



Department for
Communities and
Local Government

Streamlining information requirements for planning applications

Impact assessment

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Title: Impact Assessment of measures to streamline information requirements for planning applications IA No: Lead department or agency: Department for Communities and Local Government (DCLG) Other departments or agencies:	Impact Assessment (IA)
	Date: June 2013
	Stage: Validation
	Source of intervention: Domestic
	Type of measure: Other
	Contact for enquiries: Tom Winter

Summary: Intervention and Options	RPC: Validated
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Cost of Preferred (or more likely) Option 2

Total Net Present Value	Business Net Present Value	Net cost to business per year (equivalent annual net cost to business on 2009 prices)	In scope of One-In, One-Out?	Measure qualifies as
£49.4m	£48.1m	- £5.3m	Yes	Out

What is the problem under consideration? Why is government intervention necessary?
 Central Government and local planning authorities have powers to require applicants to supply specific information with their planning applications. Users of the system report that in recent years the amount of information they have to provide has increased significantly. This affects many applications, but is particularly acute in the case of outline applications. We believe some of the information that both the Government and local planning authorities specify is not necessary. It places unjustifiable additional costs on those seeking planning permission, delays validation, and further slows down consideration and determination of an application as local planning authorities have more information to absorb. It can also make applications harder for third parties to understand and comment on.

What are the policy objectives and the intended effects?
 The objective is to ensure that the information that applicants must submit with their planning applications is relevant and proportionate, in order to reduce costs for applicants and make the applications themselves easier for local planning authorities and third parties to navigate. This will be achieved through amendments to the Town and Country Planning (Development Management Procedure) (England) Order 2010 to reduce the information requirements specified nationally and encourage regular reviews of the requirements set locally. The effect will be reduced compliance and administrative burdens on applicants and authorities, making a significant contribution to wider planning system simplification.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)
 Option 1: Do nothing: No change to current information requirements.

 Option 2: (Preferred Option) Make amendments to regulations to (i) simplify outline planning applications; (ii) strongly encourage local authorities to regularly review their local list addressing cost burdens, and (iii) rationalise the notification and certification section of the standard application form.

Will the policy be reviewed? It will be reviewed. **If applicable, set review date:** April 2015

Does implementation go beyond minimum EU requirements?			No		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro Yes	< 20 Yes	Small Yes	Medium Yes	Large Yes
What is the CO2 equivalent change in greenhouse gas emissions? (Million tonnes CO2 equivalent)			Traded: n/a	Non-traded: n/a	

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister: Nick Boles Date: 4 June 2013

Summary: Analysis & Evidence

Policy Option 2

Description: Regulatory amendments to streamline information requirements for outline applications and to encourage local authorities to review their list of local information requirements. This will be accompanied by appropriate policy. The opportunity will also be taken to rationalise the notification and certifications section of the standard application form.

FULL ECONOMIC ASSESSMENT

Price Base Year 2011	Present Value Base Year 2011	Time Period Years 10	Net Benefit (Present Value) (£m)		
			Low:26.7m	High: £65.8m	Best Estimate: £49.4m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low		£0.2m	£1.8m
High		£0.3m	£2.7m
Best Estimate		£0.3m	£2.3m

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

Costs for 50%-75% of local authorities of reviewing and revising local lists of information requirements in years 1 and every two years during the appraisal period (10 years): central estimate average annual equal to £0.3m per annum.

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

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BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low		£3.6m	£28.5m
High		£8.4m	£68.5m
Best Estimate		£6.0m	£51.7m

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

Applicants - average annual savings from making outline applications less onerous: £3.4m (present value over 10 years: £29m).

Applicants - average annual savings from review of local lists: £2.6m (present value over 10 years: £23m).

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

There will be savings for local authorities and interested parties who will spend less time reviewing documents because statements will be more concise and better focused on the key issues. Additional benefits accrued from the review every two years.

Key assumptions/sensitivities/risks

The main assumptions and risks are outlined in the evidence base, the main items are:

- reduced detailed requirements for outline applications saves 20% of application cost;
- 50%-75% of authorities review their local lists every two years. In those areas 10%-15% of householders and minor developments are affected and 15%-30% of major developments.

Discount rate (%) 3.5

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) 2009 prices, £m:			In scope of One-In One-Out?	Measure qualifies as OUT
Costs:	Benefits: £5.3m	Net: - £5.3m		
			Yes	

Evidence Base (for summary sheets)

Background

1. The planning process can be overly complex and slow. The Killian Pretty review¹ from 2008 identified a number of areas which added to the complexity. A key issue raised was the amount of information required at the planning application stage. Some changes were implemented following that review, but there is considerable scope to go further.
2. In 2011, the Plan for Growth² highlighted scope to simplify the information requirements for planning applications, in order to help remove unnecessary burdens and make the planning process simpler and quicker. This is in line with the Government's wider commitment to removing unnecessary red tape. It is important that the information requirements set out at the national level should reflect this wider push for decentralisation and reducing top-down prescription. Equally, we expect local planning authorities to make more proportionate use of their own powers in this area.

Outline applications

The purpose of an outline application is to establish whether a particular type of development is acceptable on a particular site in principle. Once outline planning permission has been granted, the applicant will need to secure approval for what are termed 'reserved matters' (layout, scale, appearance, access and landscaping).

Full applications involve seeking approval for detailed aspects of a development's design and consequently require a corresponding level of information (architectural drawings, elevations and plans etc) to allow the local authority to determine the application. A key difference between full and outline applications is the level of information which is required up front as outline approvals relate only to the principle of the development rather than detailed design.

An advantage of outline permissions is that they provide certainty that a particular type of development is acceptable to the local authority in principle, whilst retaining flexibility around the detailed elements of a scheme. This is particularly advantageous for applicants seeking to sell a site on to a developer. The certainty provided by outline permission typically raises the value of a site but gives the purchaser flexibility over the detailed design elements of a scheme. This enables the site developer to respond better to market circumstances. By contrast, a full permission would cost more for an applicant to obtain and would tie a subsequent purchaser of the site to a particular development. Significant deviations from a scheme approved by a full permission would require a fresh planning application.

The National Planning Policy Framework advocates pre-application discussions for developers intending to submit either a full or outline applications. While pre-application engagement can provide an important step towards establishing whether a development is acceptable in planning terms, these discussions do not carry the same legal weight as a formal planning permission (outline or full). Pre-application discussions, therefore, are not a substitute for a formal outline application.

3. Applicants have informed us that the original (net) benefits of the outline application route have been eroded in recent years as the amount of information which applicants are required to supply at the outline stage has grown considerably. The costs and work for the local planning authority and local communities has also increased as more effort has to be expended on interpreting and considering all of the information supplied at the outline stage.
4. That the costs associated with submitting outline applications have increased in recent years is supported by evidence from the British Property Foundation (BPF), which has written to the Department confirming that current information requirements relating to layout and scale have contributed to the fact that relatively few outline applications are now made. A number of consultation responses, particularly from developers, also noted that this information is often disproportionate at

¹ <http://www.communities.gov.uk/publications/planningandbuilding/killianprettysummary>

² http://cdn.hm-treasury.gov.uk/2011budget_growth.pdf

the outline stage. The associated costs undermine the benefits that make outline applications attractive to applicants, in terms of the flexibility to secure approval for the principle of development without the expense associated with undertaking detailed design. The alternative approach would be to submit a full planning application. As such, applicants have had little choice but to incur their increased costs or go to the expense of a full application. As well as increasing costs to the applicant, this also reduces flexibility later in the development process. Developers who purchase a site with outline permission have flexibility over the “reserved matters”. However, a developer purchasing a site with full permission may be required to go to the time and expense of resubmitting a full application in order to vary those aspects of design.

5. We believe that simplifying the information requirements for outline planning applications offers a significant opportunity to reduce their overall costs, without reducing the ability of the local planning authority to robustly deal with matters of detail at the later ‘reserved matters’ stage.

Local information requirements and validation

6. Local authorities have the power to request additional information necessary to validate planning applications. These requirements are typically set out on a ‘local list’. Paragraph 193 of the National Planning Policy Framework states that local planning authorities should publish a list of their information requirements for applications, which should be proportionate to the nature and scale of development proposals and reviewed *on a frequent basis*. It also states that local planning authorities should only request supporting information that is relevant, necessary and material to the application in question.

Rationale for change

7. The leading imperative for change is the unnecessary costs and delays which excessive information requirements place on applicants, particularly those who are only seeking outline permission. Though some information requirements are clearly needed and necessary, depending on the situation and location of the site, information should not be required ‘just in case’.
8. In addition, we believe these reforms will enable local planning authorities to handle outline applications more efficiently, as they should no longer be faced with large volumes of information of limited relevance at the outline stage, and which can divert minds from the matter at hand, i.e. the principle of development. Third parties too should benefit from the increased clarity on what substance of each application is.
9. Streamlining information requirements for planning applications is an important part of wider reforms to the planning system to ensure it better supports the delivery of sustainable development and growth. It also addresses the even wider drive to cut unnecessary red-tape.
10. Specifically, the measures are complemented by the Growth and Infrastructure Act, which was introduced in the House of Commons on 18 October 2012. The Act includes a provision that information requests made by local planning authorities must be genuinely related to planning and reflect the nature and scale of the development. This is intended to bring statutory framework into line with the Government’s policy on information requirements in the National Planning Policy Framework.

Policy objectives

11. Ensuring that the information which is submitted alongside a development proposal is proportionate and will contribute to a more effective and efficient planning system. A lower cost of making an application will lessen any disincentive to seek outline planning permission, both directly (less information required to be submitted) and indirectly (applications more likely to be determined quickly). It will also save money for local planning authorities as they have to sift through less information to locate the items they require.

Options

Option 1: Do nothing. No change to present information requirements.

Option 2: Amend the regulations and the standard application form:

- i) Reduce the nationally-prescribed **information requirements for outline planning applications**
- ii) Strong encouragement for local planning authorities to keep their **local information requirements** under frequent review
- iii) Amalgamate standard application form requirements for **agricultural land declarations** and **ownership certificates**

Outline of Preferred Policy Proposal (Option 2)

Each of the amendments listed above is described in more detail below.

i) Reduce the nationally-prescribed information requirements for outline planning applications

12. We propose to change regulations so that a more proportionate level of information is required at the outline stage.

Current Situation

13. Outline applications should be about establishing whether a particular type of development is, in principle, acceptable on a site. To this end, an applicant for outline permission can elect for certain matters to be ‘reserved’ for later consideration by the local planning authority. These are: access, appearance, landscaping, layout and scale. However, secondary legislation requires that a range of details be submitted at the outline stage, even where a matter is reserved for later determination³. Specifically:

- Where **layout** is reserved, the approximate location of buildings, routes and open spaces included in the development is still required.
- Where **scale** is reserved, the upper and lower limit for the height, width and length of each building included in the development must still be indicated.
- Where **access** is reserved, the area or areas where access points will be situated must still be shown.

14. This information is in addition to applicants being required to indicate the proposed **use(s)** for which outline approval is being sought, and the **amount** of development proposed in relation to each use. The table below provides an analysis of each current requirement and the work that a developer would need to carry out to meet it.

Table 1: Current statutory information requirements for outline applications

Current Requirements	Overview of work involved to meet statutory requirements
Use	Typically a written description of proposed land uses (e.g. residential, retail, commercial) within the development. This information is relatively simple to produce.
Amount	An indication of the amount of development (e.g. square metres) proposed for each use. This information is typically presented in conjunction with ‘use’ as a simple schedule or as part of a written description.
Access	A plan indicating where access points to the proposed development will be. This is simple to prepare and is typically presented as a symbol (such as an arrow or a cross) on a site plan to denote where access points will be located.
Layout	This generally requires worked up site plans illustrating the approximate location of buildings, routes and open spaces. This is more complex to prepare. As well as the cost of producing the plan itself, this typically requires some prior investment in design development to consider how the proposed development will function in practice.
Scale	This generally requires the preparation of a number of plans and drawings to indicate the upper and lower limit for the height, width and length of each building. This material is likely to be informed by significant investment in the detailed design of the development to consider different

³ The Town and Country Planning (Development Management Procedure)(England)Order 2010 - SI 2010:2184 (Article 4)

	permutations of building height, width and length. Since vertical height is typically expressed in terms of the height “above ordnance datum” it may also be necessary to commission site survey works in order to provide these details at the outline stage.
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Proposal

15. The proposals would remove the nationally prescribed minimum requirements in relation to **layout** and **scale**. Table 1 illustrates that these items require the most up front investment in detailed design (and therefore cost and time), but they are not always necessary at the outline stage. There was very strong support for this proposal from the development industry and wider business groups that responded to the consultation. In addition, approximately half of the local authorities that responded were supportive. 87% of respondents to the consultation supported the proposed retention of access requirements, which allow early assessment of whether safe vehicular and pedestrian access is possible.
16. As such, the reduced nationally-prescribed minimum requirements for outline applications would be as follows:
- **Use** – the use or uses proposed for the development
 - **Amount** – the amount of development proposed for each use
 - **Access** – the area or areas where access points to the site will be situated

Table 2: Proposed reduction in statutory information requirements

Current Requirements	Proposed Requirements
Use	Use
Amount	Amount
Access	Access
Layout	
Scale	

17. The proposal therefore seeks to refocus national information requirements at the outline stage on those matters required to establish whether a development is acceptable in principle i.e. a red line approval rather than approval of matters of detailed design. As explained in Table 1, details of use, amount and access are relatively simple to provide and generally amount to a red line on a plan and a written description of the development. This is compared to the currently onerous layout and scale requirements that can require considerable investment into detailed design matters – with associated costs and time implications. We recognise that, depending on the nature of a development, and on local circumstances, it may be beneficial for applicants to provide these details at the outline application stage to enable the local planning authority to understand the impact of a proposal.
18. Given the powers available to local authorities to request details of the ‘reserved matters’ listed above, however, it is not considered necessary to nationally mandate this in all cases where layout and scale are reserved. Local planning authorities are better placed to judge the information required on a site-by-site basis and this proposal will allow for greater flexibility and proportionality, having regard to the complexity and specific context of a particular application. As noted above, the Growth and Infrastructure Act includes a complementary measure which provides that information requests by local authorities must be reasonable having regard to the scale and nature of the proposed development and material to the application in question.

ii) Strong encouragement for local planning authorities to keep their local information requirements under frequent review

19. Government is clear in the National Planning Policy Framework that local planning authorities need to consider the cost burden and viability implications of the total ‘ask’ in their local policies and assessments which are in addition to national requirements. The Government considers it equally appropriate for local planning authorities to review their local lists of information requirements, every

two years, and in so doing to consider the principle of proportionality, and cost burdens that individual and cumulative information requests can have on applicants.

20. In reviewing the use of local lists and when requesting additional information, Government wants to be clear that it is important for local planning authorities to continue to ask for, and receive, any information that is necessary in order to determine the application. Local authorities will, of course, retain their ability to require sufficient information to make sound and informed decisions.

iii) Amalgamate standard application form requirements for agricultural land declarations and ownership certificates

21. The 'standard application form', which must be filled in when a planning application is submitted, includes a certification section which applicants must complete to confirm that certain legal requirements have been met. These include:

- an 'agricultural land declaration', on which the applicant must confirm that they have given notice of their application to every person other than themselves who is a tenant of an agricultural holding on all or part of the land to which the application relates; and
- a set of ownership certificates, one of which must be completed, which variously confirm whether or not the applicant own the land to which the application relates / whether the applicant has given the requisite notice to everyone else who has a freehold or leasehold interest in any part of the land or building to which this application relates / or that, despite reasonable steps having been taken, the applicant is unable to identify any persons with such interests

22. For a planning application to be valid, the 'agricultural land declaration' must be signed. This is the case whether or not the site proposed for development is on agricultural land. This causes some confusion, leads to some applicants neglecting to sign the declaration, and in consequence can unnecessarily render their application invalid on the basis of a technicality.

23. In order to reduce the number of invalid applications we propose to change the standard application form by amending the ownership certificate to include a reference to agricultural tenants, and deleting the separate agricultural land declaration.

24. As well as tidying up this unhelpful administrative arrangement, our longer term intention is to go further than this in rationalising the standard application form in due course as we consider there to be significant potential to do so without affecting the ability of the local planning authority to determine the application. We would be happy to work with interested parties on this.

Costs and Benefits of Option 2 (preferred option)

i) Reduce the nationally-prescribed information requirements for outline planning applications

Sectors/ groups affected:

- Individuals and business making applications for outline approval
- Local planning authorities
- Third parties (e.g. statutory consultees, or other interested parties who look at planning applications during the determination process)

Benefits - summary

Applicants

25. The main beneficiaries of the proposed change will be applicants (both householders and businesses) who will experience financial and time savings because there will be fewer information requirements at the national level, and so less preparatory work, needed for an application for outline permission. Those items still needed at outline stage will be more proportionate to the scale of the proposed development, and will be less onerous than the current ones. They will be more appropriate to the level of certainty and permission which is being sought by the applicant, and to the purpose of the outline application option.

26. Unfortunately, there has been very little research into the costs of outline applications, and hence very little evidence exists. What we do have available, however, are the cost schedules for various

types of application. Tables 3 and 4 below sets out the fees structure associated with applications for outline and full planning permissions⁴;

Tables 3 and 4: fees applicable to applications for outline and full planning permissions

All outline applications	
Size of development	Fee applicable
< 50 dwellings	£335 per 0.1 hectare
> 50 dwellings	8285 + £100 per 0.1 hectare (to a maximum of £125,000)

All full applications	
Size of development	Fee applicable
<50 dwellings	£335 per dwelling
> 50 dwellings	16,565 + £100 per dwelling (to a maximum of £250,000)

27. The Department has previously commissioned research into the costs of different types of planning application⁵. Whilst this research does not seek to estimate the costs of submitting an outline planning application, it does break down the costs of full applications into various stages. The report includes estimates of 'submission costs', which are likely to be broadly equivalent to application fees, as well as estimates of the costs associated with the preparation of a planning application⁶. Using this information and estimates of the submission costs of a given type of outline application enables us to build estimates of the costs of preparing and submitting an outline application.

28. Table 5 combines these preparation and submission costs for full planning applications from Arup, for small and large developments, and displays them as a range as well as average figures;

Table 5: Arup estimates of preparation and submission costs for an application for full planning permission

Type of development	Low	Average	High
'Major development' for approximately 100 dwellings	£24,310	£42,003	£59,696
Smaller housing development (10-15 dwellings)	£1,450	£16,263	£31,075

29. Taking the simple average of the high and low values detailed in the table above suggest that the average cost of preparing a full planning application⁷ is around £42,000 for a large development and the equivalent value for smaller development is around £16,000. Using these cumulative cost estimates, as well as the fee data set out above, it is possible to build some credible estimates regarding the costs associated with preparing and submitting an outline planning application.

30. Here the Impact Assessment considers an illustrative example which will later be used to estimate the annual costs of preparing and submitting an outline planning application. Using the fee data included in tables 3 and 4 above, table 6 shows that a proposed development of 100 dwellings would incur a fee of £21,565;

Table 6: estimated cost of an application for full planning permission applicable to a development of 100 units

Full planning application	
Reason for fee	Value of fee
Minimum fee	£16,565
Additional fee (£100 * additional units)	£5,000
Total fee	£21,565

⁴ These fees are accurate at the time at which the Arup report (see below) was published, but not necessarily when the survey was conducted.

⁵ Benchmarking the costs to applicants of submitting a planning application <http://webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/documents/planningandbuilding/pdf/benchmarkingcostsapplication.pdf>

⁶ Initial scheme development costs are excluded from analysis since these are not considered to be affected by the proposed changes to information requirements.

⁷ Based on the sample used within the Arup work.

31. Table 7 employs a similar methodology to estimate the fees applicable to outline applications for large developments (exactly 100 dwellings) and small developments (between 10 and 15 dwellings)⁸.

Table 7: estimated fees for applications for full and outline planning permissions

	Large development	Small development
Outline Applications	£7,791	£1000
Full applications	£21,565	£4350

32. Table 7 shows that the fees applicable to outline applications are between one-quarter and two-fifths of the fees associated with full applications (depending on the size of the application). Application fees are set on the basis of cost recovery – the lower fee associated with outline applications reflecting the reduced resources required for assessment. It is likely therefore that the work required to produce this application should also be significantly less than for a full application.

33. Arup's analysis of full planning application costs suggest that the fee accounts for around half of the total cost of preparing and submitting an application. If this relationship holds for outline applications, then fees will also account for around half of the total costs with preparation and submission of that application; given the above, we arrive at a cost of approximately £13,500 for a development of around 100 dwellings and around £2,000 for a smaller development.

34. Homes and Communities Agency data shows the average annual number of outline planning applications (large projects and small projects) over the period from 2007 to 2010 for England was 1,956 and 1,718 respectively. Combining these figures with the estimates above suggests that the cumulative cost per annum associated with the preparation and submission of outline planning applications is slightly more than £34 million per annum: again, applying our 50% assumption suggests that the (cumulative) annual cost associated with preparing an outline planning application is around £17m.

35. If each information requirement in Table 2 represents a fifth of the cost of preparing an application, then the proposal to remove layout and scale could theoretically reduce preparation costs of outline applications by 40%. However, the realised savings of our proposed changes are unlikely to be equal to the cumulative costs of preparing information on layout and scale: the marginal cost of completing a second (layout or scale) information requirement will be lower than the marginal cost of completing the first (layout or scale) information requirement. Some tasks will not be exclusive to either layout or scale information requirements, and so applicants are likely to use similar processes when evidencing parts of scale and layout. With this in mind, this Impact Assessment adopts a cautious estimate whereby the removal of scale and layout requirements at the national level reduce the costs of preparing an outline application by 20%. As noted above, this proposal was welcomed by developers and business groups that responded to the consultation and respondents indicated broad agreement with the assumptions and no alternatives were proposed.

36. Ultimately the proposed removal of current layout and scale requirements will lead to very significant savings for preparing certain outline applications. The 20% reduction, explained above, equates to a 10% reduction in the costs of preparing *and* submitting an application for outline planning permission.

37. The variable nature of planning applications leads to uncertainty surrounding the cumulative impacts of these changes upon applicants. Sensitivity analysis is used to account for the uncertainty and risk associated with any appraisal. In line with Green Book guidance, which states that 'sensitivity analysis should be used to test assumptions about operating costs and expected benefits', table 8 analyses the case where the reduction in preparation costs is ten percentage points lower than our central estimate: this acts to redress potential optimism bias i.e. it may be that there is more overlap between producing layout and scale evidence, and that evidence on layout and scale can be easily extracted from work already produced for other requirements. Equally, our high scenario demonstrates the case where savings are ten percentage points higher than our central estimate - this will occur if there is a lower level of overlap between the two requirements and/or these requirements are produced in isolation.

⁸ These categories allow for comparison with the Arup study. The estimate for large scale outline applications is based on average dwelling density, as detailed in Table P232: Land Use Change: Density of new dwellings, by local authority, DCLG 2011.

Table 8: Net present value of potential savings

	Scenario		
	10%	20%	30%
NPV	£14.6m	£29.2m	£43.9m

38. Table 8 illustrates the present value of savings under the three scenarios previously identified, discounted over a ten year period. In the central scenario, the average annual saving to business is £-3.4m.
39. The above analysis is contingent on the relationship between preparation and submission costs for outline planning applications, but it is possible that the preparation costs for outline applications are, in some cases, closer to those costs associated with a full application. If this is true, then the 50% relationship used above will not hold, and we could expect that (holding the proportionate reductions constant) the absolute savings to applicants will be larger than those detailed above.
40. The reduced information requirements should act as an incentive for applicants to choose the outline route instead of opting for a full planning application from the start. This will enable costs and risk to be spread over a longer project period. We should expect therefore to see a marginal rise in the numbers of outline applications, but given information constraints, it is not possible to monetise this.
41. We can also expect a shift towards outline applications for smaller sites and minor developments as the requirements for non-major development will be substantially simpler than currently. The reduced costs for a minor development should encourage more use to be made of outline applications for developments on these scales. This could either mean new proposed development which would otherwise not have been taken forward because costs were previously prohibitive, or applicants choosing the outline route instead of a full application. It is not possible to estimate which of these scenarios would be more likely. The reduced requirements should also cut the need for applicants to use consultants to process the application for them.
42. It is not clear what role the current costs of outline permissions play in the land sale market for smaller sites. However, it could be assumed that with the simpler process, and the reduced costs, the market for land sales with outline permission would benefit.

Local Planning Authorities

43. It will take less time for a planning authority to process an application for outline approval since less information will require assessment, and the information that is submitted should be more relevant to the case in hand. This will enable applicants and local planning authorities more time to spend on negotiations and meetings (for instance at the pre-application stage), or in addressing what aspects should be dealt with through conditions and reserved matters.
44. Estimating the costs savings which might accrue to local authorities as a result of the proposed changes is more difficult than for applicants. Unlike the Arup research into the costs of planning to applicants, there has been no research into the costs of deciding an application. Furthermore, estimating costs to a local authority would require assumptions surrounding the relative amount of time that various aspects of an application take to decide, as well as a more broad assumption that all costs to local authorities are derived from actions taken by an applicant. All of these factors suggest that it would be unrealistic to attempt a quantification of the potential benefit to local authorities following the proposed changes.

Costs

45. These measures are designed to reduce the costs to planning applicants. No additional costs are anticipated.

ii Strong encouragement for local planning authorities to keep their local information requirements under frequent review

Sectors/ groups affected:

- Individuals and business making applications for planning approval
- Local planning authorities

- Third parties (e.g. statutory consultees, or other interested parties who look at planning applications during the determination process)

Benefits

46. The level of savings to any given applicant will depend on the level of streamlining their local planning authority actually decides to make when they review their local lists. The effect of the proposal is that if local authorities do not regularly review their local list, they would lose the ability to request information from that list. As such, the savings would potentially be greatest where local authorities do not review lists. Realistically, we consider it unlikely that many local planning authorities will want to lose their ability to require information at the local level.
47. In summary, the benefits of this measure are expected to stem from reduction in the number of potential local information requirements that are recorded on local lists, and a reduction in how many of those local information requirements are required of individual applicant. Although applicants are likely to receive the greatest benefit from the changes, local planning authorities should also benefit, once the reviews have taken place, as there should then be less documentation to review for each application. Consequently, applications should take less time to process.
48. If all information requests made locally in the future take account of the need to keep overall application costs in proportion, this proposal could result in an increase in applications: some prospective applicants may currently be declining to prepare and submit an application because the information requirement are making the cost of doing so prohibitive. This is most likely to be true for modest, speculative development for which an outline application would typically be used in the first instance.
49. Local authorities were last given an impetus to review their local lists of information requirements in the Development Management Policy Annex published in March 2010⁹. This policy document was supported by guidance urging that existing local lists should be reviewed:
- “Where a local planning authority already has a published local list on 6 April 2010, it should review it.”*¹⁰
50. This policy was introduced following public consultation in 2009 and was supported by an Impact Assessment. Using the same approach as in the 2010 Impact Assessment¹¹, it is possible to estimate the potential savings to applicants of a further round of reviews. We can also use the consultation responses from that policy change to revise some of the assumptions used. For example, it assumed a saving of 10% on the cost of completing an application. However some respondents to the 2009 consultation felt this benefit was overstated. For this reason, we have reduced our estimated savings to 5%.
51. We propose to allow local planning authorities six months from the coming into force of any regulatory changes to get their revised local lists onto their websites.
52. Whilst we anticipate that all local planning authorities will republish their local lists every 2 years, not all will conduct a review before doing so. For the purpose of the analysis we assume that 50%-75% of authorities review their local lists. This means that only applications in these authorities are affected. It is assumed that lists are first reviewed in year 1 (and hence the benefits accrue from then).
53. Applications for all types of development could benefit from frequent reviews of local information requirements. In quantifying the savings, it is assumed that a range between **10-15% of householder development and minor development applications will benefit**. It is assumed that a larger proportion of major applications will see some benefit from reduced information requirements. This type of application is still likely to require a relatively broad range of supporting information, due to its greater impact on the surrounding area, and that these can carry significant costs and thus impact on the viability of the scheme overall. **It is assumed therefore that a range of between 15-30% of all planning applications for major development will benefit.**
54. The average number of decisions made annually on householder applications, minor applications, and major applications between 2009 and 2011 has been used to estimate the savings. Decisions on householder and minor development applications totalled approximately 334,000 applications on

⁹ Development Management Policy Annex: Information requirements and validation for planning applications, DCLG, March 2010

¹⁰ Guidance on Information Requirements and Validation, DCLG, March 2010

¹¹ IA available at http://www.legislation.gov.uk/ukxi/2010/567/pdfs/ukxiem_20100567_en.pdf

average between 2009 and 2011 out of 449,000 applications in total or just over three quarters of all decisions. Major developments accounted for a further 13,700 decisions on average per annum.

55. The approximate costs for preparing a planning application have been taken from survey estimates summarised in the Arup research cited previously. The research finds that for their sample there is a wide range in the costs incurred by applicants when submitting a planning application both within categories of development and across different categories.
56. The categories in the Benchmarking Costs report do not directly match the categories reported in the statistics on planning applications. Table 9 below shows the assumptions made of the costs for different types of planning application with reference to the categories in the research. The average figure of the cost of preparing a planning application has been used in calculating the savings. The costs reported for an application for a *single house construction or conversion* are assumed to apply to all minor dwellings applications. This may underestimate the costs for all applications in the minor development (dwellings) category, which includes developments of between one and nine houses. The costs of preparing an application by a *small or medium sized enterprise* are used to estimate potential savings for other minor development which includes offices, research and development, and light industry; general industry, storage and warehousing; retail, distribution and servicing; and other.

Table 9: Estimated costs of preparing a planning application by type of development and numbers of applications affected

Type of application	Average annual number of applications (2009-2011) ¹²	Category of application from Benchmarking Costs research	Range of costs given in research	Midpoint used in estimates
Householder development	208,600	Householder development	£0 - £1,375	£687.50
Minor development – not dwellings	75,900	Applications by small and medium sized enterprises (SMEs) concerning the establishment of premises	£420 - £1,750	£1,085
Minor development - dwellings	49,600	Single house construction or conversion	£2,000 - £6,000*	£4,000*
Major development – dwellings	5,700	Major development for approximately 100 dwellings	£10,740 - £39,006	£24,873**
Major development – not dwellings	8,000	Major development for retail development of approx 2500 sq m	£1,781 - £21,500	£11,641

*These are not the costs published in the report for single house construction or conversion. An outlier in the sample meant the figure used here is more representative of the majority of applications in the sample.

** As the research looked at the costs of preparing an application for 100 dwellings, this may be an overestimate of the cost for some major dwellings applications. An application for 100 dwellings counts as a small scale major application.

57. As the costs of preparing information to accompany different types of applications are likely to vary considerably, and the categories of development in the Arup report are narrower than the categories for which statistics on decisions are available, the cost savings should be regarded as illustrative.

Table 10: Estimated savings for applicants under a central scenario assuming 5% reduction in costs and 66% of Local Planning Authorities reviewing their local lists

	Proportion of applications affected (range)	Average annual savings	Discounted 10 year savings
Householder development	10- 15%	448,164	3,857,656

¹² Numbers of applications taken from DCLG Statistics of Planning Applications
<http://www.communities.gov.uk/planningandbuilding/planningbuilding/planningstatistics/statisticsplanning/>

Minor development - not dwelling	10- 15%	257,348	2,215,175
Minor development - dwellings	10- 15%	620,000	5,336,766
Major development - dwellings	15- 30%	797,491	6,864,549
Major development - not dwellings	15- 30%	523,845	4,509,094
Total		2,646,848	22,783,238

Numbers may not sum correctly due to rounding

58. Table 11 shows how the savings would vary when costs of making an application are reduced between 2% and 10% in addition to varying the proportion of applications on which savings are made. This shows that the level of the savings estimated is being driven more by the assumptions around reduction in costs than it is by the number of applications affected.

Table 11: Sensitivity analysis – annual savings under different assumptions

Cost savings	Proportion of applications affected		
	Low	Central	High
2%	776,520	1,058,739	1,340,958
5%	1,941,300	2,646,848	3,352,396
10%	3,882,601	5,293,696	6,704,792

59. It should be noted that this represents a cautious estimate of the benefits accrued. This is because additional benefits of the second and subsequent reviews (at two year intervals) are not included at this stage. Whilst the second and subsequent reviews are likely to lead to less significant reductions in costs for applicants (as they are likely to focus on any fundamental local or national policy changes in the intervening years, rather than a review of all existing requirements), they are still likely to lead to some additional savings for applicants and local authorities.

Costs - summary

60. Local authorities were last asked to review their local lists in March 2010, and to publish their lists on their website by December 2010. The Impact Assessment relating to this change estimated the cost to local planning authorities in reviewing their lists at £4,000 each but argued that any costs to local authorities should be offset quickly (12-18 months) once the revised lists were published because less information required also means shorter processing times. We can reasonably assume that this previous estimate of cost recuperation timings is sound. This confidence comes from the fact that no comments to the contrary were received when we included this assumption in the consultation stage of final Impact Assessments undertaken for the previous round of changes. Similarly, we have had no reports from any local planning authorities, since the last reviews were triggered, that the work involved was a burden or that unrecoverable costs were experienced.

61. In reality, the cost of the review will largely depend on how robust, confident and committed each local authority is on proportionality and cost-awareness for applicants. Those that are satisfied with the existing local lists in this regard might choose not to review them, and may instead simply re-endorse and re-publish their existing lists. However, time has passed since the Government last asked for local lists to be reviewed and changes have been made to many development plans in the intervening period. The advent of the National Planning Policy Framework and the prospect of the removal of regional strategies and the drive to help promote local economic growth all mean that we confidently assume that a majority of local planning authorities will review and rationalise their local requirements, to some extent.

62. The reason the National Planning Policy Framework and the proposed removal of regional strategies provide a very strong imperative to review local lists is quite plain. Extant guidance on validation and information requirements makes it clear¹³ that local planning authorities should identify the drivers for each of the items on their lists, and that "these drivers should be statutory requirements, national, regional or local plan policies, or published guidance that explains how adopted policy should be implemented."

¹³ Guidance on Validation and Information Requirements, DCLG, March 2009, Paragraph 64.

63. Through the streamlined National Planning Policy Framework, the national policy 'ask' has been drastically reduced. Therefore, in light of new national planning policy, and in particular the reduction in detailed policy at the national level, it is reasonable to assume that some items on current local lists, prepared before the National Planning Policy Framework was published, will no longer be required by national policy. The proposed removal of regional strategies is an equally good example of why it is logical to review local lists again.
64. In addition, the National Planning Policy Framework strongly emphasises the need for local authorities to pay regard to the overall cost burden of their policies, including through their Development Management activities, on applicants. Whilst the biggest shift on national policy overall will drive the need for an initial review of local lists, the specific policy on cost burdens should continue to drive the need for subsequent reviews. As economic cycles change, it will be necessary for local authorities to continuously keep under review the overall cost burdens on applicants in the context of the planning system.
65. Where a review is needed, it can (depending on local circumstances) be limited to a cost-burden / proportionality analysis of the current local list, rather than a wholesale 'starting from scratch' review. This should reduce the costs to the authority. Where a wider review is required, because the list does not reflect the ask in national policy, this can be considered to be a part of the normal activity and responsibility of local planning authorities and would not need to be impact assessed as it is outwith the scope of these proposals.
66. Based on the above discussion, whilst we anticipate that all local planning authorities will republish their local lists it is likely that some will not conduct a substantial review. For illustration we assume, as with the benefits above, that 50%-75% of local planning authorities will review their local lists as a result of the policy change. The cost (per review) of doing so is estimated at £4,000¹⁴ in the first year. This gives a total cost of £0.7m to £1.0m. Further reviews will be completed in years 3, 5, 7 and 9 but the cost is assumed to be 50% lower (as discussed above). This means the total cost in these years will be £0.3m to £0.5m. Together these costs are estimated at £1.8m to £2.7m in present value terms. These costs are likely to be more than offset by savings made by Local Planning Authorities from assessing less information (local planning authorities are only likely to undertake a review if it is beneficial to do so).

iii) Amalgamate standard application form requirements for agricultural land declarations and ownership certificates

Sectors/ groups affected:

- Individuals and business making applications for planning approval
- Local planning authorities

Benefits – summary

67. Redesigning the standard application form is expected to avoid confusion about whether the 'agricultural land declaration' needs be signed and thereby reduce the number of applications rendered invalid. The main beneficiaries of the proposed change will be applicants (both householders and businesses) who will experience financial and time benefits when there is no longer a need to re-submit planning applications that fall foul of the confusion.
68. This proposal will also save time and resources for local planning authorities and other interested parties/consultees who are responsible for checking whether the documentation is valid, and will allow redeployment of those resources to other work.

Costs – Summary

69. The alteration, including a reference to agricultural tenants on the ownership certificate, is not expected to lead to any additional costs since the content of the form will remain unchanged.

One In One Out

70. The monetised benefits which are expected to arise from the simplification of outline applications are expected to accrue to business. Given the small-scale nature of household development,

¹⁴ The £4,000 figure is carried forward from the consultation stage and final Impact Assessments 2009 and 2010.

householders have little incentive to apply for outline permission since, at the time of application, they are more likely to know exactly what they intend to build – in other words, they have little reason to reserve matters for consideration by the local authority at a later date. In the case of the reviews to local lists, excluding householder developments as recorded in 10 gives expected annual savings to business of £2.2m. Total cost savings to business are estimated at: £5.6m per annum (£48.1m in present value terms over 10 years). The Equivalent Annual Net Cost to Business (in 2009 prices) is - £5.3m. This policy is therefore an OUT.

Table 12: Estimated cost savings to business as a result of the policy changes

	Average annual savings	Total savings (10 years, Present Value)
i) Simplify outline applications	£3.4m	£29.2m
ii) Review local lists to address cost burdens	£2.2m	£18.9m
TOTAL	£5.6m	£48.1m

Risks

- 71. For the main part, these proposals should make the planning process for applications quicker and simpler. They proposals are not expected to give rise to any substantial risks.
- 72. There is potential that, in response to the removal of certain national information requirements for outline applications, local planning authorities could use powers to require applicants in their areas to continue to supply that information on a case-by-case basis. However, this risk would be mitigated by the strong incentive introduced by this policy for local planning authorities to frequently review their local lists of information requirements and, in doing so, to consider the proportionality of the associated cost burden. This risk is further reduced by the Governments policy at paragraph 193 of the National Planning Policy Framework¹⁵ that information requests should be proportionate to the nature and scale of the development proposed. Furthermore, the Growth and Infrastructure Act includes a measure that gives additional statutory weight to this policy position by requiring that information requests must, by law, be reasonable having regard to the scale and nature of a proposal.

Monitoring

- 73. The results of these proposals, and of wider planning reforms, will be indicated by changes in the number of valid outline applications being submitted to local planning authorities. We will also collect information from applicants, after the changes have been implemented, to identify whether or not the desired outcomes have been achieved.

¹⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf