

Title: Red Tape Challenge commitment - Consolidation of the General Permitted Development Order 1995 (as amended) IA No: RPC14-FT-CLG-2292 Lead department or agency: Department for Communities and Local Government Other departments or agencies:	Impact Assessment (IA)		
	Date: 06/11/2014		
	Stage: Final		
	Source of intervention: Domestic		
	Type of measure: Secondary legislation		
Contact for enquiries: Andy Swyer 0303 444 2956			

Summary: Intervention and Options	RPC Opinion: GREEN
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Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out? Measure qualifies as
£0m	£0m	£0m	Yes Zero Net Cost

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

Reducing the administrative burden of the planning system on applicants is an imperative for Government. Schedule 2 of the Town and Country Planning (General Permitted Development) Order 1995 (as amended) sets out permitted development rights by granting planning permission at the national level. Since 1995 the original Order has been amended 22 times. In October 2013 the Red Tape Challenge outcome for Planning announced that Government will consolidate the 1995 Order and amend the 22 Statutory Instruments into a new single order. This will make it easier for business, local planning authorities and the public to quickly locate the relevant permitted right. This change can only be made through secondary legislation (negative).

What are the policy objectives and the intended effects?

The objective is to take the original 1995 Order and the subsequent 22 amending Statutory Instruments and create a new single Order. This will make it easier for business, local planning authorities and individuals to find all of the permitted development rights in a single place.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Option 1: (preferred option) Deliver the Red Tape Challenge commitment for planning of consolidating the Original 1995 Order and subsequent 22 amending Statutory Instruments into a new single Order.

Option 2: Do nothing: retain the original 1995 Order and subsequent amending 22 Statutory Instruments..

Will the policy be reviewed? It will not be reviewed. If applicable, set review date: Month/Year					
Does implementation go beyond minimum EU requirements?				Yes / No / N/A	
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.		Micro Yes/No	< 20 Yes/No	Small Yes/No	Medium Yes/No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)				Traded:	
				Non-traded:	

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) that the benefits justify the costs.

Signed by the responsible Minister: _____ **Dat** _____ **e:** 25 November 2014

Brandon Lewis

Summary: Analysis & Evidence

Policy Option 1

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year	PV Base Year	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate:

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate			

Description and scale of key monetised costs by 'main affected groups'

Familiarisation costs: Each planning proposal is bespoke and unique. This therefore requires the proposer to consult regulations. They therefore incur a cost in the counterfactual. Continuing to consult regulations, albeit the consolidated regulations, still incurs a cost. Since the cost is incurred in the counterfactual the opinion is that there are no familiarisation costs.

Other key non-monetised costs by 'main affected groups'

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate			

Description and scale of key monetised benefits by 'main affected groups'

Other key non-monetised benefits by 'main affected groups'

The consolidation does not add or remove any requirements on business instead it brings together in a single place the existing provisions on the statute book. A simplified version may reduce time spent finding the relevant regulations. The extent of the benefit depends on the time spent and will be unique to each applicant - it is therefore disproportionate to monetise this cost.

Key assumptions/sensitivities/risks	Discount rate (%)	
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BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs:	Benefits:	Net:	Yes	Zero net cost

Evidence Base

Problem under consideration

The planning system provides an objective mechanism through which the impact of a proposed new development on third parties, neighbours, other businesses, the environment, and land use is considered in line with national and local policies. Applying for planning permission places an administrative burden on business, estimated at around £1.1 billion in 2006.

The planning system aims to achieve proportionality by exercising different degrees of control over types of development. The requirement for local authority scrutiny of proposals with little or limited adverse impact is removed through permitted development rights. Planning is a devolved matter, for England, permitted development rights are set out in the various parts to Schedule 2 of the Town and Country Planning (General Permitted Development) Order 1995 (as amended).

Permitted development rights are deregulatory, established nationally and uses a general impact based approach to grant automatic planning permission for development, which complies with specified limitations and conditions. The original 1995 Order has been amended 22 times since its inception. In October 2013, the Red Tape Challenge outcome for Planning announced Government's commitment to consolidate the 1995 Order and subsequent 22 amending Statutory Instruments into a new single Order. It is only possible to bring forward this change through secondary legislation (negative resolution).

We have submitted a separate validation impact assessment for the new permitted development rights and some changes to the existing permitted development rights Government consulted on over the summer. Whilst linked, that validation impact assessment is separate to the consolidation work covered by this validation impact assessment and we ask that they are assessed separately.

Rationale for intervention

In October 2013, Government announced as part of the outcome of the Planning Administration theme for the Red Tape Challenge that it will consolidate within the lifetime of this Parliament the Town and Country Planning (General Permitted Development) Order 1995 (as amended) and subsequent amending Statutory Instruments into a new single consolidated Order. Having a single Order in one place will make it quicker and easier for businesses, local planning authorities and the public to locate the relevant permitted development rights. This change requires the amendment of secondary legislation (negative resolution).

Policy objective

The objective is to make it easier for business, planning authorities and members of the public to locate permitted development rights in England in a single place.

Description of options considered (including do nothing)

Option 1 (preferred option). Deliver the Red Tape Challenge commitment for planning of consolidating the Original 1995 Order and subsequent 22 amending Statutory Instruments into a new single Order. Having a single Order in one place will make it quicker and easier for businesses, local planning authorities and the public to locate the relevant permitted development rights. This change requires the amendment of secondary legislation (negative resolution).

Option 2: Do nothing. Permitted development rights remain as currently set out in the original Town and Country Planning (General Permitted Development) Order 1995 as do the subsequent 22 amending Statutory Instruments

Monetised and non-monetised costs and benefits of each option (including administrative burden)

Option 1: This option is tidying the statute book - it is a Red Tape Challenge commitment for planning to consolidate the Original 1995 Order and subsequent 22 amending Statutory Instruments into a new single Order.

Option 2: Do Nothing – there are no new or additional costs or benefits associated with this option which simply maintains the current position.

Benefits

Without the change in the preferred option individuals and business will continue to consult the existing regulations as and when they plan to make use of a permitted development right or for general interest. Since the content of the actual regulations are unchanged by the consolidation (Option 1) the benefits are the potential time savings to applicants in using the relevant permitted development right. It is difficult to quantify these savings as it will depend on the time spent interpreting the regulations in each individual application. There are a number of commercially available non-government consolidated versions of the 1995 Order which incorporate the subsequent 22 amending Statutory Instruments. The benefit derived will therefore depend on the current expenditure on commercial consolidated versions and the time saved by using a free to use definitive Government consolidated version of the 1995 Order. In order for us to monetise this, we would need to commission a potential survey of people seeking to understand the current permitted development right regulations and then compare that against a pilot exercise where the regulations could be found in once place. The resulting time saving could then be quantified. However, this methodology would be disproportionate relative to the expected benefit and therefore we have not sought to monetise this benefit.

Costs

Given the bespoke nature of planning proposals discussed above –we expect applicants to consult regulations in every case – applicants need to find the detailed guidance for each planning application. As a consequence applicants incur the costs of searching for regulations in the counterfactual. We do not therefore expect there to be familiarisation costs for searching for new regulations as these costs are also incurred in the counterfactual. This is consistent with the arguments made in the preceding triage form (RPC14-FT-CLG-2147).

Government bringing forward a consolidated Order will provide a free at the point of use version of the consolidated regulations. This will benefit business users but will result in forgone revenue for providers of consolidated regulations. We have assumed that Government consolidating the 1995 Order allows those organisations currently providing consolidated versions for revenue return to re-allocate their resources to a more efficient use. Therefore, any transition costs of the re-allocation of these resources should be considered indirect.

Rationale and evidence that justify the level of analysis used in the IA (proportionality approach)

The rationale for this intervention is the Government's commitment to tidy up the statute book (Red Tape Challenge) and make the permitted development right legislation more accessible to all. We have identified a potential small time saving to applicants from using consolidated regulations. However, as discussed above, we believe attempting to monetise such small impacts is disproportionate to the expected costs and they are likely to be unreliable given the bespoke nature of applications. We have identified no familiarisation costs. We have therefore classified this intervention as zero net cost.

Risks and assumptions

There are no risks to a consolidation of existing regulation.

Direct costs and benefits to business calculations (following OITO methodology)

Given the bespoke nature of applications it is not possible to make an accurate estimate of the equivalent annual net cost to business. It is therefore assumed to be zero net cost.