projects and priorities where they are identified in a 'made' plan.
- 4.4 Specific highlights and examples from our neighbourhood plans in East Devon, include:
- **Housing Allocations** – Eight plans allocate sites chosen by local communities, for a combined total of over 240 homes. At Clyst St Mary, meeting the new Local Plan's housing requirement to 2042 has been neighbourhood plan-led through a housing allocation, linking growth to local infrastructure improvements. Some of these sites, such as all four in the Lymptstone NP, are already built out, whilst others are in the pipeline.
  - **Support for Self-Build** – Several plans include requirements for self-build plots within their allocations and/or policy support for a specific number of custom/self-build homes in their area across the plan period. These policies have directly enabled approvals in Farringdon and Kilmington, also helping to meet our duty to ensure a supply of plots for this use.
  - **Employment and Community Uses** – Several plans have also included allocations for employment and education uses. Safeguarding land for secondary school expansion in the Ottery St Mary and West Hill NP has successfully influenced our Local Plan proposals, which have incorporated this into an allocation at the site. Many plans also name specific community facilities for protection and enhancement, which builds on our overarching Local Plan policy protection.
  - **Community Voice in Decisions** – As well as making provision for new development to meet local needs, neighbourhood plans strengthen local influence. At Broadclyst, a proposal on a NP allocation site was refused earlier this year, upholding the Parish Council's objections, as it failed to meet the community's policy requirements and, because of the existence of the neighbourhood plan, the tilted balance did not apply.
  - **Green Infrastructure** – Nearly half of our neighbourhood plans designate Local Green Spaces under provisions in the NPPF, giving 94 spaces this Green Belt-level protection. Three plans also identify land to prevent settlement coalescence, which are now proposed to be given the status of Green Wedges in the new Local Plan. Four plans also identify specific valued views for protection. This is another example of the more detailed specification that NPs can add, which, along with design requirements and identification of local heritage assets for protection, are encouraged through future neighbourhood plans by our emerging Local Plan.

- 4.5 Going forward, there is an opportunity to learn from and build on the experience to date of neighbourhood planning in the district – and from elsewhere. There is also considered to be greater potential to support delivery of wider EDDC priorities and objectives where aligned with community aspirations through neighbourhood plan preparation, including for example, achieving affordable housing delivery (including community-led), identification of SANGS and opportunities for biodiversity net gain and nature recovery, CIL spend, achievement of better design in new development, protection of heritage, landscape and other assets, concept / master- planning of Local plan allocation sites and so on.

## **5. Options / Assessment**

- 5.1 As noted, we must fulfil our statutory duty to support neighbourhood planning, and there are encouraging signs that our communities continue to be interested in it, and that where this is prioritised, they are also willing to invest time and money in plan making in order to be able to progress. For example:
1. Whimble have agreed budget for their emerging neighbourhood plan, (although funds committed may still not be sufficient to unlock their aspiration to allocate a site for affordable housing);
  2. Lympstone are currently in the process of agreeing budget to enable them to work with Devon Communities Together on a series of community engagement activities to inform revision of their existing plan;
  3. Plymtree have resolved to continue with the preparation of their first plan and secured a small grant from their DCC Councillor Locality Budget as well as support from the PC's own funds for meeting space and other basic costs;
  4. West Hill have committed funds and appointed consultants to work with them on the preparation of a design code as part of their emerging new neighbourhood plan.
- 5.2 Overall, given consideration of the forthcoming Local Government reorganisation and a desire to ensure our communities are in the strongest position possible going into this, but mindful of our budget constraints, Officers consider the most pragmatic, appropriate and practical way forward in the interim period is to maintain our current support offer, and tailor it to take account of the more limited resources and support that communities now have available.
- 5.3 In terms of possible alternatives, different authorities deliver on their duty to support neighbourhood planning in different ways. Through our membership of the Planning Officers' Society (POSe) Neighbourhood Plan officer group, we are aware that dedicated officer support is not universal, but is not uncommon in areas like ours, where take up is high. South Hams and West Devon, for example, also have a dedicated officer and have the next highest level of adopted (made) neighbourhood plans in the County. Through our contact with other LPAs, we are also aware of some cases of the merging of the NP officer role with the offering of support for 'community planning' more generally, including Community Land Trusts. We are also aware of one LPA which offers its own NP grants to communities (up to £6,000) which until now was used to top-up the national grants, and another which is now funding SEA/HRA assessments where these are triggered, to unlock the more complex/costly plans. Several authorities have also evolved from their engagement in a national pilot project to move into encouraging and supporting the lighter touch option of 'Neighbourhood Priority Statements' (introduced in principle by the Levelling Up and Regeneration Act for which the necessary secondary legislation is still awaited).

- 5.4 EDDC is not considered to be in a position to be able to offer grant support or to fund technical work (beyond our existing annual Service Level Agreement with Devon Communities Together for up to 3 Housing Needs Surveys, which is set to continue into next financial year).
- 5.5 The recommended priority for EDDC support is therefore a continuation of the current arrangement, with a focussing of staff resource on:
- a. building the pipeline of 2<sup>nd</sup> generation neighbourhood plans, given the advanced stage the new Local Plan has now reached (particularly to encourage and support the review and update of existing plans, as well as assist communities to consider undertaking neighbourhood planning for the first time) and;
  - b. efforts to make neighbourhood planning simpler and easier for communities, for example through the greater use of templates, guides, model policies that can be adapted, sharing of resources and good practice, use of digital tools, and training.
- 5.6 To help ‘re-launch’ neighbourhood planning in this new era, Officers are developing proposals to hold a half-day in-person event on neighbourhood planning in the first quarter of 2026. More immediately, we are also preparing an update of our Council neighbourhood planning protocol for how we deal with neighbourhood plans, further to the anticipated demand for existing plans to be modified (which is not currently explicitly referenced in our protocol) and to ensure alignment to the standards for neighbourhood plan support set out in the latest revision to our published Statement of Community Involvement (SCI). This will be taken to Cabinet for agreement at the next available meeting, together with an updated version of this report, informed by the discussion by Members of SPC.

## **6. Conclusions**

- 6.1 The future of neighbourhood planning has been called into question by the Government’s unexpected decision to remove the national support programme. There continues to be interest by our communities to undertake plan making and EDDC needs to continue to ensure support is available, tailored to the changed national circumstance, as well as our budget constraints. On balance, and looking ahead to LGR, maintenance of the current support arrangements are suggested, with a focus of efforts on developing shared resources to streamline plan production.
- 6.2 Members are encouraged to consider, with reference to the offer by other LPAs, if they wish Officers to consider any alternative or additional support arrangement at this time, noting however that the cost of the current support offer is not reasonably expected to be recovered by the LPA grant income and the balance will require commitment of Council budget of in the region of £36k in the next financial year.

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## **Financial implications:**

The report highlights that Neighbourhood Planning which had been self-financing in the past through funding from MHCLG and the reserves it had built up, now needs the support of General Fund funding as the Reserve will be depleted in 2026/27. The budget for 2026/27 shows the General Fund needing to fund £36k of Neighbourhood Planning spend. Any additional Neighbourhood Planning Support would add further pressure to the General Fund. (AB-12/12/2025)

## **Legal implications:**

There is a legal duty for LPAs to support Neighbourhood Planning by giving advice and assistance and organising and making arrangements for examinations and referendums. However, there is no requirement to provide any financial assistance to communities in connection with their proposals [Schedule 4B of the Town and Country Planning Act 1990 (inserted by the Localism Act 2011) which provides Advice and assistance in connection with proposals and states “3(1) A local planning authority must give such advice or assistance to qualifying bodies as, in all the circumstances, they consider appropriate for the purpose of, or in connection with, facilitating the making of proposals for neighbourhood development orders in relation to neighbourhood areas within their area. (2) Nothing in this paragraph is to be read as requiring the giving of financial assistance.” DH – 15.12.25 – 002533].