

## Neighbourhood Plans

### *A serious threat to property value?*

Neighbourhood Plans are coming. They have the potential to significantly impact upon property value and development potential.

- Neighbourhood planning is a key element of the Government's Localism agenda. This initiative is enshrined in the Localism Bill that received Royal Assent in mid-November. The Bill introduces a new tier of spatial planning, with local communities encouraged to prepare Neighbourhood Development Plans (NDPs) for their own local area. These will be adopted as part of the Development Plan, and therefore become a key material consideration in the determination of planning applications. The plans can also lead to further impacts through linked Neighbourhood Development Orders NDOs or for a specific site Community Right to Build Orders CRBOs. These will effectively create permitted development rights that are not in your control as a property owner.
- Neighbourhood Plans will be the responsibility of town or parish Councils, but where these organisations do not exist, the Plan can be prepared by a 'forum' of just 21 local people.
- A neighbourhood forum must be formally registered by a Local Planning Authority. A request is advertised for six weeks, before registration is confirmed. The neighbourhood forum then prepares and submits a draft plan, together with a statement of consultation. There is no stipulation on the extent or nature of professional and consultancy support that a neighbourhood must utilise in preparing a plan or in terms of engaging with the community.
- There is no apparent formal requirement for forums to involve, consult or liaise with property owners or those with an interest in land. The plan can be prepared in isolation to you and it is up to you to make sure you are aware of what is occurring locally and to get involved to protect your interest.
- NDPs and NDOs/CRBOs will be subject to independent examination to ensure compliance with the broad thrust of relevant national, regional (in London) and local planning policy. With the Inspector's agreement, the document will then be the subject of a 'local referendum'. It will be approved if more than 50% of those voting are in favour. The Local Authority will then be duty bound to adopt the Neighbourhood Development Plan (or equivalent) as a material consideration in the determination of planning applications.

### How significant will this element of localism be for property owners and developers?

- Neighbourhood plans will not be mandatory but they are becoming increasingly popular. Inevitably they are more likely to be promoted in areas where development pressure is brought to bear on either an urban or rural environment. They have the potential to frustrate development as much as promote it, and will take precedence over any existing Development Plan documents that they supersede or update. At best this is likely to lead to conflict between adopted 'local' and 'neighbourhood' policy; at worst it may sterilise large areas of land or building from any form of development.

- There is scope for these new spatial planning initiatives to be used to promote our clients' interests. This includes a provision for specifically designated 'business neighbourhoods', in areas that are predominantly commercial in nature. However, in instances where a neighbourhood is supportive of developer aspirations, there is no guarantee that a plan or 'order' will be sufficiently detailed or robust enough to satisfy investor interests, especially in a subdued financial climate.
- With the Localism Bill having just completed its passage through Parliament, land owners, occupiers, developers and investors *must* be aware of the implications of neighbourhood planning, and the direct and immediate impact this initiative could have on development potential and asset value. There are steps that can be taken to protect your interests, be it through prompt action in advance of the Bill receiving Royal Assent, or by evaluating the local political and administrative dynamic, and engaging with the community at the appropriate time.

### IGNORE AT YOUR PERIL!

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