



Impact Assessment of changes to the plan making system
[Town and Country Planning (Local Development) (England)
(Amendment) Regulations 2008]



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Summary: Intervention & Options		
Department /Agency: Communities and Local Government	Title: Impact Assessment of changes to the plan making system [Town and Country Planning (Local Development) (England) (Amendment) Regulations 2008]	
Stage: Implementation	Version:	Date: 29 April 2008
Related Publications: PPS12: Creating Strong Safe and Prosperous Communities through Local Spatial Planning		

Available to view or download at: www.communities.gov.uk/planningandbuilding/planning/planningpolicyguidance/planningpolicystatements/planningpolicystatements/pps12

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What is the problem under consideration? Why is government intervention necessary?
 Government intervention is necessary because the reformed planning system introduced in 2004 requires minor amendments to ensure its smooth operation. The reformed planning system includes at its heart plans called Development Plan Documents (DPDs) and the intervention concerned is directed at these DPDs.

What are the policy objectives and the intended effects?
 The objective is to remove bureaucratic barriers to aid preparation of Local Development Frameworks.

What policy options have been considered? Please justify any preferred option.

A) Do Nothing

or

B) Incorporate proposed changes into the planning system. Additional information on the proposed changes is located within the Summary section of the impact assessment.

Option B is preferred as it will simplify the plan making system.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? 3 years

Ministerial Sign-off For final proposal/implementation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) the benefits justify the costs.

Signed by the responsible Minister:



Date: 19 May 2008

Summary: Analysis & Evidence			
Policy Option: B		Description: Reform plan making system. (Reforms listed in evidence base)	
COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups'. None
	One-off (Transition)	Yrs	
	£0		
	Average Annual Cost (excluding one-off)		
	£0		Total Cost (PV)
Other key non-monetised costs by 'main affected groups'. Changes to statutory consultations could be argued as a cost to consultation rights. We believe however, that the quality of consultation will be improved.			
BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' Savings to Local Authorities from removing requirement for statutory consultation £4m. Savings to Local Authorities from removing the regulatory requirement for separate handling of site allocations £1.4m.
	One-off	Yrs	
	£	10	
	Average Annual Benefit (excluding one-off)		
	£5.4m		Total Benefit (PV)
Other key non-monetised benefits by 'main affected groups'. Other unquantified savings to authorities including sending out fewer hard copies of plans			
Key Assumptions/Sensitivities/Risks Assumes LPAs produce a consultation on a Development Plan Document every 3 years.			

Price Base Year 2008	Time Period Years 10	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £44.8m			
What is the geographic coverage of the policy/option?		England				
On what date will the policy be implemented?		10 June 2008				
Which organisation(s) will enforce the policy?		GOs and LPAs				
What is the total annual cost of enforcement for these organisations?		£0				
Does enforcement comply with Hampton principles?		N/A				
Will implementation go beyond minimum EU requirements?		No				
What is the value of the proposed offsetting measure per year?		£0				
What is the value of changes in greenhouse gas emissions?		£0				
Will the proposal have a significant impact on competition?		No				
Annual cost (£-£) per organisation (excluding one-off)		Micro	Small	Medium	Large	
Are any of these organisations exempt?		N/A	N/A	N/A	N/A	
Impact on Admin Burdens Baseline (2005 Prices)		(Increase – Decrease)				
Increase of £0		Decrease of £0		Net Impact £0		
Key:	Annual costs and benefits: Constant Prices			(Net) Present Value		

Evidence Base (for summary sheets)

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

Background

The Planning white paper outlined the proposal to change the plan making system in order to place planning at the heart of local government. In addition changes are to be introduced to local development frameworks to ensure a more streamlined and tailored process with more flexibility about the number and type of plans, how they are produced, and a more meaningful level of community involvement.

Summary of policy changes

This impact assessment is focused on the proposed amendments to the Local Development Regulations.

One IA has been prepared which incorporates the following themes outlining the proposed changes to the plan making system in the Town and Country Planning (Local Development) (England) (Amendment) (The Town and Country Planning (Local Development) (England) Regulations 2004. The changes are:

1. Statutory Consultation on DPDs;
2. Bringing forward the time for making formal representations on the plan before the point of submission to the Secretary of State;
3. Changes to regulations to reduce administrative burdens; and
4. Removing the regulation requirement for separate handling of the site allocation representations.

These changes will now be considered in turn.

POLICY CHANGE 1: Statutory Consultation on DPDs

What is the problem under consideration? Why is government intervention necessary?

The current process for producing Development Plan Documents (DPDs) includes three separate statutory requirements for consultation through out the process.

Three stages of consultation are considered to be unnecessary and have led to confusion amongst consultees. It has also resulted in substantial amounts of time during the plan making process being spent consulting on the various stages of the emerging plan.

What are the policy objectives and the intended effects?

The objective is to streamline and improve the quality and effectiveness of community involvement as part of the Local Development Framework (LDF) plan making process.

The intended effect will be early and effective engagement throughout the plan preparation process. This will ensure that those consulted on will be more effectively involved in the plan making process. It is also envisaged that the time taken to produce a plan can be lessened, which will fulfil one of the intentions of the LDF system which is that it should be able to respond more rapidly and flexibly to changing circumstances.

The changes involve amending the Town and Country Planning (Local Development) (England) (Amendment) (The Town and Country Planning (Local Development) (England) (Amendment) Regulations 2008 (TCP).

Background

The current process for producing Development Plan Documents (DPDs) includes three separate statutory requirements for consultation, set out in the Town and Country Planning (Local Development) (England) (Amendment) (The Town and Country Planning (Local Development) (England) Regulations 2004. The three requirements are: 'pre-submission consultation' (issues and options), 'pre-submission participation' (preferred options) and at the submission stage of the final plan.

At present there is a pre submission consultation (Regulation 25 – Pre-submission consultation) where the local authority is required to consult with 'specific' and 'general' consultation bodies as it deems appropriate. In addition the local authority is required to make available copies of the pre-submission proposals document and statement of the proposals matters for inspection (Regulation 26 – Pre-submission participation). This is generally treated as the discussion of 'preferred options' and is the second time the public will be consulted on proposals. Once the final plan is submitted for examination, a final

period of consultation occurs (Regulation 29 – Representations on development plan documents) allowing any person to make representations on it, thus in effect offering a third ‘window’ for consultation.

Consultation responses from Planning white paper preliminary regulatory impact assessment

Information from stakeholders and consultation responses to this question has been analysed and has informed the content of this impact assessment. A significant number of respondents agreed with the proposal of revoking regulation 26. There were however concerns with the proposal. Specifically:

- concern that the removal of preferred options stages would reduce community input and hinder communities’ ability to influence vision, strategies and policy development; and
- Authorities run the risk of non-compliance with SEA Directive which requires early and effective consultation on the plan. If consultation was considered to be insufficient, plans might be declared unsound, so LPAs would in effect have to consult as now or face delays.

Options

- A) Do Nothing (retain existing process).
- B) Revoke Regulation 26 (TCP) pre submission public participation and add provision for amendments after final consultation (often referred to as the ‘preferred options stage’).

Sectors and groups affected

- Public sector (particularly local authorities).
- The public and stakeholders involved in DPD production or involved in the consultation process.

Costs and Benefits: Option A (the Status Quo)

The status quo is used here as a benchmark against which costs and benefits of the proposal can be measured.

No new or additional costs or benefits have been identified under this option. Local planning authorities would be required to implement the consultation process in its current form.

Costs and benefits: Option B revoke Regulation 26 on Statutory Consultation on DPDs – (preferred approach)

Benefits

The principal benefit of this proposal is an overall improvement and simplification of the consultation process for key stakeholders, including the public throughout the plan making process.

Cost saving to local authorities

Although there is no information on the costs of the 'preferred option' stage, the estimated costs of the 'issues and options' stage will serve as an approximation. An estimation of this was carried out in early 2007 by contacting several councils who reported an average cost of £33,000. If we therefore assume that cost of the 'preferred option' stage is £33,000 and at least a third of authorities will be undertaking consultation on Issues and Options for a DPD in any one year, there is an annual cost saving of approximately:

$$£33,000 * (364/3) = £3,993,000$$

Rounded this gives an annual figure of £4 million.

Time savings

Whilst a complex plan or core strategy would go through similar stages as now (which can take 18 months or more), for a plan with a relatively narrow scope or an amendment to an existing plan the preparation time could be six months or less.

Devolutionary benefits

Additional benefits to the changes include the broader commitment to empowering the local authority to take a greater lead in the overall consultation it has with its constituents on all council matters, through a Sustainable Community Strategy.

Local authorities are best placed to take decisions about the consultation required for each DPD. The remaining regulation 25 will be amended in order to retain its existing provisions and also to include requirements to engage the general public. It will therefore be more flexible than regulation 26, which will increase this local flexibility compared to other options which have been considered

Improvements to consultation and plan making

The change should ensure consultation is meaningful when it occurs there is a lower risk of consultation fatigue. The requirement for consultation would be similar to that for other government policy (two tier) and local authorities would not undertake repeated detailed consultation where it was unnecessary.

The revised plan making guidance will encourage the authority to undertake early and ongoing involvement with the community and key stakeholders as part of the initial plan making process.

The revised plan making guidance will encourage the authority to undertake early and ongoing involvement with the community and key stakeholders as part of the initial plan making process. The guidance will also reinforce that the requirements of the SEA Directive. The proposed changes to the Regulations are not considered to run contrary to the Directives requirements for early and effective consultation.

Costs

Some people could view this measure as a cost to consultation. However our understanding is that there is at present consultation fatigue and that the 'issues and options' stage is a more effective way of engaging the community than the 'preferred options' stage. It is therefore believed that revoking regulation 26 could lead to more effective consultation.

POLICY CHANGE 2: Bringing forward the time for making formal representations on the plan before the point of submission to the Secretary of State.

What is the problem under consideration? Why is government intervention necessary?

At present, after a plan is submitted to the Secretary of State for independent examination, there is a maximum six week period for the submission of representations to be received. As a result, the Inspector is required to hold off commencing the hearing of oral representations until the submissions have been received, analysed and forwarded to the Inspector. Significant issues could be raised during this submission that would be best resolved prior to formal commencement of an examination rather than once and inspectors time has been booked.

Revisions are necessary to ensure the efficiency of the plan making and examination process is maintained.

What are the policy objectives and the intended effects?

The objective is to ensure that the examination process is not compromised by unnecessary delays.

The policy will outline the changes to the times when the submissions of final representations can occur. The changes aim to reduce the potential for time delays during the examination process. It will result in a much quicker examination process, but also much less chance of issues being raised post-submission that have not been raised during the plan preparation and consultation process.

Background

At present the six week period for formal representations on the plan occurs after submission of the plan to the Secretary of State for independent examination. At present the inspector has to wait until the LPA has drawn together all these representations from the post submission consultation before the oral hearing of the examination can commence. Not only does this result in a delay to the commencement of the examination, but the representations received may raise an issue or issues of such significance that it would have been better served if these issues were known prior to the plan being formally submitted.

The satisfactory resolution of this issue could take some time to resolve thus further delaying the formal examination process. The period of time the inspector has to wait is a delay that could be removed by slightly altering the order in which the process occurs, and having this period of consultation prior to the submission of the plan.

Options

- A) Do Nothing
- B) Amend Regulation 27 & 28 to allow for the LPA to publish and receive representations on plans prior to submission. In addition the period of representation is to be at least 6 weeks rather than exactly 6 weeks. This will allow for the authority to give a longer period should they wish to do so.

Sectors and groups affected

- Public sector (particularly local authorities).
- The public and stakeholders involved in DPD production or involved in the consultation and examination process.

Costs and Benefits: Option A (the Status Quo)

The status quo is used here as a benchmark against which costs and benefits of the proposal can be measured.

No new or additional costs or benefits have been identified under this option. Local planning authorities and the Inspectorate would be required to carry out the process as it currently occurs.

Costs and benefits: Option B revoke Regulations 27 & 28 on time for making formal submissions & how long the period for receiving representations should be received.

Benefits

Firstly the period of examination is shortened not including all of the time needed to make representations. Secondly, if the plan appears to be unsound it could in extreme circumstances withdrawn before submission.

Costs

It could be argued that there is a risk to perceived status of representations. Draft regulations however, make it clear that the representation may carry the right to be heard and therefore representations will continue to have the same weight.

POLICY CHANGE 3: Changes to regulations to reduce administrative burdens.

What is the problem under consideration? Why is government intervention necessary?

The current regulations impose a number of burdens on local authorities that require them to publish various DPD matters and documents which impose a significant burden on local authorities with limited tangible benefits.

What are the policy objectives and the intended effects?

The objective of these revisions is to ensure that the plan making system does not impose unnecessary burdens on authorities with little noticeable benefit. Revisions are proposed to reduce these burdens at the same time ensuring that the new system retains its integrity. The policy will outline the need to no longer be *required* to send a hard copy of the DPD to every member of the public who engaged in the process, or to each of the general consultation bodies. Those members of the public and consultation bodies who submitted a representation will be notified that should they want a hard copy they can request one from the respective local authority who can supply the material to those individuals and groups at a nominal cost. Alternative ways of viewing the hard copy of the materials will be highlighted and they include accessing them at public libraries or via the local authority website.

Background

At present the local authority must supply hard copies of the DPD to all specific consultation bodies and to those to every member of the public who engaged in the process. The LPA must also send four hard copies of the submission material to the Secretary Of State when submitting the plan for examination.

This results in a substantial cost for the LPA to produce a number of large documents to be sent out to a large number of people.

Options

- A) Do Nothing
- B) Amend Regulation 27 & 31 to allow for the supply of copies of the DPD to only be sent to specific consultation bodies.

Sectors and groups affected

- Public sector (particularly local authorities).
- The public and stakeholders involved in DPD production or involved in the consultation and examination process.

Costs and benefits: Option A (the status quo)

The status quo is used here as a benchmark against which costs and benefits of the proposal can be measured.

No new or additional costs or benefits have been identified under this option. Local planning authorities and the Inspectorate would be required to carry out the process as it currently occurs.

Costs and benefits: Option B changes to Regulations 27 and 31 to reduce administrative burdens

Benefits

Altering the requirements to send hard copies to all members of the public who participated in the plan making process, and the four hard copies required to be sent to the Secretary of State will save the authority money on producing multiple hard copies of the plan.

For those who participated in the plans the authority can advise on the various alternative means that the plan can be obtained and viewed, such as the internet, or viewed at public libraries. Should someone wish to purchase the DPD they will still be able to do this for an appropriate cost from the local authority concerned.

We envisage environmental benefits through reduction in paper usage.

Costs

There is a potential risk to adequate provision of information. This will be mitigated however by copies being available online. Bodies previously entitled to a free hard copy may feel this is not as inclusive as the current process.

POLICY CHANGE 4: Removing the regulatory requirement for separate advertisement of site allocation representations.

What is the problem under consideration? Why is government intervention necessary?

At present, whenever a local authority receives a formal representation on a development plan document (DPD) which refers to a particular site, it must, following the close of the period for representations, advertise the fact and then allow a further six weeks for the public to be able to make comments on these representations.

During our consultation on the draft regulations in winter 2007-08, many local authorities made the point that this process is unnecessarily burdensome. We are inclined to agree.

Research and consultation on this indicated broad support for, and considerable savings from, amending the regulations. Government intervention is necessary to help speed up the production of LDFs, an objective which this proposal will contribute to, and because only Government can amend the regulations.

What are the policy objectives and the intended effects?

The policy objective is to remove the separate process for advertising site allocations as part of a broader update of policy for the preparation of local development frameworks. This should assist in correcting problems of poor quality and late plans.

The intended effect is that by amending the regulations governing how Site Allocation Representations are handled, the burdens for local authorities associated with this process will be reduced and the process of producing development plan documents speeded-up.

Options

The following options have been considered:

- A) Do nothing (retain Regulations 29 and 30 of the draft amended regulations);
- B) Remove Regulations 29 and 30 from the draft amended regulations (and handle Site Allocation Representations in the same manner as any other representations)

Sectors and groups affected

- Public sector (particularly local authorities).
- Developers and infrastructure providers.
- Local authority residents and groups of residents making representations on Site Allocations

Costs and benefits: Option A (the status quo)

The status quo is used here as a benchmark against which costs and benefits of the proposal can be measured.

No new or additional costs or benefits have been identified under this option.

Costs and benefits: Option B amend the Regulations to remove the requirement for separate handling of the site allocation representations.

Benefits

Cost savings to local authorities

This option will remove the burden of having to advertise and handle site allocation representations separately. We contacted three district and two county planning authorities in March 2008 to gather evidence about the costs involved in implementing the current regulations for site allocation representations. There were two main financial costs: advertising the site allocation consultation and staff to handle the representations received.

In terms of the number of documents that this will involve, as well as the Core Strategy there will be Site Allocation DPDs and Area Action Plans that could all involve the Site Allocations Representations regulations being triggered. The exact number of DPDs produced will vary between authorities, as there is discretion here. However, if we base our calculations on the minimum benefit, we can expect over the next 15 years (the lifespan of a core strategy), most LPAs to produce at least three DPDs.

Advertising costs include newspaper advertisements and any necessary printing and postage costs. Given the larger size of counties and the need to advertise in more newspapers, counties and districts were treated separately for the calculations. The staffing costs were related to the need for people to handle the representations received. A number of authorities indicated they would be likely to employ temporary staff to help with this. There is no reason for staffing costs to vary by type of authority.

The cost of advertising the consultation varied between £2,000 and £9,000 for district/unitary national park authorities and between £10,000 and £15,000 for county authorities. Staffing costs varied from £15,000 to £22,500 for all authorities.

For the following calculations the lowest of the ranges of reported costs have been used, in order to produce conservative estimates.

Advertising saving for district/unitary/national parks:

$$£2,000 \times 364 \times 3 = £2,184,000$$

(£2000 advertising cost per consultation, three DPDs per authority, 364 authorities).

Advertising saving for county authorities:

$$£10,000 \times 34 \times 3 = £1,020,000$$

(£10,000 advertising cost per consultation, three DPDs per authority, 34 authorities).

Staff saving for all authorities:

$$£15,000 \times 398 \times 3 = £17,910,000$$

(£15,000 staff cost per consultation, three DPDs per authority, 398 authorities).

The total saving over a 15 year period is therefore:

$$£2,184,000 + £1,020,000 + £17,910,000 = £21,114,000.$$

Since these figures were based on a 15 year timescale, we can divide the figure by 15 to get an annual saving:

$$£21,114,000/15 = £1,407,600.$$

Rounded, this is an annual financial saving of £1,400,000.

Time savings

As well as these financial benefits, during the evidence gathering phase the authorities contacted indicated that removal of the regulations requiring separate site allocation representations would lead to time savings as well. All the authorities indicated that this would be about a three month saving, the three months representing the time to handle approximately 1,000 representations, including scanning all paper representations and preparing summaries of them. This should speed up the plan making process with consequent benefits to developers and local authorities.

Costs

We do not anticipate that there will be substantial costs incurred as a result of the alterations proposed. There, is however, an argument that this might represent a reduction in the opportunities for consultation. We feel, however, that the revised regulations and new policy for producing LDFs should allow for meaningful engagement. Instead of a regulation requiring representations, policy will encourage authorities to engage proactively and early with residents, businesses, developers, landowners and community groups following a front-loading principle. This should encourage people to bring forward, and comment, on site allocations in a more constructive and timely manner. Authorities will be requiring to conduct participation which is proportionate to the document being produced rather than having an overly prescriptive set of regulations which set out how they should engage with their stakeholders.

The 'risk' is the local authority not consulting on site allocations that have not been considered as part of the original plan preparation. This risk lies with the local authority (in not having considered the allocation of the site in preparing the plan and having thus consulted on it) and the proposer of the site (for not proposing it in time to be considered). We believe that this is an acceptable level of risk and the proposals will actually strengthen meaningful, early engagement as well as empowering authorities to consult and handle representations as most appropriate.

There is a safeguard against any proposals arising at the last minute and still ending up in plans. This is that in practice no planning inspector would make a binding recommendation to an authority to include a site in a DPD unless that site had been subject to public consultation. If necessary a public examination could in extremis be suspended while the local authority carried such consultation out.

Specific Impact Tests

Competition assessment

There is not considered to be an impact on competition of these proposals.

Small Firms' Impact Test

There is no evidence to date that there will be an impact on small firms.

Legal Aid Impact test

There will be no legal aid impact from this proposal.

Sustainable Development, Carbon Assessment, other Environment

These proposals will not have negative economic, environmental or social impacts and will not have a negative impact on future generations.

These proposals will not result in increased carbon and other green house gas emissions, or have a negative impact on the Environment.

Health Impact Assessment

There are no detrimental health impacts arising from these proposals.

Race, Disability and Gender Equality

We believe there will be no effect on race, disability or gender equality. It should also be noted that we propose to produce a detailed Planning Manual which will cover local authorities' responsibilities regarding equality. Opportunities to contribute and involve will be reduced, though the quality will hopefully be improved.

Human Rights

These proposals will not have a negative impact on human rights. The proposals are in accordance with the Human Rights Legislation.

Rural Proofing

We believe this measure will not have a negative impact on rural areas.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	Results in Evidence Base?	Results annexed?
Competition Assessment	Yes	No
Small Firms Impact Test	Yes	No
Legal Aid	Yes	No
Sustainable Development	Yes	No
Carbon Assessment	Yes	No
Other Environment	Yes	No
Health Impact Assessment	Yes	No
Race Equality	Yes	No
Disability Equality	Yes	No
Gender Equality	Yes	No
Human Rights	Yes	No
Rural Proofing	Yes	No

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